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# County of Wetaskiwin No. 10

Box 6960  
Wetaskiwin, AB, T9A 2G5  
Phone: 780-352-3321  
Fax: 780-352-3486  
Website: [www.county.wetaskiwin.ab.ca](http://www.county.wetaskiwin.ab.ca)



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## **MOUNTAIN SHORES LAND VENTURES LTD. QUESTIONS AND ANSWERS – CHAPTER 2 October 20, 2015**

The following information is intended to provide and clarify details regarding several matters concerning the Dorchester Recreation Resort Development by Mountain Shores Land Ventures Ltd. (MSLV). This information provides an update to the September 25, 2015 Questions and Answers along with new information.

### **What is the current status of the Escrow funds?**

At the beginning of the project Mountain Shores Land Ventures Ltd. provided funds in the amount of 6.5 million dollars for the Escrow. These funds were to be drawn on for all work done that was identified under contracts, subject to approval by all parties.

On October 17, 2015 all parties signed an amending agreement that would allow the County to authorize the release of funds for work done under the escrow contracts up to and including October 30, 2015. The approximate amount of funds authorized for release on October 19 was \$530,000.

The escrow funds can be used to pay for work done that is included in the fixed price contracts signed by MSLV. Any work done outside those contracts, such as work done on individual lots or the recreation facility (pool) are paid for directly by MSLV and not out of the escrow. If you are contracted by MSLV to do work in the subdivision, you need to get in writing from MSLV whether or not the funds are coming from the escrow.

### **Why are the Escrow Funds not being released to pay for work that has been done?**

If MSLV contracts work for items that fall outside the fixed contracts under the escrow, MSLV is responsible to pay for 100% of that work out of their own pockets.

As of October 20, 2015, all contract work done under the escrow contracts that have been verified by both MSLV's engineer and the County's engineer have been authorized for release by the Escrow agent.

### **As of this date, how much remains in the Escrow?**

After the October 19, 2015 payments there will be approximately \$3,975,000 remaining in the escrow to pay for approximately \$5,575,000 of work remaining.

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It is critical that the new Escrow contain all the funds needed so that there is enough money to complete the work necessary for the subdivision and RR-11 South. MSLV has been given until March 1, 2016 to top up the escrow fund to ensure all County ratepayers that there is enough money in place to complete the project. For example, current owners of the lot have been promised a paved internal road along with pavement all the way to Hiway 13. Unless the escrow is topped up all County ratepayers will have to pay for the additional \$1.6 million required to complete the project (or alternatively, there may be no pavement).

### **Sales document referencing 'Work in Progress'?**

As a closing document for the sale of your lot, you should have signed a document that stated: "As a Lot Owner we want to ensure you are aware that this subdivision development is currently under construction and therefore should you choose to use your lot prior to completion you are doing so at YOUR OWN RISK. The Developer, Mountain Shores Land Ventures Ltd. and the County of Wetaskiwin will not be held responsible or liable for your safety or belongings during construction. There will be no services to hook to until all approvals are completed.

The funds for the remaining Phase 1 infrastructure, internal roads and the paving of RR-11 South is secured in an escrow account (\$6,500,000) to ensure completion of this work. Now that the Escrow funds are in place the Contractor will be working diligently to complete the work as quickly as possible. The Developer will keep you abreast of the proposed timeline for completion.

- 1) By signing below you are acknowledging that you understand you will be using your lot at your own risk while construction is ongoing.
- 2) By signing below you acknowledge that this information will be disclosed to any future purchaser at the time of sale by the owner."

If you did not sign this document, you need to contact MSLV and ask why?

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### **What is the timing for completion of RR-11 South?**

RR-11 South is open to the public. Completion of the remaining 2.5 miles to a pavement standard will be done in 2016 but is subject to MSLV topping up the escrow by March 1, 2016.

### **What are the plans for the completion of the Internal Roads within the Subdivision?**

Completion of the internal roads to a pavement standard will be done in 2016 but is subject to MSLV topping up the escrow by March 1, 2016.

### **Who is responsible to maintain and snowplow the Internal Roads within the Dorchester Ranch subdivision?**

MSLV is responsible for the internal roads until such time that the County assumes ownership. The County does not take over the road until all the improvements are completed to the point outlined in the development agreement. For the 2016 winter season if you have any issues with the internal road, please contact MSLV.

### **Why doesn't the County simply complete the work?**

As was outlined in the September 25, 2015 Q&A sheet, the County has entered into legal agreements with MSLV. Simply put, the County can't just complete the work. MSLV initially contracted KMK Contracting and terminated their contract. MSLV then contracted Tyran Transport and terminated their contract. MSLV has now contracted Spearhead Contracting, Hopkins Construction and Allied Paving. Each time this happens, there are delays in the project and potential misunderstandings on the process for the escrow. None of the contracts involve the County.

### **When will water service be hooked up?**

When MSLV has taken the necessary steps and provided all of the necessary permits and approvals. A simple chlorine test is not sufficient to start running water. If the water is turned on by MSLV and/or lot owners, they will become liable for any incident as a result of their actions. The County will not assume control of the system until a permanent water

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distribution pump house and reservoir is installed and permitted as per Alberta Environment guidelines and the development agreement.

### **Deep Servicing and 4 Season Utilities?**

The development requires deep servicing and other utilities such as gas for the phases zoned as Urban Residential. Phase 1 (174 Recreation Zoned Lots) included deep services for water and wastewater only. If those services are to be provided year round, the County will invoice lot owners (utility bill) year round regardless of whether the lots or recreation vehicles are occupied. This process is the same as other urban 4 season utilities where you pay for water and wastewater year round, even when you are away on holidays or travel south for the winter.

### **4 Season access to lots?**

Once the development is completed (each phase) and taken over by the County, 4 season access to all lots will be available. MSLV is responsible for all aspects of the development until the County has taken over. If you cannot access your lot currently, contact MSLV to rectify the issue.

### **Restrictive Covenants conflict with the Land Use Bylaw?**

Restrictive Covenants are used as development controls by a subdivision and normally state what you can't do. Enforcement of restrictive covenants is done through civil claims by the owners within the subdivision. The County does not enforce restrictive covenants. Restrictive covenants do not supersede the Land Use Bylaw and cannot authorize anything not contemplated in the Land Use Bylaw. If the restrictive covenants conflict with the Land Use Bylaw, the Land Use Bylaw prevails.

### **Park Models vs Mobile Homes**

\*\* Correction to September 25, 2015 Q&A. \*\* Development permits are **not** issued for Recreation Vehicles or Park Models parked on Recreation zoned lots. Development permits are issued for other structures being installed. Further, Section 3.31 of the Land Use Bylaw is clear in that "a recreational vehicle may NOT be augmented by an attached canopy, deck,

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lean-to or any other attached accessory building. Non-attached accessory buildings require a development permit.”

### **Land Rezoning from UR to R or RRH?**

The County of Wetaskiwin minutes from May 15, 2012 for the public hearing amending the Dorchester Ranch Golf and RV Resort Area Structure Plan (which was approved) contemplated a “coordinated zoning between districts including Recreational (R) and Resort Recreational Holdings (RRH)...” The subsequent advertised rezoning public hearing for June 14, 2012 only contemplated (R) zoning both in the advertising, proposed drawings and body of the minutes. MSLV was in attendance at the hearing along with their design engineer. There was no mention of (RRH) in the minutes of June 14, 2012. The rezoning bylaw received 3 readings on June 14, 2012 for Recreational (R). There is no further mention of (RRH). Both the public hearings allowed for input from the developer, the planner and the public and decisions were made based on input received.

Further application for rezoning within the subdivision can be contemplated. A committee could be formed to look at rezoning options but ultimately the final decision must be made by Council through the appropriate statutory process including a public hearing. Depending on the type of zoning, an amendment to the ASP may also be required. Council would make the final decision on such an application.

### **Contact Information**

We hope that this information has provided some in-sight on the matters respecting the Dorchester Ranch Recreation Development. Should you have any questions, please contact Rod Hawken, Assistant County Administrator at 780-361-6235 or email to [rhawken@county.wetaskiwin.ab.ca](mailto:rhawken@county.wetaskiwin.ab.ca).