
County of Wetaskiwin No. 10

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MOUNTAIN SHORES LAND VENTURES LTD. QUESTIONS AND ANSWERS – CHAPTER 3 April 15, 2016

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 and October 20, 2015 Questions and Answers along with new information.

What is the current status of the Escrow funds?

In relation to the development agreement signed October 2013, MSLV 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 specified contracts, subject to approval by the developer and the County.

The latest cost estimates for the project showed that MSLV would need to add an additional \$1.9 million to the escrow in order to be able to complete the project as per the development agreement. In 2015, MSLV asked for a deadline of March 1, 2016 to obtain the additional funding. This deadline for the additional funding to be placed in the Escrow was granted by Council.

On March 1, 2016, the developer requested an additional 30 days from Council to provide the additional security. It is our understanding that the additional time was needed to deal with the outstanding lien issue with their contractor before the additional security/funding could be obtained by the developer. Council authorized the additional 30 days. The new deadline to obtain the additional funding and to place the funds in the Escrow was April 1, 2016.

On March 31, 2016, MSLV requested a 3rd extension to April 29, 2016 in order to get lending in place. The developer cited several reasons for the additional time, including completion of the lien issue, amending agreement and other delays that didn't allow him time to obtain the funding from his new lender.

On April 5, 2016, Council denied this latest extension request and the County has taken cited MSLV in default of the development agreement. MSLV has 30 days to come into compliance with the development agreement.

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

As of April 5, 2016, the Escrow has approximately \$3.0 million remaining with an estimated \$4.9 million of work left to complete.

What is the timing for completion of Black Bull Road?

The Black Bull Road (R.R.11 South) is open to the public. Completion of the remaining 2.5 miles to a pavement standard is scheduled to be done by MSLV in 2016 provided the developer is able to meet his deadlines (i.e. within the next 30 days) for funding security.

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

Completion of the internal roads to a pavement standard is scheduled to be done by MSLV in 2016 but is subject to MSLV provided the developer is able to meet his deadlines (i.e. within the next 30 days) for funding security.

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 of the infrastructure pursuant to the Development Agreement. 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 spring and summer season, if you have any issues with the internal road, please contact MSLV.

Why doesn't the County simply complete the work?

Council has provided direction for County Administration to issue a notice of default under provisions of the development agreement and escrow agreement. Pursuant to the notice of defaults, MSLV has 30 days to come into compliance by providing the additional security or completing the infrastructure. Should that not happen, it is likely that the County will assume responsibility of the project. Please note that there would be no guarantee that the project will be completed in its entirety in 2016 or to the standard that has been proposed.

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Park Models vs Mobile Homes

Development permits are issued for the recreation vehicle **use** (as a discretionary use) and are **not** issued for individual Recreation Vehicles or Park Models (max 540 sq ft) parked on Recreational lots. Development permits are also issued for other structures being installed such as detached decks or sheds. 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, lean-to or any other attached accessory building. Non-attached accessory buildings require a development permit." Mobile Homes (all sizes) or Park Models (that exceed 540 sq ft) are not a permitted or discretionary use on recreational lots in the Dorchester subdivision.

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.