

MSROC - SITE TRANSFER PROCESS
DOCUMENT A1 - SITE TRANSFER PROCESS



March 31, 2019

Mountain Shadows Resort Owners' Corporation
PO Box 412
Radium Hotsprings, British Columbia
VOA 1M0

Re: SITE TRANSFER PROCESS

The following is the **Site Transfer Process** for Mountain Shadows Resort:

STEP 1 – PURCHASE AGREEMENT

The Seller and the Purchaser are responsible for preparing their own form of Purchase Agreement* for the transfer of the rights to a specified plot of land for recreational vehicle use, including statement of adjustments and arranging for payment on closing. The Purchase Agreement is a private agreement between the Seller and Purchaser and is not required to be disclosed to any parties beyond the Seller and Purchaser and their agents; however, the Seller and Purchaser must acknowledge to MSROC that a written Agreement is in place.

**a sample electronic Purchase Agreement is included in this package that may be used*

STEP 2 – THE SELLER AND PURCHASER COMPILE “PACKAGE A”

The Seller and Purchaser are to compile and execute the following documents (“**Package A**”) and submits these required documents to Mountain Shadows Resort Owners' Corporation (MSROC).

A1 – Print out and provide a copy of this document: **The Site Transfer Process**ⁱ

A2 – **2 Copies** of a completed **Seller and Purchaser Information and Acknowledgement Form**ⁱⁱ
(to be completed by the Seller and the Purchaser)

A3 – A completed **Site Transfer Fee Form**; and cash, cheque or money order payable to “Mountain Shadows Resort Owners' Corporation” for the specified **Site Transfer Fee**
(to be completed by the Seller, Site Transfer Fee to be paid by the Seller)

A4 – An executed **Instrument of Transfer**ⁱⁱⁱ
(to be executed by the Seller)

A5 – An executed **Transfer of Beneficial Ownership Agreement**^{iv}
(to be executed by the Seller and the Purchaser, with the area blank for execution by MSROC)

A6 – An executed **Assignment and Assumption Agreement**^v (**Co-Ownership Agreement**)
(to be executed by the Seller and the Purchaser, with the area blank for execution by MSROC)

A7 – An executed **Direction to Transfer Shares** (the “**Direction**”)^{vi}
(to be executed by the Seller, with the area blank for execution by MSROC)

A8 – A blank **Instructions from MSROC to the Corporate Lawyer Form**
*(to be completed by the **lead officer** for MSROC to the corporate lawyer)*

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The required documents for “**Package A**” are to be delivered MSROC **by the Seller**. It is recommended that the Seller and Purchaser keep copies of executed documents for their own records.

“**Package A**” may be hand-delivered to the Resident Manager or mailed to:
Mountain Shadows Resort Owners’ Corporation
Re: Site Transfer – Completed “Package A”
PO Box 412
Radium Hotsprings, British Columbia,
VOA 1M0

Note: All fees and monies owed by the Seller to the Owners’ Association **must** be paid **in full** prior to the Board initiating the share transfer with its lawyers. Section 12.1 of the Co-Ownership Agreement provides that it is a condition precedent to the right to transfer an owner’s interest that such owner is not in default of obligations under the Co-Ownership Agreement. Any adjustments to fees or monies owed must be made between the Seller and the Purchaser within the Purchase Agreement.

STEP 3 – MSROC receives “PACKAGE A” and sends “PACKAGE B” to its corporate lawyer

The Resident Manager receives “**Package A**” from the Seller on behalf of MSROC, and forwards “**Package A**” to the designated Board member (**lead officer**) of MSROC.

The Board is to pass a resolution identifying that one of three officers (i.e. President, Vice President and Secretary) shall be authorized to execute Site Transfer documents on behalf of MSROC. The Board shall designate a primary **lead officer** that is responsible for Site Transfers and the remaining authorized officers are only to act in time of absence, vacancy or vacation.

The Resident Manager, on behalf of MSROC, deposits the funds for the **Site Transfer Fee**, and indicates to the Board (**lead officer**) that the Site Transfer Fee has been paid in full.

The Board (**lead officer**) keeps one copy of the **Seller and Purchaser Information and Acknowledgement Form** for updating the internal contact database for newsletters or email distribution.

The **lead officer** requests and obtains confirmation from the **Treasurer** via email that all fees or monies owed have been paid and the Seller is in good standing. The corporation shall satisfy itself that the Seller is not in default of its obligations under the Co-Ownership Agreement prior to the execution of Package B. Should monies be owed, or obligations not be satisfied, MSROC reserves the right to withhold Site Transfer until fees are paid in full.

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STEP 3 (CONTINUED)

MSROC (**lead officer**) compiles "**PACKAGE B**" to be submitted to its corporate lawyer, consisting of:

B1 – Forwards the provided copy of this document: **The Site Transfer Process**^{vii} for the benefit of the corporate lawyer

B2 – Forwards one (1) copy of the completed **Seller and Purchaser Information and Acknowledgement Form**

B3 – Forwards the executed **Instrument of Transfer**

B4 – Executes the **Transfer of Beneficial Ownership Agreement** on behalf of MSROC, and forwards the fully executed document

B5 – Executes the **Assignment and Assumption Agreement (Co-Ownership Agreement)** on behalf of MSROC, and forwards the fully executed document

B6 – Executes **Direction to Transfer Share(s)** (the "**Direction**") on behalf of MSROC, and forwards the fully executed document

B7 – The **lead officer** completes the **Instructions from MSROC to the Corporate Lawyer Form**^{viii}

STEP 4 – The corporate lawyer receives "PACKAGE B" from MSROC, and upon receipt the corporate lawyer will prepare corporate documents ("PACKAGE C") as follows:

C1 – **Directors resolutions**; and

C2 – **Share Certificate(s)**

The corporate lawyer will deliver the corporate documents ("**PACKAGE C**") to MSROC, in accordance with the **Instructions from MSROC to the Corporate Lawyer Form** for execution by the authorized signatory (**lead officer**) for MSROC.

STEP 5 – MSROC receives "PACKAGE C", and the authorized signatory (lead officer) executes the Directors resolutions and Share Certificate(s), and sends the executed Directors resolutions and Share Certificate(s) to its corporate lawyer.

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STEP 6 – The corporate lawyer receives the executed Directors resolutions and Share Certificate(s), and:

- 6.1 Receives the original executed Share Certificate(s) and retains them in the corporate minute book
- 6.2 Updates the Central Securities Register
- 6.3 Provides the following two (2) pages to the **Purchaser** (via mail to the mailing address provided in the **Seller and Purchaser Information and Acknowledgement Form**):
 - 6.3.1 A **cover letter** confirming that the following executed documents have been received and are to be retained at the corporate lawyer office:
 - Seller and Purchaser Information and Acknowledgement Form
 - Instrument of Transfer
 - Transfer of Beneficial Ownership Agreement
 - Assignment and Assumption Agreement (Co-Ownership Agreement)
 - Direction
 - Directors Resolutions
 - Share Certificate
 - 6.3.2 A **photocopy** of the executed Share Certificate
- 6.4 Provides to **MSROC** (in accordance to **Instructions from MSROC to the Corporate Lawyer Form**)
 - 6.4.1 A cover letter confirming that the following executed documents have been received to be held at the corporate lawyer office:
 - Seller and Purchaser Information and Acknowledgement Form
 - Instrument of Transfer
 - Transfer of Beneficial Ownership Agreement
 - Assignment and Assumption Agreement (Co-Ownership Agreement)
 - Direction
 - Directors Resolutions
 - Share Certificate
 - *Confirmation that the two (2) pages have been mailed to the **Purchaser** (stated above)
 - 6.4.2 An updated Central Securities Register
 - 6.4.3 An updated Schedule "D" (list of owners & site numbers) to the Co-Ownership Agreement
 - 6.4.4 An invoice for services provided for Site Transfer due payable by MSROC

The 31 March 2019 "Site Transfer Process" memorandum (version 3.0) by MSROC supersedes the 25 April 2017 "Procedures for Re-Sale of a Site" memorandum by Gowling WLG (CANADA) LLP and all other previous versions of this document.

ⁱ Providing the Site Transfer Process document at the beginning of the package provides the information to the Resident Manager and the Board of the current process

ⁱⁱ The Seller and Purchaser must provide their names, mailing address, and email address to MSROC and acknowledge that a separate Purchase Agreement is in place

ⁱⁱⁱ The Instrument of Transfer document provides the Seller's direction to the lawyers that it intends on transferring its corporate share of Mountain Shadows Resort Owners' Corporation

^{iv} The Transfer of Beneficial Ownership Agreement transfers the Seller's 1/136 beneficial ownership in the Lands to the Purchaser

^v Through the Assignment and Assumption Agreement, the Purchaser must assume the seller's exclusive licence of the Co-Ownership Agreement to use its specified plot and common property pursuant to the terms of the Agreement.

^{vi} The Direction provides the mechanism that MSROC directs its corporate lawyers to transfer the Seller's share to the Purchaser

^{vii} So that the corporate lawyer and paralegal can execute required steps in accordance with this process

^{viii} This form consists of instructions from the lead officer to the corporate lawyers on behalf of MSROC