

AMENDMENT TO THE DISCLOSURE STATEMENT OF

PINNACLES SUITE HOTELS INC.
and
BLUE FLAMINGO HOLDINGS INC.

DATE OF DISCLOSURE STATEMENT: December 17, 2009
DATE OF AMENDMENT TO DISCLOSURE STATEMENT: April 6, 2010

FOR

PINNACLES SUITE HOTEL

This Amendment to 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 Amendment to Disclosure Statement, or whether the Amendment to 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.

The Disclosure Statement is amended with respect to the following:

1. Paragraph 2.1.2 **General Description of the Development:** Delete Sheet 7 of 7 sheets of the Schedule "A" Strata Plan and substitute it with Sheet 7 of 7 sheets attached hereto. This replacement sheet corrects a "loft" designation for Strata Lot 10;
2. Paragraph 3.1.1. **Unit Entitlement:** The Unit Entitlement for Strata Lot 14 has changed from 142 to 143 and the total unit entitlement for the Development has changed from 1639 to 1640. A replacement Form V Schedule of Unit Entitlement is attached as Schedule "B";
3. Paragraph 3.5.1. **Bylaws:** The Bylaws attached to the Disclosure Statement as Schedule "C" are deleted and the attached Bylaws are substituted as Schedule "C". The replacement Schedule "C" Bylaws provide in paragraph 3.(1)(e) for the use of Lot 4 and the Common Property for rental management purposes and in paragraph 3(1)(f) that an Owner, tenant, occupant or visitor must not use the Lot in a manner that would exceed the sewage allocation for the Lot pursuant to the Silverhawk Utilities Inc. ("Silverhawk") Sewer Utility Connection Agreement dated for reference and effective the 16th day of February, 2010 (the "Silverhawk Agreement").

4. Paragraph 3.8.1. **Budget:** The Interim Budget has been amended to reflect the change in the unit entitlement of Strata Lot 14 and the total unit entitlement for the Development, the replacement Interim Budget is attached as Schedule “D”;

4. Paragraph 3.9.1.(3) **Sewer:** Add to this paragraph the following: The Developer has caused the Strata Corporation to enter into the Silverhawk Agreement for the provision of sewer. The cost of the sewer service is payable by the Strata Corporation and is included in the monthly strata fees payable by an Owner and as set out in the Budget. Silverhawk as the sewer utility provider has allocated capacity within its system for the Development. The capacity allotment for the Development is designated as “pillows”, being defined in the Silverhawk Agreement as “the number of one-person-equivalent beds”. Each Lot is then allocated a certain number of pillows and that pillow allocation determines the person capacity for each Lot. The number of pillows per Lot is set out in Schedule “O” attached hereto. An owner of a Lot must not exceed the pillow allocation for that Lot. The Strata Corporation will administer matters relating to the Silverhawk Agreement and the Bylaws in paragraph 3.5.1. make it an offense for an Owner to exceed the pillow allocation for their Lot.

5. Paragraph 4.3.1. **Existing Legal Notations and Encumbrances** – Schedule “F” is deleted and a replacement Schedule “F” is attached hereto. Sublease KB3344 was inadvertently omitted from the original Schedule “F” and the attached replacement Schedule “F” includes Sublease KB3344;

6. Paragraph 4.3.2. **Existing Legal Notations and Encumbrances** - Schedule “G” is deleted and a replacement Schedule “G” is attached. The replacement Schedule “G” corrects a paragraph numbering error;

7. Paragraph 7.4.2. **Rent Charge Agreement number KN97435 (the “Rent Charge”)** – add the following paragraph as number 7.4.2.1.:

7.4.2.1. Subsequent to the date of the Rent Charge the Silver Star Mountain Resort Ltd., the original owner of the Silver Star Mountain Resort area (the “Resort”) sold its interest in the Resort to Silver Star. Silver Star entered into agreements with the Developer with respect to certain provisions of the Collateral Agreement attached to the Rent Charge (“the Collateral Agreement”). Silver Star Mountain Resort Ltd. no longer holds any interest in the Resort. The Developer will assign its interest in the Collateral Agreement as assumed by Silver Star to the Strata Corporation (the “Assignment”). Copies of the Collateral Agreement and the Assignment of the same by the Developer to the Strata Corporation will be made available to the Strata Corporation with the result that it will be the responsibility of the Strata Corporation to pursue the rights of the Developer pursuant to the Collateral Agreement, as assigned by the Assignment, as determined by the Strata Corporation from time to time.

Deemed Reliance

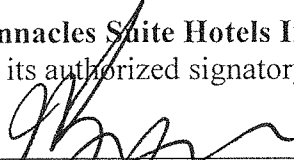
Section 22 of the *Real Estate Development Marketing Act* provides that every purchaser who is entitled to receive this Disclosure Statement is deemed to have relied on any false or misleading statement of a material fact contained in this Disclosure Statement, if any, and any omission to state a material 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.

DECLARATION

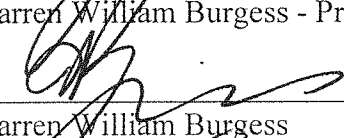
The foregoing statements disclose, without misrepresentation, all material facts relating to the Development referred to above, as required by the *Real Estate Development Marketing Act* of British Columbia, as of April 6, 2010

Pinnacles Suite Hotels Inc.

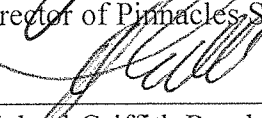
by its authorized signatory:



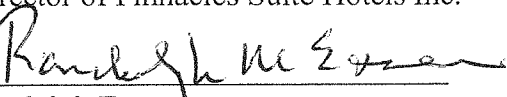
Warren William Burgess - President



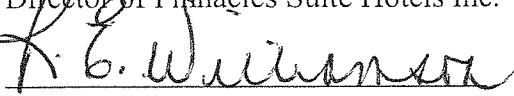
Warren William Burgess
Director of Pinnacles Suite Hotels Inc.



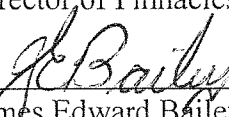
Michael Griffith Randell
Director of Pinnacles Suite Hotels Inc.



Randolph Exner
Director of Pinnacles Suite Hotels Inc.



Robert Earl Williamson
Director of Pinnacles Suite Hotels Inc.




James Edward Bailey
Director of Pinnacles Suite Hotels Inc.

Blue Flamingo Holdings Inc.

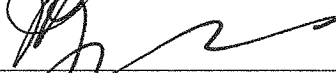
by its authorized signatory:




Michael Griffith Randell - President




Michael Griffith Randell
Director of Blue Flamingo Holdings Inc.



Warren William Burgess
Director of Blue Flamingo Holdings Inc.



Randolph Exner
Director of Blue Flamingo Holdings Inc.



Robert Earl Williamson
Director of Blue Flamingo Holdings Inc.



James Edward Bailey
Director of Blue Flamingo Holdings Inc.

SCHEDULE "A"

to

AMENDMENT TO DISCLOSURE STATEMENT

of

PINNACLES SUITE HOTELS INC.

and

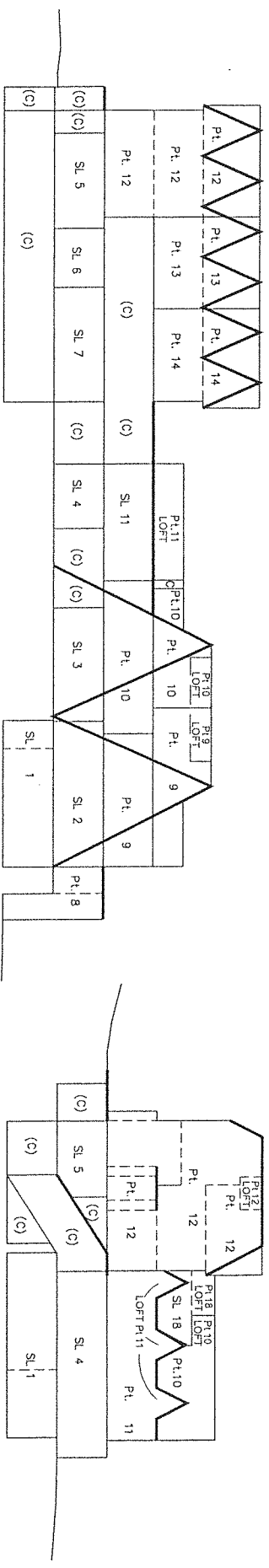
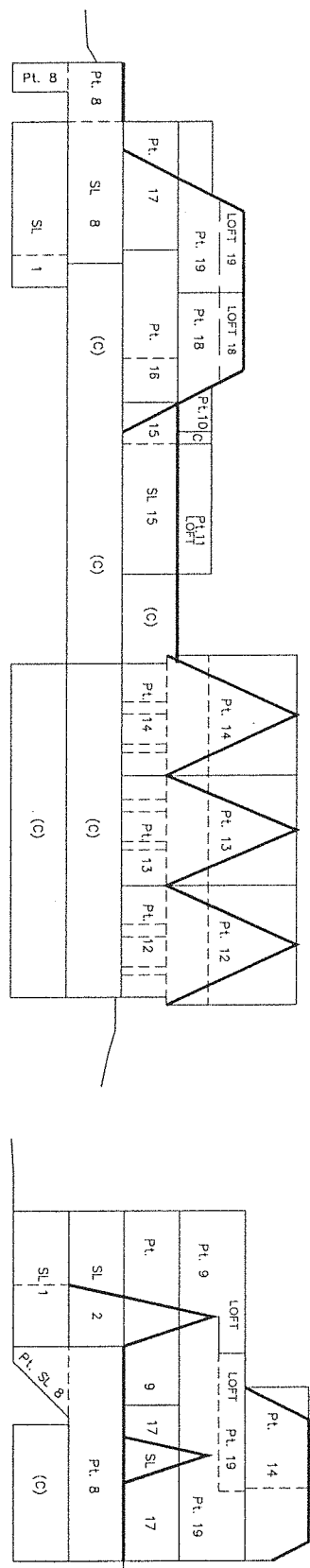
BLUE FLAMINGO HOLDINGS INC.

**Sheet 7 of the
Strata Plan**

ELEVATIONS
 SCALE 1:200 (All distances are shown in metres)



STRATA PLAN KAS



LEGEND

- Pt. DENOTES PART OF STRATA LOT
- LOFT DENOTES LIMITED COMMON PROPERTY FOR STRATA LOT
- (C) DENOTES COMMON PROPERTY

STRATA LOTS ARE DEFINED BY THE CENTRE OF ALL WALLS

SCHEDULE "B"

to

AMENDMENT TO DISCLOSURE STATEMENT

of

PINNACLES SUITE HOTELS INC.

and

BLUE FLAMINGO HOLDINGS INC.

**Form V – Schedule of Unit
Entitlement**

Strata Property Act

FORM V

SCHEDULE OF UNIT ENTITLEMENT

(Sections 245(a), 246, 264)

Re: Strata Plan KAS 3783 , being a strata plan of

[parcel identifier] [legal description of strata lot]

027-329-372

Lot 3, DL 1355, ODYD, Plan KAP85515

STRATA PLAN CONSISTING ENTIRELY OF RESIDENTIAL STRATA LOTS

The unit entitlement for each residential strata lot is one of the following *[check appropriate box]*, as set out in the following table:

- (a) the habitable area of the strata lot, in square metres, rounded to the nearest whole number as determined by a British Columbia land surveyor as set out in section 246(3)(a)(i) of the *Strata Property Act*.

Certificate of British Columbia Land Surveyor

I, Jason R. Shortt, a British Columbia land surveyor, certify that the following table reflects the habitable area of each residential strata lot.

Date: March 25th, 2010



Signature

OR

- (b) a whole number that is the same for all of the residential strata lots as set out in section 246(3)(a)(ii) of the *Strata Property Act*.

OR

- (c) a number that is approved by the Superintendent of Real Estate in accordance with section 246(3)(a)(iii) of the *Strata Property Act*.

Signature of Superintendent of Real Estate

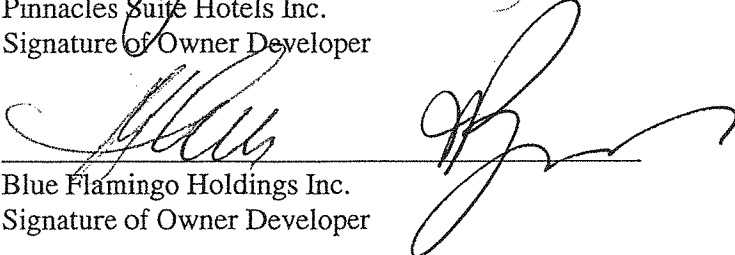
Strata Lot No.	Sheet No.	Habitable Area in m ²	Unit Entitlement	%* of Total Unit Entitlement**
1	2	92.0	92	5.61
2	3	101.2	101	6.16
3	3	34.2	34	2.07
4	3	70.0	70	4.27
5	3	55.2	55	3.35
6	3	44.9	45	2.74
7	3	44.6	45	2.74
8	2,3	93.1	93	5.67
9	4,5,6	95.0	95	5.79
10	4,5,6	99.9	100	6.10
11	4,5	103.5	104	6.34
12	4,5,6	155.3	155	9.45
13	4,5,6	143.2	143	8.72
14	4,5,6	142.6	143	8.72
15	4	64.6	65	3.96
16	4	71.5	72	4.39
17	4	62.9	63	3.84
18	5,6	80.5	81	4.94
19	5,6	84.3	84	5.12
Total number 19 of lots:			Total unit entitlement: 1640	

* expression of percentage is for informational purposes only and has no legal effect

** not required for a phase of a phased strata plan

Date: April 6, 2010


Pinnacles Suite Hotels Inc.
Signature of Owner Developer


Blue Flamingo Holdings Inc.
Signature of Owner Developer

SCHEDULE "C"

to

AMENDMENT TO DISCLOSURE STATEMENT

of

PINNACLES SUITE HOTELS INC.

and

BLUE FLAMINGO HOLDINGS INC.

**Form Y – Owner/Developer's
Notice of Different Bylaws**

Strata Property Act

FORM Y

OWNER DEVELOPERS' NOTICE OF DIFFERENT BYLAWS

(Section 245(d); Regulations section 14.6(2))

Re: **Strata Plan KAS3783** being a strata plan of

Lot 3, Plan KAP85515, DL 1355, ODYD

The following or attached bylaws differ from the Standard Bylaws to the *Strata Property Act*, permitted by section 120 of the Act:

SEE BYLAWS ATTACHED

Dated this 6th day of April, 2010.

Pinnacles Suite Hotels Inc.
by its authorized signatory:



Warren Burgess



Mike Randell

Blue Flamingo Holdings Inc.
by its authorized signatory:



Warren Burgess



Mike Randell

Schedule of Bylaws

Division 1 — Duties of Owners, Tenants, Occupants and Visitors

Payment of strata fees

1 An owner must pay strata fees on or before the first day of the month to which the strata fees relate.

Repair and maintenance of property by owner

2 (1) An owner must repair and maintain the owner's strata lot, except for repair and maintenance that is the responsibility of the strata corporation under these bylaws.

(2) An owner who has the use of limited common property must repair and maintain it, except for repair and maintenance that is the responsibility of the strata corporation under these bylaws. An owner of a strata lot that places a hot tub on the limited common property of the owners strata lot is responsible for the operation, use, maintenance, repair and replacement of the hot tub;

Use of property

3 (1) An owner, tenant, occupant or visitor must not use a strata lot, the common property or common assets in a way that

(a) causes a nuisance or hazard to another person,

(b) causes unreasonable noise,

(c) unreasonably interferes with the rights of other persons to use and enjoy the common property, common assets or another strata lot,

(d) is illegal,

(e) is contrary to a purpose for which the strata lot or common property is intended as shown expressly or by necessary implication on or by the strata plan. Nothing herein contained shall be interpreted or construed so as to restrict or prevent the use of Strata Lot 4, Strata Plan KAS3783 and the common property for rental management purposes, or

(f) exceeds the number of "pillows" permitted pursuant to the sewage agreement with Silverhawk Utilities Inc. being the sewage utility provider for the strata lot;

(2) An owner, tenant, occupant or visitor must not cause damage, other than reasonable wear and tear, to the common property, common assets or those parts of a strata lot which the strata corporation must repair and maintain under these bylaws or insure under section 149 of the Act.

(3) An owner, tenant, occupant or visitor must ensure that all animals are leashed or otherwise secured when on the common property or on land that is a common asset.

(4) An owner, tenant or occupant must not keep any pets on a strata lot other than one or more of the following:

- (a) a reasonable number of fish or other small aquarium animals;
- (b) a reasonable number of small caged mammals;
- (c) up to 2 caged birds;
- (d) one dog or one cat.

Inform strata corporation

4 (1) Within 2 weeks of becoming an owner, an owner must inform the strata corporation of the owner's name, strata lot number and mailing address outside the strata plan, if any.

(2) On request by the strata corporation, a tenant must inform the strata corporation of his or her name.

Obtain approval before altering a strata lot

5 (1) An owner must obtain the written approval of the strata corporation before making an alteration to a strata lot that involves any of the following:

- (a) the structure of a building;
- (b) the exterior of a building;
- (c) chimneys, stairs, balconies or other things attached to the exterior of a building;
- (d) doors, windows or skylights on the exterior of a building, or that front on the common property;
- (e) fences, railings or similar structures that enclose a patio, balcony or yard;
- (f) common property located within the boundaries of a strata lot;
- (g) those parts of the strata lot which the strata corporation must insure under section 149 of the Act.

(2) The strata corporation must not unreasonably withhold its approval under subsection (1), but may require as a condition of its approval that the owner agree, in writing, to take responsibility for any expenses relating to the alteration.

(3) This section does not apply to a strata lot in a bare land strata plan.

Obtain approval before altering common property

6 (1) An owner must obtain the written approval of the strata corporation before making an alteration to common property, including limited common property, or common assets.

(2) The strata corporation may require as a condition of its approval that the owner agree, in writing, to take responsibility for any expenses relating to the alteration.

Permit entry to strata lot

7 (1) An owner, tenant, occupant or visitor must allow a person authorized by the strata corporation to enter the strata lot

(a) in an emergency, without notice, to ensure safety or prevent significant loss or damage, and

(b) at a reasonable time, on 48 hours' written notice, to inspect, repair or maintain common property, common assets and any portions of a strata lot that are the responsibility of the strata corporation to repair and maintain under these bylaws or insure under section 149 of the Act.

(2) The notice referred to in subsection (1) (b) must include the date and approximate time of entry, and the reason for entry.

Division 2 — Powers and Duties of Strata Corporation

Repair and maintenance of property by strata corporation

8 The strata corporation must repair and maintain all of the following:

- (a) common assets of the strata corporation;
- (b) common property that has not been designated as limited common property;
- (c) limited common property, but the duty to repair and maintain it is restricted to

(i) repair and maintenance that in the ordinary course of events occurs less often than once a year, and

(ii) the following, no matter how often the repair or maintenance ordinarily occurs:

(A) the structure of a building;

(B) the exterior of a building;

(C) chimneys, stairs, balconies and other things attached to the exterior of a building;

(D) doors, windows and skylights on the exterior of a building or that front on the common property;

(E) fences, railings and similar structures that enclose patios, balconies and yards;

(F) decks, patios or balconies;

(d) a strata lot in a strata plan that is not a bare land strata plan, but the duty to repair and maintain it is restricted to

(i) the structure of a building,

(ii) the exterior of a building,

(iii) chimneys, stairs, balconies and other things attached to the exterior of a building,

(iv) doors, windows and skylights and related casings, sills and frames, on the exterior of a building or that front on the common property, and

(v) fences, railings and similar structures that enclose patios, balconies and yards.

(vi) decks, patios or balconies;

Division 3 — Council

Council size

9 (1) Subject to subsection (2), the council must have at least 3 and not more than 7 members.

(2) If the strata plan has fewer than 4 strata lots or the strata corporation has fewer than 4 owners, all the owners are on the council.

Council members' terms

10 (1) The term of office of a council member ends at the end of the annual general meeting at which the new council is elected.

(2) A person whose term as council member is ending is eligible for reelection.

(3) to (5) [Repealed 1999-21-51.]

Removing council member

11 (1) Unless all the owners are on the council, the strata corporation may, by a resolution passed by a majority vote at an annual or special general meeting, remove one or more council members.

(2) After removing a council member, the strata corporation must hold an election at the same annual or special general meeting to replace the council member for the remainder of the term.

Replacing council member

12 (1) If a council member resigns or is unwilling or unable to act for a period of 2 or more months, the remaining members of the council may appoint a replacement council member for the remainder of the term.

(2) A replacement council member may be appointed from any person eligible to sit on the council.

(3) The council may appoint a council member under this section even if the absence of the member being replaced leaves the council without a quorum.

(4) If all the members of the council resign or are unwilling or unable to act for a period of 2 or more months, persons holding at least 25% of the strata corporation's votes may hold a special general meeting to elect a new council by complying with the provisions of the Act, the regulations and the bylaws respecting the calling and holding of meetings.

Officers

13 (1) At the first meeting of the council held after each annual general meeting of the strata corporation, the council must elect, from among its members, a president, a vice president, a secretary and a treasurer.

(2) A person may hold more than one office at a time, other than the offices of president and vice president.

(3) The vice president has the powers and duties of the president

(a) while the president is absent or is unwilling or unable to act, or

(b) for the remainder of the president's term if the president ceases to hold office.

(4) If an officer other than the president is unwilling or unable to act for a period of 2 or more months, the council members may appoint a replacement officer from among themselves for the remainder of the term.

Calling council meetings

14 (1) Any council member may call a council meeting by giving the other council members at least one week's notice of the meeting, specifying the reason for calling the meeting.

(2) The notice does not have to be in writing.

(3) A council meeting may be held on less than one week's notice if

- (a) all council members consent in advance of the meeting, or
 - (b) the meeting is required to deal with an emergency situation, and all council members either
 - (i) consent in advance of the meeting, or
 - (ii) are unavailable to provide consent after reasonable attempts to contact them.
- (4) The council must inform owners about a council meeting as soon as feasible after the meeting has been called.

Requisition of council hearing

- 15** (1) By application in writing, stating the reason for the request, an owner or tenant may request a hearing at a council meeting.
- (2) If a hearing is requested under subsection (1), the council must hold a meeting to hear the applicant within one month of the request.
- (3) If the purpose of the hearing is to seek a decision of the council, the council must give the applicant a written decision within one week of the hearing.

Quorum of council

- 16** (1) A quorum of the council is
- (a) 1, if the council consists of one member,
 - (b) 2, if the council consists of 2, 3 or 4 members,
 - (c) 3, if the council consists of 5 or 6 members, and
 - (d) 4, if the council consists of 7 members.
- (2) Council members must be present in person at the council meeting to be counted in establishing quorum.

Council meetings

- 17** (1) Council meetings may be held by electronic means, so long as all council members and other participants can communicate with each other.
- (2) If a council meeting is held by electronic means, council members are deemed to be present in person.
- (3) Owners may attend council meetings as observers.
- (4) Despite subsection (3), no observers may attend those portions of council meetings that deal with any of the following:
- (a) bylaw contravention hearings under section 135 of the Act;

- (b) rental restriction bylaw exemption hearings under section 144 of the Act;
- (c) any other matters if the presence of observers would, in the council's opinion, unreasonably interfere with an individual's privacy.

Voting at council meetings

- 18** (1) At council meetings, decisions must be made by a majority of council members present in person at the meeting.
- (2) Unless there are only 2 strata lots in the strata plan, if there is a tie vote at a council meeting, the president may break the tie by casting a second, deciding vote.
- (3) The results of all votes at a council meeting must be recorded in the council meeting minutes.

Council to inform owners of minutes

- 19** The council must inform owners of the minutes of all council meetings within 2 weeks of the meeting, whether or not the minutes have been approved.

Delegation of council's powers and duties

- 20** (1) Subject to subsections (2) to (4), the council may delegate some or all of its powers and duties to one or more council members or persons who are not members of the council, and may revoke the delegation.
- (2) The council may delegate its spending powers or duties, but only by a resolution that
- (a) delegates the authority to make an expenditure of a specific amount for a specific purpose, or
 - (b) delegates the general authority to make expenditures in accordance with subsection (3).
- (3) A delegation of a general authority to make expenditures must
- (a) set a maximum amount that may be spent, and
 - (b) indicate the purposes for which, or the conditions under which, the money may be spent.
- (4) The council may not delegate its powers to determine, based on the facts of a particular case,
- (a) whether a person has contravened a bylaw or rule,
 - (b) whether a person should be fined, and the amount of the fine, or
 - (c) whether a person should be denied access to a recreational facility.

Spending restrictions

21 (1) A person may not spend the strata corporation's money unless the person has been delegated the power to do so in accordance with these bylaws.

(2) Despite subsection (1), a council member may spend the strata corporation's money to repair or replace common property or common assets if the repair or replacement is immediately required to ensure safety or prevent significant loss or damage.

Limitation on liability of council member

22 (1) A council member who acts honestly and in good faith is not personally liable because of anything done or omitted in the exercise or intended exercise of any power or the performance or intended performance of any duty of the council.

(2) Subsection (1) does not affect a council member's liability, as an owner, for a judgment against the strata corporation.

Division 4 — Enforcement of Bylaws and Rules**Maximum fine**

23 The strata corporation may fine an owner or tenant a maximum of

- (a) \$50 for each contravention of a bylaw, and
- (b) \$10 for each contravention of a rule.

Continuing contravention

24 If an activity or lack of activity that constitutes a contravention of a bylaw or rule continues, without interruption, for longer than 7 days, a fine may be imposed every 7 days.

Division 5 — Annual and Special General Meetings**Person to chair meeting**

25 (1) Annual and special general meetings must be chaired by the president of the council.

(2) If the president of the council is unwilling or unable to act, the meeting must be chaired by the vice president of the council.

(3) If neither the president nor the vice president of the council chairs the meeting, a chair must be elected by the eligible voters present in person or by proxy from among those persons who are present at the meeting.

Participation by other than eligible voters

- 26 (1) Tenants and occupants may attend annual and special general meetings, whether or not they are eligible to vote.
- (2) Persons who are not eligible to vote, including tenants and occupants, may participate in the discussion at the meeting, but only if permitted to do so by the chair of the meeting.
- (3) Persons who are not eligible to vote, including tenants and occupants, must leave the meeting if requested to do so by a resolution passed by a majority vote at the meeting.

Voting

- 27 (1) At an annual or special general meeting, voting cards must be issued to eligible voters.
- (2) At an annual or special general meeting a vote is decided on a show of voting cards, unless an eligible voter requests a precise count.
- (3) If a precise count is requested, the chair must decide whether it will be by show of voting cards or by roll call, secret ballot or some other method.
- (4) The outcome of each vote, including the number of votes for and against the resolution if a precise count is requested, must be announced by the chair and recorded in the minutes of the meeting.
- (5) If there is a tie vote at an annual or special general meeting, the president, or, if the president is absent or unable or unwilling to vote, the vice president, may break the tie by casting a second, deciding vote.
- (6) Despite anything in this section, an election of council or any other vote must be held by secret ballot, if the secret ballot is requested by an eligible voter.
- (7) An owner who is otherwise an eligible voter may not exercise his or her vote for a strata lot, except on matters requiring a unanimous vote, if the strata corporation is entitled to register a lien against that owner's strata lot.

Order of business

- 28 The order of business at annual and special general meetings is as follows:
- (a) certify proxies and corporate representatives and issue voting cards;
 - (b) determine that there is a quorum;
 - (c) elect a person to chair the meeting, if necessary;
 - (d) present to the meeting proof of notice of meeting or waiver of notice;

- (e) approve the agenda;
- (f) approve minutes from the last annual or special general meeting;
- (g) deal with unfinished business;
- (h) receive reports of council activities and decisions since the previous annual general meeting, including reports of committees, if the meeting is an annual general meeting;
- (i) ratify any new rules made by the strata corporation under section 125 of the Act;
- (j) report on insurance coverage in accordance with section 154 of the Act, if the meeting is an annual general meeting;
- (k) approve the budget for the coming year in accordance with section 103 of the Act, if the meeting is an annual general meeting;
- (l) deal with new business, including any matters about which notice has been given under section 45 of the Act;
- (m) elect a council, if the meeting is an annual general meeting;
- (n) terminate the meeting.

Division 6 — Voluntary Dispute Resolution

Voluntary dispute resolution

29 (1) A dispute among owners, tenants, the strata corporation or any combination of them may be referred to a dispute resolution committee by a party to the dispute if

- (a) all the parties to the dispute consent, and
- (b) the dispute involves the Act, the regulations, the bylaws or the rules.

(2) A dispute resolution committee consists of

- (a) one owner or tenant of the strata corporation nominated by each of the disputing parties and one owner or tenant chosen to chair the committee by the persons nominated by the disputing parties, or
- (b) any number of persons consented to, or chosen by a method that is consented to, by all the disputing parties.

(3) The dispute resolution committee must attempt to help the disputing parties to voluntarily end the dispute.

Division 7 — Marketing Activities by Owner Developer

Display lot

30 (1) An owner developer who has an unsold strata lot may carry on sales functions that relate to its sale, including the posting of signs.

(2) An owner developer may use a strata lot, that the owner developer owns or rents, as a display lot for the sale of other strata lots in the strata plan.

END OF DOCUMENT

SCHEDULE "D"

to

AMENDMENT TO DISCLOSURE STATEMENT

of

PINNACLES SUITE HOTELS INC.

and

BLUE FLAMINGO HOLDINGS INC.

**Estimated Interim Operating
Budget**

**The Pinnacles
The Owners, Strata Plan KAS XXXX
Schedule of Unit Entitlements and Strata Fees
Interim Budget**

Unit	Strata Lot	Unit Entitlement	%* of Total Unit Entitlement	Contingency Component	Operating Component	Interim Strata Fee
1	18	81	4.942%	\$18.41	\$316.65	\$335.06
2	19	84	5.125%	\$19.09	\$328.38	\$347.47
3	9	95	5.796%	\$21.59	\$371.38	\$392.97
4	10	100	6.101%	\$22.73	\$390.93	\$413.66
5	11	104	6.345%	\$23.64	\$406.56	\$430.20
6	15	65	3.966%	\$14.77	\$254.11	\$268.88
7	16	72	4.393%	\$16.36	\$281.47	\$297.83
8	17	63	3.844%	\$14.32	\$246.28	\$260.60
9	8	93	5.674%	\$21.14	\$363.56	\$384.70
10	2	101	6.162%	\$22.95	\$394.84	\$417.79
11	1	92	5.613%	\$20.91	\$359.65	\$380.56
101	3	34	2.074%	\$7.73	\$132.91	\$140.64
102	4	70	4.271%	\$15.91	\$273.65	\$289.56
A	5	55	3.356%	\$12.50	\$215.01	\$227.51
B	6	45	2.746%	\$10.23	\$175.92	\$186.15
C	7	45	2.746%	\$10.23	\$175.92	\$186.15
21	14	142	8.664%	\$32.27	\$555.12	\$587.39
22	13	143	8.725%	\$32.50	\$559.03	\$591.53
23	12	155	9.457%	\$35.23	\$605.94	\$641.17
Totals:		1,639	100.00%	\$372.51	\$6,407.31	\$6,779.82

* expression of percentage is for information purposes only and has no legal effect

SCHEDULE "F"

to

AMENDMENT TO DISCLOSURE STATEMENT

of

PINNACLES SUITE HOTELS INC.

and

BLUE FLAMINGO HOLDINGS INC.

**Existing Legal Notations and
Encumbrances registered
against the Property**

SCHEDULE "F"

Existing Encumbrances and Legal Notations

Registered against the Property

Pinnacles Suite Hotels Inc. and Blue Flamingo Holdings Inc.

1. Legal Notations:

1.1 Annexed Easements KG105001 – KG105014 inclusive over part Strata Lots A – L inclusive, Strata Plan KAS1259 and the Common Property Strata Plan KAS1259 as shown on Plan KAP50725;

1.2 Annexed Easements KG105015 – KG105019 over part Lot 4, 9, 11, 17 and 20, Plan KAP44937 as shown on Plan KAP50725;

1.3 Annexed Easement KG106671 over part of the Common Property of Strata Plan KAS1259 shown as Parcels A, B, and C on Plan KAP50725;

1.4 Annexed Easement KL74899 over part Lot 1, Plan KAP57453 shown on Plan KAP59620;

The above annexed Easements are shown on the title to the Lands as a benefit to that part of the Lands known as "part former Lot A, Plan KAP63134".

1.5. Annexed Easement KM116672 as to part former Block C.

1.6 Annexed Easement KW155067 over part of Lot A, Plan KAP76718 shown on Plan KAP76719 for road and services over the Common Property of Strata Plan KAS2715;

1.7 Annexed Easement KW155074 over the Common Property of Strata Plan KAS2715 for a system of sprinkler works and a water valve located within the Common Property of Strata Plan KAS2715 servicing the Development.

1.8 Annexed Restrictive Covenant KW155078 over Strata Lots 1, 2 and 3, Strata Plan KAS2715 requiring the owners of Strata Lots 1, 2 and 3, Strata Plan KAS2715 if renting their strata lot, to do so through the Rental Manager.

1.9 Annexed Restrictive Covenant KW155079 over Strata Lots 1, 2 and 3, Strata Plan KAS2715 prohibiting the owners of Strata Lots 1, 2 and 3, Strata Plan KAS2715 from converting the garage areas of their strata lot to any use other than parking;

1.10 Development Permit number KL74469;

1.11 Development Permit number KN91549;

1.12 Development Permit number KW59357;

1.13 Development Permit number KX182511;

1.14 Development Permit LA25852;

2. Encumbrances:

2.1. Lease KB3319 and extension thereof KN97420 in favour of Blue Flamingo Holdings Inc.;

2.2. Right of First Refusal to Purchase KB3321 and extensions thereof KN97421 and LB145503 in favour of Blue Flamingo Holdings Inc.;

2.3 Sub-Lease KB3322 in favour of Margaret Rae Hyde and William Neil Voth of part ground floor shown as Lease Area 1 on Plan 37362. When the Strata Plan is registered in the Land Title Office this Sub-Lease will be registered against Lot 7 only;

2.4 Sub-Lease KB3323 in favour of Mavis Anne Box of part ground floor shown as Lease Area 3 on Plan 37362. When the Strata Plan is registered in the Land Title Office this Sub-Lease will be registered against Lot 5 only;

2.5 Sub-Lease KB3324 in favour of Margaret Rae Hyde of part of ground floor shown as Lease Area 2 on Plan 37362. When the Strata Plan is registered in the Land Title Office this Sub-Lease will be registered against Lot 6 only;

2.6 Sub-Lease KF58285 in favour of John Cartwright of part 2nd, 3rd and 4th floors shown as Lease Area 1 on Plan KAP47429. When the Strata Plan is registered in the Kamloops Land Title Office this Sub-Lease will be registered against Lot 12 only;

2.6.1. Right of First Refusal KF58286 of Sub-Lease KF58285 in favour of Blue Flamingo Holdings Ltd. When the Strata Plan is registered in the Kamloops Land Title Office this Right of First Refusal of Sub-Lease will be registered against Lot 12 only;

2.7. Sub-Lease KF89683 (as modified by KG112568) in favour of 352523 B.C. Ltd. of part shown as Lease Area 3 and Lease Use Area #3 on Plan KAP47429. When the Strata Plan is registered in the Kamloops Land Title Office this Sub-Lease as to Lease Area 3 will be registered against Lot 14 only and Lease Use Area #3 will be shown as within the limited common property for Lot 14;

2.7.1. Right of First Refusal KF89684 of Sub-Lease KF89683 (as modified by KG112568) in favour of Blue Flamingo Holdings Inc. When the Strata Plan is registered in the Kamloops Land Title Office this Right of First Refusal of Sub-Lease will be registered against Lot 14 only;

2.8. Undersurface Rights KF106333 in favour of Her Majesty the Queen in right of the Province of British Columbia;

2.9. Sub-Lease KG107612 in favour of Margaret Nora Chafe and Nancy Deba of part shown as Lease Area 2 and Lease Use Area 2 on Plan KAP47429. When the Strata Plan is registered in the Kamloops

Land Title Office this Sub-Lease as to Lease Area 2 will be registered against Lot 13 only and Lease Use Area #2 will be shown as within the limited common property for Lot 13;

2.9.1. Right of First Refusal KG107613 of Sub-Lease KG107612 in favour of Blue Flamingo Holdings Inc. When the Final Strata Plan is registered in the Kamloops Land Title Office this Right of First Refusal of Sub-Lease will be registered against Lot 13 only;

2.9.2. Right of First Refusal KJ95992 of Nancy Deba as to the ½ interest of Margaret Nora Chafe in Sub-Lease KG107612. When the Final Strata Plan is registered in the Kamloops Land Title Office this Right of First Refusal of Sub-Lease will be registered against Lot 13 only;

2.9.3. Right of First Refusal KJ100066 of Margaret Nora Chafe as to the ½ interest of Nancy Deba in Sub-Lease KG107612. When the Final Strata Plan is registered in the Kamloops Land Title Office this Right of First Refusal of Sub-Lease will be registered against Lot 13 only;

2.10. Statutory Right of Way KK6896 in favour of British Columbia Hydro and Power Authority – as to “part former Block C, DL 1355, ODYD”.

2.11. Statutory Right of Way KK39922 in favour of British Columbia Hydro and Power Authority – as to “part former Lot A, Plan KAP63134”.

2.12. Statutory Right of Way KK39923 in favour of BC Tel – as to “part former Lot A, Plan KAP63134”.

2.13. Easement KM116672 as to part former Block C.

2.14. Statutory Building Scheme KL138893 – as to “part former Lot A, Plan KAP63134”.

2.15. Rent Charge KN97435 in favour of Silver Star Ski Resort Ltd. Please see paragraph 7.4.2. of the Disclosure Statement for further information regarding this Rent Charge.

2.16. Statutory Right of Way KV69724 in favour of the Regional District of North Okanagan. This Statutory Right of Way is for water and drainage within Plan KAP73579;

2.17. Statutory Right of Way KW155058 in favour of the Regional District of North Okanagan for water in Plan KAP76717.

2.18. Covenant KW155075 in favour of the Regional District of North Okanagan. This Covenant relates to the wildfire/interface requirements of the Regional District of North Okanagan;

2.19. Restrictive Covenant KX58085 and extension thereof LB145506 in favour of Silver Star Ski Resort Ltd. restricts retail and equipment rental operations;

2.20. Easement LB145576 – part on Plan KAP85522 appurtenant to the Common Property of Strata Plan KAS3358. This Easement protects retaining wall or walls shown on Easement Plan KAP85522.

2.21. Mortgage CA1122207 and Assignment of Rents CA1122208 in favour of Business Development Bank (collectively the “Development Mortgage”). See paragraph 6.2 of this Disclosure Statement.

SCHEDULE "G"

to

AMENDMENT TO DISCLOSURE STATEMENT

of

PINNACLES SUITE HOTELS INC.

and

BLUE FLAMINGO HOLDINGS INC.

**Existing Legal Notations and
Encumbrances to which a
Purchaser's title may be
subject**

SCHEDULE "G"

Existing Legal Notations and Encumbrances

to which a Purchaser's title may be subject to:

Pinnacles Suite Hotels Inc. and Blue Flamingo Holdings Inc.

1. Legal Notations:

1.1 Annexed Easements KG105001 – KG105014 inclusive over part Strata Lots A – L inclusive, Strata Plan KAS1259 and the Common Property Strata Plan KAS1259 as shown on Plan KAP50725;

1.2 Annexed Easements KG105015 – KG105019 over part Lot 4, 9, 11, 17 and 20, Plan KAP44937 as shown on Plan KAP50725;

1.3 Annexed Easement KG106671 over part of the Common Property of Strata Plan KAS1259 shown as Parcels A, B, and C on Plan KAP50725;

1.4 Annexed Easement KL74899 over part Lot 1, Plan KAP57453 shown on Plan KAP59620;

The above annexed Easements are shown on the title to the Lands as a benefit to that part of the Lands known as "part former Lot A, Plan KAP63134". Part former Lot A, Plan KAP63134 is located within what will be the Common Property of the Development and does not benefit the Development as a whole. The Developer will review the above annexed Easements and if the Developer determines that they are not required by the Development for services or access the Developer may discharge the annexed Easements prior to the transfer of a Lot to a Purchaser.

1.5 Annexed Easement KM116672 as to part former Block C. The Developer will review this annexed Easement and if the Developer determines that it is not required the Developer may discharge this Easement prior to the transfer of a Lot to a Purchaser;

1.6 Annexed Easement KW155067 over part of Lot A, Plan KAP76718 shown on Plan KAP76719 for road and services over the Common Property of Strata Plan KAS2715;

1.7 Annexed Easement KW155074 over the Common Property of Strata Plan KAS2715 for a system of sprinkler works and a water valve located within the Common Property of Strata Plan KAS2715 servicing the Development. The Easement also provides for rental management access and skier boarder access through that area of the Common Property that is not within the building. The Developer intends to partially release this Easement from that part of the Common Property of KAS2715 that is now included within the strata lots of Strata Plan KAS2715;

1.8 Annexed Restrictive Covenant KW155079 over Strata Lots 1, 2 and 3, Strata Plan KAS2715 prohibiting the owners of Strata Lots 1, 2 and 3, Strata Plan KAS2715 from converting the garage areas of their strata lot to any use other than parking;

1.9 Development Permit number KL74469 – the Developer has requested that the Regional District of North Okanagan (“RDNO”) release this notation from the title. If the RDNO does not release the notation it will remain on title;

1.10 Development Permit number KN91549;

1.11 Development Permit number KW59357;

1.12 Development Permit number KX182511 – the Developer has requested that the RDNO release this notation from the title. If the RDNO does not release the notation it will remain on title;

1.13 Development Permit LA25852 relating to the Development;

2. Encumbrances:

2.1 Undersurface Rights KF106333 in favour of Her Majesty the Queen in right of the Province of British Columbia;

2.2 Statutory Right of Way KK6896 in favour of British Columbia Hydro and Power Authority – as to “part former Block C, DL 1355, ODYD”. Part former Block C is now within the Common Property of the Development. The Developer will, at the time of filing the Strata Plan request that this encumbrance be endorsed only against the Common Property and not against the title to a Lot. If the Land Title Office does not restrict the Statutory Right of Way to the Common Property it will remain as a charge against the Purchaser’s title to a Lot;

2.3 Statutory Right of Way KK39922 in favour of British Columbia Hydro and Power Authority – as to “part former Lot A, Plan KAP63134”. Part former Lot A is now within the Common Property of the Development. The Developer will, at the time of filing the Strata Plan request that this encumbrance be endorsed only against the Common Property and not against the title to a Lot. If the Land Title Office does not restrict the Statutory Right of Way to the Common Property it will remain as a charge against the Purchaser’s title to a Lot;

2.4 Statutory Right of Way KK39923 in favour of BC Tel – as to “part former Lot A, Plan KAP63134”. Part former Lot A is now within the Common Property of the Development. The Developer will, at the time of filing the Strata Plan request that this encumbrance be endorsed only against the Common Property and not against the title to a Lot. If the Land Title Office does not restrict the Statutory Right of Way to the Common Property it will remain as a charge against the Purchaser’s title to a Lot.

2.5 Easement KM116672 as to part former Block C. The Developer will review this Easement and if the Developer determines that it is not required the Developer may discharge this Easement prior to the transfer of a Lot to a Purchaser;

2.6 Statutory Building Scheme KL138893 – as to “part former Lot A, Plan KAP63134”. Part former Lot A is now within the Common Property of the Development. The Developer will, at the time of filing the Strata Plan request that this encumbrance be endorsed only against the Common Property and not

against the title to a Lot. If the Land Title Office does not restrict the Statutory Building Scheme to the Common Property it will remain as a charge against the Purchaser's title to a Lot;

2.7 Rent Charge KN97435 in favour of Silver Star Ski Resort Ltd. Please see paragraph 7.4.2. of the Disclosure Statement for further information regarding this Rent Charge.

2.8 Statutory Right of Way KV69724 in favour of the Regional District of North Okanagan. This Statutory Right of Way is for water and drainage within Plan KAP73579 but contains ancillary rights allowing the Regional District of North Okanagan to enter onto other lands to access and service its Statutory Right of Way. Plan KAP73579 will be within the Common Property of the Development and the Developer will, at the time of filing the Strata Plan request that this encumbrance be endorsed only against the Common Property and not against the title to a Lot. If the Land Title Office does not restrict the Statutory Right of Way to the Common Property it will remain as a charge against the Purchaser's title;

2.9 Statutory Right of Way KW155058 in favour of the Regional District of North Okanagan for water in Plan KAP76717. Plan KAP76717 will be within the Common Property of the Development and the Developer will, at the time of filing the Strata Plan request that this encumbrance be endorsed only against the Common Property and not against the title to a Lot. If the Land Title Office does not restrict the Statutory Right of Way to the Common Property it will remain as a charge against the Purchaser's title to a Lot;

2.10 Covenant KW155075 in favour of the Regional District of North Okanagan. This Covenant relates to the wildfire/interface requirements of the Regional District of North Okanagan;

2.11 Restrictive Covenant KX58085 and extension thereof LB145506 in favour of Silver Star Ski Resort Ltd. restricts retail and equipment rental operations;

2.12 Easement LB145576 – part on Plan KAP85522 appurtenant to the Common Property of Strata Plan KAS3358. This Easement protects the retaining wall or walls shown on Easement Plan KAP85522. Easement Plan KAP85522 will be within the Common Property of the Development and the Developer will, at the time of filing the Strata Plan request that this encumbrance be endorsed only against the Common Property and not against the title to a Lot. If the Land Title Office does not restrict the Statutory Right of Way to the Common Property it will remain as a charge against the Purchaser's title to a Lot;

SCHEDULE "O"

to

AMENDMENT TO DISCLOSURE STATEMENT

of

PINNACLES SUITE HOTELS INC.

and

BLUE FLAMINGO HOLDINGS INC.

Number of "pillows" per Lot

Pinnacles Suite Hotel Pillow count as of Feb 10th 2010

Unit #	Strata lot #	bedroom	loft area	Actual pillows
1	18	2	3	15
2	19	3	2	14
3	9	3	0	10
4	10	3	0	12
5	11	2	3	13
6	15	2	0	8
7	16	3	0	10
8	17	2	0	8
9	8	2	0	8
101	3	studio	0	4
10	2	3	0	12
11	1	4	0	16
21	14	4	2	19
22	13	4	2	19
23	12	4	2	19
A	7	1	0	4
B	6	1	0	4
C	5	1	0	6
24		n/a	n/a	n/a
25		n/a	n/a	n/a
26		n/a	n/a	n/a
manager suite	4	studio		2
			total	203

Silverhawk Utilities Pillow Calculation Chart

Studio = 4

1 bedroom = 6

2 bedroom = 8

3 bedroom = 10

4 bedroom = 14

5 bedroom = 16

SCHEDULE "O"