



Frequently Asked Questions:

Q. Can the Kamloops Indian Band or Developer change the terms of the lease?

A. The Developer has signed a 99-year head lease with the Federal Government of Canada. Your sublease is between you and the Developer and there is no mechanism in the lease for the Developer to unilaterally change any term of the sublease.

Q. Will I have to pay GST?

A. Your home will not be subject to GST, saving you tens of thousands of dollars.

Q. Why is there no GST charged on closing?

A. Long-term leases like this are exempt from these taxes provided you intend to live here year-round or use it as a second/vacation home. Please refer to the legal opinion from Thorsteinssons provided by the developer for detailed advice or consult with your own tax advisor.

Q. What other communities are under a lease arrangement?

A. Land leases are common in many parts of Canada, Florida, Europe, and southwest U.S.A. Here are just a few examples of successful leased land projects in BC:

<u>Project</u>	<u>Location</u>
The Balmoral	Kelowna
Aria	West Kelowna
Huntsfield Green	West Kelowna
Spirit Ridge	Osoyoos
Sun Rivers	Kamloops
Halcyon Meadows	Chilliwack
Stoney Creek (a Genica Project)	Chilliwack
Amberwood (a Genica Project)	Chilliwack
Clover Creek	Chilliwack
University of British Columbia	Vancouver
Simon Fraser University	Burnaby
Raven Woods	North Vancouver



Q. Will financial institutions provide financing for these homes?

A. CMHC has completed a legal review of the lease agreements and has approved them for mortgage insurance. Several lending institutions have serviced mortgage needs at Sienna Ridge. Please consult with sales staff for a complete list.

Q. What about re-sale value?

A. The resale of homes on leased land typically reflect the local real estate market conditions, going up in price at a rate comparable to similar homes in the area.

Q. Is my Leasehold Interest secure?

A. Yes, the lease is registered in Ottawa in the Federal Land Registry System.

Q. What if I'm still concerned about the security of the Lease?

A. Title insurance is available for all buyers and their lenders to cover you for a wide range of title-related risks.

Q. Can I sell my 99-year lease?

A. Yes, you can sell the remaining term of your 99-year sub-lease.

Q. How are Property Taxes levied?

A. Your property will be assessed by the BC Assessment Authority, just like all freehold property in BC. The assessment will be based on fair-market value and you will be able to appeal the assessment if you feel it is too high. The mill-rate and taxes you pay will be comparable with the City of Kamloops. If this is your primary residence you will be eligible for the Provincial Homeowners' Grant.

Q. Has a third-party lawyer looked at all these documents?

A. The developer asked a lawyer with experience in leased-land transactions to review all the documents. The lawyer is prepared to give legal advice to purchasers.



Q. Is this First Nations Land?

A. The land is part of the Kamloops Indian Band (KIB). The two parcels that form part of this development were assigned to individual members (locatees) of the Band, via a Certificate of Possession. When the developer took over the property the locatees surrendered their Certificate of Possession rights to the Federal Government of Canada (the Crown). The Crown entered into a 99 year lease with the developer. The developer has paid the money due under the lease (except property taxes). The Crown, in turn, paid the locatees. The lease is between the Developer and the Federal Government of Canada.

Q. What can you tell me about the Kamloops Indian Band (KIB)?

A. KIB is very progressive, and has been involved in several residential, commercial, and industrial developments on their land for many years. The most well-known leasehold residential development in Kamloops is Sun Rivers.

Q. Who are Sherry & Clayton Peters and Helen Vivian Jules?

A. Sherry & Clayton Peters and Helen Vivian Jules are KIB band members. They have a Certificate of Possession on the land, which they gave up to the Crown when the developer entered the head lease. As noted above, the head lease is between the developer and the Federal Government of Canada.

Q. Can KIB cancel the lease or can the rent be raised?

A. The KIB is not a party to the lease. The lease is with the Federal Government of Canada. There is no provision in this lease to modify its terms except with consent of the developer.

Q. How is the property accessed?

A. Sienna Ridge is accessed via Shuswap Road E via an access permit from the British Columbia Ministry of Transportation and Infrastructure.



Q. The Musquem development in Vancouver, BC had some issues. Could that happen at Sienna Ridge?

A. Musquem was a non-prepaid lease, with a rent review after 40 years. Sienna Ridge is a fully prepaid lease for 99 years with no rent review.

Q. Do I have the right to cancel the Purchase Agreement?

A. Yes, you have the right to rescind the purchase agreement for 7 days after it is accepted by the developer. This will give you time to consult with a lawyer if you choose.

Q. When I decide to purchase how much of a deposit will be required?

A. The Deposit of 10% of the Price is due following waiver or satisfaction of all Buyer's conditions. Additional deposits for plan changes and upgrades may also apply.

Q. Can I enter into a conditional Purchase Agreement?

A. Yes. Our Purchase Agreement provides for a 7-day rescission period, during which you can review all our documents and consult with a lawyer. If you are not 100% satisfied with the Agreement and related documents, you may cancel the Agreement. If you would like to sell your home, or arrange for financing, before entering into a binding Purchase Agreement the developer may consider a Purchase Agreement that is subject to these items being completed to your satisfaction. Check with sales staff for details.

Q. What happens at the end of the 99-year lease?

A. After 99 years, the land and improvements revert to the Crown and to the heirs of the locatees at the end of the lease. Prior to expiration of the lease, however, the homeowners may be able to negotiate an extension to the lease.

Q. What is AANDC referred to in the Information Statement?

A. Aboriginal Affairs and Northern Development Canada ((now referred to as Indian and Northern Affairs Canada (INAC)), an arm of the federal government that administers the Indian Act. INAC will administer and enforce the head lease.



Q. Why does the head-lease have termination provisions, and how are we (sublessees) protected if the head lease is terminated?

A. Although the developer has pre-paid the 99-year lease, there are some on-going obligations under the head lease, primarily the payment of property taxes, insurance, and compliance with environmental matters. These obligations are passed on to the purchasers as they close on their home. Once all the homes are occupied the developer's obligations are virtually all passed on, so there is very little chance of a developer-caused default under head lease. In the unlikely event the developer does default, there are protections built into the lease to protect the homeowners, such that the homeowners title and interest in the sublease is not affected by a developer default under the head lease.

Q. Where are the leases registered?

A. In the Indian Land Registry, located in Ottawa, which operates similar to a provincial land registry system.

Q. Can I sell or mortgage my sublease?

A. Absolutely.

Q. When will I be able to take possession of my home?

A. You will be able to negotiate a possession date with the developer when you purchase a home. We can complete your home in approximately 4 - 6 months from the time you finalize all your plan and finishing details (remember, you can completely customize your home). At any given time, there may be unsold homes at various stages of construction which will be available for a quick possession date.

Q. Why does the developer have the right to extend the closing date by up to 180 days?

A. The developer has this right in case of delays beyond the developer's control or other circumstances which may make it difficult to complete your home on time. This is a common provision in all presale contracts.



Q. What are the restrictions on assignment? Why are these necessary?

A. This is common in presale contracts to prevent “flipping”. You may assign your contract in accordance with the terms of the Purchase Agreement.

Q. Will I be able to obtain legal advice on the Purchase Agreement?

A. Yes, during the 7-day rescission period. A lawyer with experience in Indian Land transactions, has reviewed all Sienna Ridge documentation and he is available to discuss any concerns you might have. Of course, you may consult with any lawyer of your choice as well. Consult with the sales staff.

Q. Who is the developer?

A. The General Partners of the Sienna Ridge Limited Partnership are long time residential developers and principals with Genica Development Corporation. Visit our website for further details <http://www.genicadevelopments.com/>.

Q. Has this developer done any other projects?

A. Yes, several, including other residential leasehold developments.

Q. Does the developer have the staying power to do a long-term project like this? What if he walks away?

A. The developer has been in business for over 25 years; mainly in construction and land development. At this time, 100% of the costs are funded for this development, and the developer has never failed to complete a project. <http://www.genicadevelopments.com/>

Q. How about the other leased-land projects?

A. The developer has completed 2 other residential projects on First Nation Land (leases with Federal Government) Stoney Creek Ranch – gated community of 143 homes, and Amberwood single family development, both located on the Tzeachten Reserve. These projects were built and sold without difficulty and are recognized as desirable places to live.



Q. How large is this parcel of land?

A. 20 acres. This means we are building less than 5.4 units per acre. Most single-family subdivisions are 6+ units per acre; townhouse projects are typically 12 – 16 units per acre. This is a very low-density development with generous setbacks and open space.

Q. What is the purpose of the Sienna Ridge Homeowners Corporation? Why don't we have a Strata Corporation?

A. The Strata Act is a provincial act, which is not applicable to Federal Land like ours. We've set up the Sienna Ridge Homeowners Corporation to fulfill the duties of a strata corporation. For all intents and purposes, this project will operate just like a strata development. Refer to the Information Statement for more details.

Q. Who looks after the sewage lift station and infrastructure?

A. Initially the developer will look after this. Once sufficient homes are occupied, this responsibility will be turned over to the Homeowners Corporation, who will likely retain a professional management firm or trained operator for this purpose.

Q. Who maintains the landscaping?

A. These are maintained by the Homeowner's Corporation, even on your private lot. The cost for this is included in the common costs. No lawns to mow or shrubs to trim!

Q. Does everyone pay the same proportion of the common area (strata) expenses?

A. Yes.

Q. Is there overflow parking available?

A. Yes, there are parking spaces set aside for visitors. In addition, all homes have a minimum 6-meter double driveway, allowing guest parking on each lot and unobstructed driving lanes.



Q. Who provides water to the development?

A. The Kamloops Indian Band provides potable water to the development.

Q. Who provides sewer services to the development?

A. Sewage is discharged to the City of Kamloops waste water treatment facilities.

Q. Who provides electricity to the development?

A. BC Hydro

Q. Who provides natural gas to the development?

A. Fortis BC

Q. Who will provide telephone, cable and internet to the site?

A. TELUS has installed a fiber optic cable right to the homes. Shaw also provides telephone, cable and internet services.

Q. Why didn't the developer choose a geothermal heating and cooling system like Sun Rivers?

A. In recent years, the cost of electricity has risen significantly while the cost of gas has declined. Simply stated, the operating cost of geothermal (geo-exchange) heating and cooling is not favorable in comparison to natural gas heat and standard air conditioning. As Sienna Ridge is a new development without legacy utility agreements to fulfill to a third-party utility provider, Sienna Ridge is able to make this election to protect our homeowners from high utility bills.

Q. Who provides fire protection to the development?

A. Fire protection is provided by the City of Kamloops. The development is also equipped with fire hydrants. The homes are built approximately 10 - 15' apart and clad with a fire-resistant hardi-plank to minimize fire danger.



Q. Is there any danger of flooding from the river?

A. All homes will be constructed at or above the mandated 200 year flood construction level (FCL). Basements, with some exceptions, are considered non-habitable space. Third party finishing of the basements is completed at the owner's risk. Basements will not be finished by the developer.

Q. What are my on-going expenses?

A. Property Taxes to the Kamloops Indian Band (approximately the same rate as charged by the City of Kamloops); Sienna Ridge Homeowners Corporation and sublease fees of \$335.00/mo. including common areas maintenance expenses; and Home Insurance, plus utility payments for electricity, gas, telephone, internet, security, etc. Garbage, water, sewer charges and landscape maintenance are included in the Homeowners' fees.

Q. What are the estimated property taxes?

A. Property Taxes are paid to the Kamloops Indian Band at a rate approximately the same as that charged by the City of Kamloops. If this is your permanent residence, you can apply for the Provincial Homeowners' Grant. For information on the Homeowner's Grant please visit: http://www.sbr.gov.bc.ca/individuals/Property_Taxes/Home_Owner_Grant/about.htm

If you are a citizen of Canada and over 65 you could reduce the property taxes. The Property Tax Deferment Program is not available at Sienna Ridge.

Q. Who made up the Building Rules? Who can change them?

A. The developer made up these rules to ensure a well-run project. Most rules can be changed by the Homeowners Corporation after a vote from the homeowners.

Q. Is it permissible to rent out my home?

A. No rentals are permitted in Sienna Ridge.



Q. Will the homes be built to comply with the BC Building Code?

A. All homes in this development will be designed and built to comply with the 2006 Edition of the BC Building Code, which was the code in effect at the time the project was originally approved by the Kamloops Indian Band.

Q. Who monitors the quality of construction?

A. All construction activities are monitored by qualified engineers. The homes are inspected by a fully qualified, independent inspector. A final inspection certificate will be provided to each purchaser at time of closing.

Q. Who do I pay my Property Taxes to?

A. To the Kamloops Indian Band (KIB).

Q. Can the KIB arbitrarily raise my property taxes?

A. No, any large adjustment would have to be approved by AANDC. Currently the KIB uses the same tax rates as the City of Kamloops.

Q. Who provides Police and Ambulance services?

A. These are provided by provincial or federal agencies just as in other areas of the province.

Q. What appliances are included in the price?

A. Fridge, range, microwave, dishwasher, front load washer and dryer are included in each home.

Q. Where can I park my vehicle?

A. Sienna Ridge homes have two parking stalls on the driveway and have double garages as well. In addition, there are visitor stalls set aside for visitors throughout the project.



Q. Why do we have to arrange our insurance through Hub International Insurance?

A. The insurance requirements for Sienna Ridge are set by the Federal Government under the head lease. To ensure that all insurance requirements are met, one broker was chosen by the developer to administer insurance for the entire project. Each of the insurance policies must have a common expiration date as well. If the majority of homeowners vote to change to another broker in the future, they can do so, provided that one broker always acts for everyone.

Q. What type of warranty is the developer providing on the homes?

A. The developer is providing a 2/5/10 Home Warranty. Details are available on the project website.

Q. What is the exterior cladding of our home?

A. The home will be clad with a durable Hardi-plank (or similar) exterior, which is pre-stained, and should require little or no maintenance for the first 15 years, and only repainting thereafter.

Q. What type of shingles is used for the roof?

A. 30-year laminated asphalt shingles.

Q. Where can I get details on the construction of my home?

A. These are posted on the website under the "Features" tab. If you have more detailed questions you may speak to the developer directly.

Q. Who is responsible for the maintenance of my home?

A. The homeowner is responsible for the interior and exterior maintenance of their home. Landscape maintenance is provided by the Homeowners Corporation, the cost of which is included in your common area costs.



Q. Will I be able to make changes to the layout of my home?

A. Yes, provided they don't change the exterior appearance. Specifics should be discussed with the developer.

Q. Will I be able to upgrade the finishes in my home?

A. Yes, the developer is prepared to customize your home. Use your imagination; there are very few restrictions.

Q. Will I be able to choose interior colors?

A. Yes, you will be able to choose from 2 professionally designed interior color schemes. The color schemes can be viewed on the website. You may also choose custom colors.

Q. Is there a hospital nearby?

A. Yes, in the City of Kamloops, approximately 10 minutes away.

Q. What if I have more questions?

A. Please call the Sales Team: Jackie Merci at Exp Realty 250-682-2684 or email at jackie.merci@exprealty.com

You can also contact Sienna Ridge client care at siennaridge@genicadev.com.