

CO-OWNERS AGREEMENT

This Agreement dated for reference the ♦ day of ♦.

BETWEEN:

THE OWNERS FROM TIME TO TIME OF ALL 382 UNDIVIDED INTERESTS IN THE LANDS (as hereinafter described) as represented by their duly appointed attorneys, Caravans West Owners Association

(the "Owners")

AND:

CARAVANS WEST OWNERS ASSOCIATION of 3980 Squilax-Anglemont Road. Scotch Creek, BC

(the "Owners Association")

AND:

(the "Co-Owner")

WHEREAS:

- A. Caravans West is an RV Resort located at Scotch Creek, British Columbia, having 382 Shared Interests in those Lands herein described;
- B. Each Co-Owner, being an owner of a Shared Interest in the Lands, is entitled to the exclusive use of a portion of the Lands, being a recreational vehicle site;
- C. The Owners Association is responsible for management of the Resort; and
- D. The right to the exclusive use of a recreational vehicle site at the Resort and the rights and obligations between the Co-Owners as between one another and between the Co-Owners and the Owners Association are contained in this Agreement.

WITNESS THAT in consideration of the covenants hereinafter contained and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1 DEFINITIONS

- 1.1 "Act" means the *Societies Act*, SBC 2015, c. 18;
- 1.2 "Assessments " means any fees, dues, or other assessments (including assessments for property taxes), Capital Expenses and Common Area and Operating Expenses properly owing by a Co-Owner pursuant to this Agreement which are assessed against the Co-Owner by the Owners Association;
- 1.3 "Capital Expenses" means all expenses incurred to improve or upgrade Common Area, Common Facilities and Recreational Facilities or add new physical improvements or assets to the Common Area, Common Facilities and Recreational Facilities, and shall also specifically include the capital improvement costs incurred in 2015 in the amount of approximately \$\$3,827,296.20 to upgrade the electrical infrastructure / distribution system in the Resort to a 50 amp / 240 volt system, but shall not include the Common Area and Operating Expenses;
- 1.4 "Common Area" includes all of the Lands and improvements thereon which are not included within the boundary of the RV Sites;
- 1.5 "Common Area and Operating Expenses" means all expenses incurred in the on-going operation of the Resort, including, but not limited to: all costs for administration; insurance; maintenance, repair or replacement of all Common Area, Common Facilities, and Recreational Facilities; electricity, water and sewage disposal for all Common Area, Common Facilities and Recreational Facilities;1,6 "Common Facilities" includes the water system, sewage disposal system, internal roads, fencing, the electrical infrastructure / distribution system and all other facilities relating to the provision of services to the Resort;
- 1.7 "Co-Owners" means the persons who are the registered owners of an undivided fee simple interest in the Resort;
- 1.8 "Co-Owners Agreement" or "Agreement" refers to this Co-Ownership Agreement entered into between the Co-Owners and the Owners Association;
- 1.9 "Defaulting Owner" means a Co-Owner who has breached one or more of the terms and conditions contained in the Co-Owners Agreement and has failed to remedy the said breach within the time provided for herein;

- 1.10 "Lands" means those lands described as:
PID: 024-658-812, LOT A SEC 27 TP 22 RGE 11 W6M KDYD PLAN KAP 65921
- 1.11 "Member(s)" means the members of the Owners Association.
- 1.12 "Owners Association" means Caravans West Owners Association which is incorporated pursuant to the terms of the *Society Act*, RSBC 1996, c. 433 and transitioned under the Act, which has been incorporated for the sole purpose of managing the Resort as set out in this Agreement;
- 1.13 "Policies, Procedures, Rules and Regulations" means the policies, procedures, rules and regulations attached hereto as Schedule "B" as amended or replaced from time to time by the Owners Association;
- 1.14 "Recreational Facilities" includes clubhouses, swimming pools, washrooms and laundry facilities, hot tub and hot shower facilities, water park, tennis facility, shuffleboard facility, recreational areas, and all other facilities provided for the use and enjoyment of the Co-Owners;
- 1.15 "Resort" means the Lands and all Common Facilities and Recreational Facilities located on the Lands;
- 1.16 "Site" or "Sites" or "RV Site" or "RV Sites" means a portion of the Lands to which a Co-Owner is granted by this Agreement the exclusive use for the purposes of utilizing the area for recreational vehicle purposes;
- 1.17 "Shared Interest" means an undivided interest in and to the Lands;
- 1.18 "Special Majority" means at least a 2/3 majority of the Co-Owners or Members, as the context may require.

2 CARAVANS WEST OWNERS ASSOCIATION

- 2.1 The Owners Association is a not-for-profit entity incorporated pursuant to the terms of the Society Act, RSBC 1996, c. 433 and transitioned under the Act for the sole purpose of managing the Resort on behalf of the Co-Owners.
- 2.2 The Owners Association shall:
- a) manage the Lands as directed by the Co-Owners and to keep all proper books of account;
 - b) maintain all Common Area, Common Facilities and Recreational Facilities of the Resort in a state of good repair and to provide electricity, water and sewer services to all Co-Owners;

- c) properly pay all fees for licenses, bills and assessments relating to the upkeep, maintenance and servicing of the Lands, including waste management permits, access permits and any other permits or licenses relating to the Lands;
- d) maintain at all times on the Common Area, Common Facilities, and Recreational Facilities, comprehensive general liability insurance (including bodily injury, death and property damage) in such form and amounts as recommended by the Owners Association's insurance agent or as may be directed by the Co-Owners from time to time;
- e) propose annual Capital Expenses as it deems reasonable, appropriate and generally in the common interest of the Co-Owners;
- f) propose long term planning measures for the Resort, including measures regarding long term Capital Expenses, budgeting and contingency fund increases;
- g) forward Assessments to each of the Co-Owners, on a periodic basis, but not less than once in each calendar year.

3 EXCLUSIVE USE PROVISIONS

- 3.1 The Co-Owner is hereby granted the exclusive use of Site No. _____ as shown on Schedule "A" attached hereto and the Co-Owner shall be entitled to the personal use and occupancy of the Site and the right to own chattels, improvements or other assets placed or maintained on the Site whether affixed to the Lands or not.
- 3.2 The Co-Owner's use and occupancy of the Site is subject to the rights of the Owners Association as are contained in this Agreement.
- 3.3 The Co-Owner will not use or permit his or her Site to be used in a manner or for a purpose which will cause a nuisance or hazard to other Co-Owners.
- 3.4 The Co-Owner hereby acknowledges that all other Co-Owners have been granted exclusive use of Sites on the Lands, and the Co-Owner agrees to refrain from interfering with any of the rights granted to the other Co-Owners.

- 3.5 The Co-Owner, in addition to the exclusive use of the Site, is entitled to the use of all Recreational Facilities, in concert with the other Co-Owners, and subject to such Policies, Procedures, Rules and Regulations as may be reasonably imposed by the Owners Association.
- 3.6 Policies, Procedures, Rules and Regulations may be established and enforced by the Owners Association for matters including, but not limited to, the following:
- a) Sanctions to be imposed upon Co-Owners for breaches of the Policies, Procedures, Rules and Regulations, including fines or financial penalties which shall be deemed to be an Assessment upon the Co-Owner if unpaid when required in accordance with the requirements in the Policies, Procedures, Rules and Regulations.
- 3.7 The Policies, Procedures, Rules and Regulations in force as of the date of this Agreement are those which are attached hereto as Schedule "B" provided that it is acknowledged that the Owners Association may, in accordance with its bylaws, amend the Policies, Procedures, Rules and Regulations from time to time. All references to "member" or "members" in the Policies, Procedures, Rules and Regulations shall be deemed to apply to all Co-Owners.
- 3.8 Each Co-Owner shall be entitled to rent his or her Site provided that all provisions contained in the Policies, Procedures, Rules and Regulations relating to rentals are strictly complied with.

4 MEETINGS AND VOTING

- 4.1 Meetings and voting of Members in the Owners Association shall be held and conducted as provided for in the Owners Association bylaws and the Act. Voting conducted by the Co-Owners as Members of the Association shall be binding on the Co-Owners in their capacity as Co-Owners as well as Members.
- 4.2 For the purposes of voting or approval of the Co-Owners in accordance with this Agreement, there shall be one vote / approval per Shared Interest and if more than one Co-owner owns a Shared Interest, then such Co-Owners shall mutually decide which Co-Owner amongst them shall exercise the voting / approval rights for that Shared Interest. If the Co-owners of a Shared Interest cannot agree who should exercise the voting / approval rights for that Shared Interest, then the first named Co-Owner on the Certificate of Title as issued by the Land Title Office for that Shared Interest shall be the Co-Owner entitled to exercise the voting / approval rights for that Shared Interest.

5 AMENDMENT OF AGREEMENT

- 5.1 This Agreement may be amended by the Co-Owners, provided that any such amendment must be approved by a Special Majority of the Co-Owners.
- 5.2 Approval of amendments to this Agreement in accordance with section 5.1 above may be undertaken by a vote of the Co-Owners and those amendments approved by a

Special Majority shall be incorporated into a consolidated co-ownership agreement, which shall replace this Agreement and be binding upon the Co-Owners and the Owners Association without needing to be signed by the Co-Owners or the Owners Association.

6 EASEMENT

- 6.1 Each Co-Owner hereby grants an easement and right of way for access to the Co-Owner's Site by the Owners Association for the purposes of maintaining, repairing or replacing any services. In addition, the Co-Owner grants to the Owners Association the right to enter any improvement including recreational vehicle located on the Co-Owner's Site in an emergency situation for the purposes of protecting the Co-Owner's property and/or the property of other Co-Owners.

7 DEFAULT AND CO-OWNERS REMEDIES

- 7.1 The Owners Association shall have the right to deny a Defaulting Owner's access to The Resort and to terminate Hydro and water services to the Site of any Defaulting Owner if the default or defaults have not been remedied within 30 days following the date on which notice is given to the Defaulting Owner.
- 7.2 A Defaulting Owner who fails to pay any Assessment or Assessments within 180 days from the date that the Assessment or Assessments are due, or permits a builders lien to remain on title of the Lands for more than 30 days shall be subject to all rights and remedies that the other Co-Owners or the Owners Association have available to them at law, including, but not limited to the following:
- a) Upon application to the Supreme Court of British Columbia by a Co-Owner, relief in accordance with the provisions contained in Sections 13 (remedy of co-owner) and 14 (Court may order lien and sale) of the *Property Law Act* R.S.B.C. 1996, c. 377, as amended or replaced;
 - b) Upon application to the Supreme Court of British Columbia by the Owners Association, a forced sale or foreclosure of the Defaulting Owner's interest in the Lands under the British Columbia Supreme Court Civil Rules governing sales by the court, in order for the Owners Association to recover the Assessment or Assessments that are due from the Defaulting Owner, on terms, directions and conditions that the court deems proper or expedient.

8 INDEMNIFICATION OF CO-OWNERS & CO-OWNERS' INSURANCE

- 8.1 Each Co-Owner shall be responsible for the insurance of the Co-Owner's assets and improvements located on his or her RV Site and shall indemnify and save harmless the other Co-Owners from any loss, injury claim or damages arising from the Co-Owner's use and occupation of his or her RV Site.

9 LIMITED POWER OF ATTORNEY

- 9.1 Each Co-Owner hereby irrevocably grants a limited power of attorney in favour of the Owners Association for the purposes of enforcing any and all rights of the Owners

Association or the other Co-Owners, as contained in this Agreement and as may relate to the Co-Owner's interest and that RV Site to which the Co-Owner has the exclusive right to use and occupation.

10 COMMON EXPENSES AND MANAGEMENT

- 10.1 The Co-Owners shall pay to the order of the Owners Association all Assessments on or before the due date set by the Owners Association in each year, plus such Hydro charges as are applicable to each RV Site.
- 10.2 The Co-Owners may set such Assessments as are approved by a majority of the Members of the Owners Association, provided that the Assessments shall be borne equally by all Co-Owners and further provided that Capital Expenses of up to \$30,000 may be included in the Assessments annually as approved by a majority of Members.
- (a) Individual Capital Assessments of \$30,000 or more must be approved by a Special Majority.
 - (b) Assessments shall be non-refundable and Co-Owners shall have no right to see to their application to any particular use, which shall remain in the sole discretion of the Owners Association.
 - (c) Interest will be applied to all assessments not received within 30 days of the due date. Continued failure to pay assessments within 90 days of the due date shall result in the denial of access to the resort . If a Co-Owner's Assessment has not been paid within one hundred and eighty (180) days of due date the Owners Association may proceed pursuant to Paragraph 7 hereof to sell the Co-Owner's interest.
- 10.3 The Owners Association shall deliver to each Co-Owner an annual budget for the Resort for the period from January 1st of such year to the ensuing December 31st. The annual budget shall be delivered to each Co-Owner no later than the 1st day of February of the given year.
- 10.4 The Owners Association shall levy an Assessment against each Co-Owner for the share of the ensuing year's estimated expenditures and each Co-Owner shall pay an equal Assessment.
- 10.5 The Owners Association may levy further and additional Assessments against the Co-Owners for expenses, including Common Area and Operating Expenses, from time to time, provided that such further and additional Assessments have been approved by a majority of the Co-Owners. The Assessment dated February 5, 2015 for the capital improvement costs incurred in 2015 to upgrade the electrical infrastructure / distribution system in the Resort is hereby approved.
- 10.6 All Assessments made pursuant to this part shall be due and payable within sixty (60) days of receipt of notice of Assessment and shall be paid to the Owners Association as directed on the notice of Assessment. Any Assessments which are not paid by the due date will bear interest at the rate of 1.5% per month from the due date until the date on which payment is made.

11 CO-OWNER'S RESPONSIBILITIES

- 11.1 It shall be the responsibility of the Co-Owners to use the recreation facilities in a safe and reasonable manner and to obey all rules and regulations that may from time to time be established by the Owners Association. Co-Owners shall be responsible for the conduct of family members and guests, and shall be liable for any damage caused by their negligent or reckless use of any facilities. The assessment of any such damages against Co-Owners shall be a lien against the Co-Owner's undivided interest, and until paid shall be cause for denial of access to the Resort.

12 PROPERTY TAXES

- 12.1 Each Co-Owner shall pay such property taxes as are assessed against his or her Site including any and all improvements on the Site and an equal portion of such tax assessment as is made on the Common Area and Common Facilities and Recreational Facilities of the Resort as may be determined by the BC Assessment Authority.
- 12.2 In the event that the BC Assessment Authority does not provide separate tax assessment notices for each Site, then the Owners Association utilizing such information as may be obtained from BC Assessment Authority, shall allocate the tax assessments for each Site.
- 12.3 The Owners Association shall within thirty (30) days of receipt of any tax assessment notice with respect to the Lands, deliver by ordinary pre-paid post to each Co-Owner of record on the date of receipt by the Owners Association of such tax assessment notice, a copy of such tax assessment notice and notice of the amount and calculation of any allocation of such tax assessment to the Co-Owner's Site which will form the basis of the later apportionment of taxes between the Co-Owners.
- 12.4 It shall be the responsibility of each Co-Owner to dispute any improper tax assessment made by the BC Assessment Authority on the improvements on his or her Site and any such dispute shall be for the account of the Co-Owner.
- 12.5 Each Co-Owner shall within thirty (30) days of receipt of a notice of apportionment of taxes, pay to the Owners Association the amount of the taxes payable by him or her as specified in the Notice.
- 12.6 Any penalty, interest charge or other costs incurred on or charged as a result of a Co-Owner failing to pay the taxes payable by him or her pursuant to the provisions of this Agreement shall be the responsibility of such Co-Owner and payable to the Owners Association as a debt due on demand.
- 12.7 If a Co-Owner fails to comply with the provisions of this Paragraph 12, the Co-Owner shall be a Defaulting Owner and the provisions of Paragraph 7 shall be applicable.

13 APPROVAL OF IMPROVEMENTS

- 13.1 No Co-Owner shall construct, install, or modify any improvements or works on his or her Site, until the same have been approved in writing by the Owners Association.

- 13.2 If any Co-Owner shall place or construct any improvements upon his or her Site, without the approval the Owners Association, then the Owners Association may remove such improvements and the cost of such removal shall be a debt due by the Co-Owner the Owners Association.
- 14.2 No Co-Owner shall utilize his or her Site for any commercial purpose save and except as provided for in Paragraph 3.8.

14 SALE CONDITIONS ON CO-OWNERS SALE

- 14.1 Any Co-Owner selling his or her Shared Interest shall make it a condition of such sale that the purchaser enters into this Co-Owners Agreement or such replacement Co-Owners Agreement as is in place at the time of such sale.
- 14.2 Any purchaser of a Shared Interest from a Co-Owner who has not entered into the appropriate Co-Owners Agreement shall not be entitled to the use and enjoyment of the Site and/or the Common Area, Common Facilities, or Recreation Facilities and the Owners Association shall be entitled to take all steps necessary to enforce this provision.
- 14.3 The Owners Association shall not be required to recognize any transfer of a Shared Interest while there are any outstanding Assessments or property taxes owing by the transferor of the Shared Interest.
- 14.4 Each Co-Owner transferring a Shared Interest shall pay a transfer fee as may be determined by the Owners Association from time to time.

15 ENCUMBRANCES AND MORTGAGES

- 15.1 A Co-Owner shall not suffer or permit any lien or charge to be created upon the Lands (other than a mortgage against his or her own Shared Interest). Should any lien or charge be so created against the Lands and the Co-Owner fails to remove it within thirty (30) days of receipt of written notice from the Owners Association, the Owners Association may pay and discharge the same and any amount so paid shall constitute a debt due by the Co-Owner to the Owners Association and shall be payable upon demand.
- 15.2 Each Co-Owner shall be entitled to mortgage his or her Shared Interest without the prior approval of the Owners Association, or the other Co-Owners and the Co-Owner acknowledges that the Co-Owner is entitled only to mortgage his or her interest and that any such mortgage will not affect the interest of the other Co-Owners.

16 BORROWING POWER

- 16,1 The Owners Association shall be entitled to borrow funds if such funds are required for the purposes of maintaining, repairing, and/or replacing the Common Area, Common Facilities and/or Recreational Facilities, provided that such borrowing is made pursuant to the provisions contained in the bylaws of the Owners Association.

17 PARTITION OF PROPERTY ACT

17.1 Each Co-Owner forever renounces and relinquishes all rights, remedies and actions which may be available to him or her by reason of and pursuant to the provisions of the *Partition of Property Act*, R.S.B.C. 1996, c. 347, and amendments thereto, and covenants and agrees that this paragraph may be pleaded in defense at any proceeding or action commenced under and pursuant to the Partition of Property Act with respect to his or her interest and if so pleaded shall constitute a complete and absolute defense hereto.

18 MISCELLANEOUS

18.1 Time shall be of the essence of this Agreement and the transactions contemplated in this Agreement.

18.2 Any notice required or permitted to be given under this agreement shall be sufficiently given if delivered personally or if sent by prepaid registered mail to the address or e-mailed to the e-mail address of the Owners Association and the Co-Owner first written above or to such other address or e-mail address as either party may designate in the manner set out above. Any communication will be deemed to have been given and received on the day of hand delivery or on the third business day following the date of mailing. In the event of a disruption or impending or threatened disruption in the postal service, any communication will be delivered by hand or sent by e-mail or electronic transmission.

18.3 Each of the parties shall execute and deliver all such further documents and do such further acts and things as the other party may reasonably request from time to time to give full effect to this Agreement.

18.4 This Agreement shall be construed in accordance with the laws of the Province of British Columbia.

18.5 This Agreement may be executed in two or more counterparts and/or by scan and e-mail each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

18.6 Headings are inserted for convenience of reference only and shall not be considered in the interpretation of this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement.

SIGNED SEALED AND DELIVERED in
the presence of:

SIGNATURE: _____)

NAME: _____)

ADDRESS: _____)

OCCUPATION: _____)

CO-OWNER

CO-OWNER