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March 2, 2022

Attention: Carla Eaton / Brent Magnan
Planning and Development
West Kelowna

RE: Post Zoning Ownership Arrangements – 2211 Campbell Road

Dear Carla / Brent:

Ahead of Third Reading, we are writing to provide you, and your Planning and Development team, clarifications and assurances of our intentions regarding the ownership of the land parcel located at 2211 Campbell Road (Z20-08). As you are aware, this parcel of approximately 16.8 acres spans both the east and west sides of Campbell Road and is currently owned by the 'Blackmun Bay Development LP by its General Partner 1087032 BC Ltd'. We, as Landstar Development are acting as the Development Manager for this site, currently advancing the zoning application that will determine the future development potential for this site.

From the onset of this application, it has been the position of West Kelowna Administration that this site ownership should somehow remain continuous, even after the dedication of Campbell Road post zoning approval and the residential development on the uplands, to maintain ownership continuity due to the connection of the pedestrian pathway to the proposed boat moorage. While we appreciate the intention from West Kelowna Administration, it was never fully discussed and decided what would be the suggested legal ownership mechanism that this intention would fall under.

The simplest and most straight forward way that this would be handled is to subdivide the two parcels upon dedication of Campbell Road (with its given right of ways). The two parcels will then be independently owned, the west portion owned by the Strata, while the east portion remains in the ownership of the developer or sold / leased to a farmer / Vintner. The pedestrian pathway access to the boat moorage can be arranged through a simple 'Easement Agreement' with the strata ownership above. This would be the most logical arrangement based on Land Titles registration ownership unless an alternate mode of ownership can be legally configured and agreed to by all parties.

The matter of the ownership and registration of conditions is something that has always been discussed as a matter to be resolved POST Third Reading, and prior to Fourth and final reading, and would probably require further conversations and final agreement between West Kelowna' legal Counsel and our legal representative, who specializes in matters of development and subdivision (we have engaged Bradley Cronquist of Pushor Mitchell). However, we understand the desire by West Kelowna Administration, prior to Third Reading, for us to provide certain clarifications and assurances.

Clarification on maintaining the farm status:

The Long-Term lease of the agricultural lands was suggested as a condition of approval by the AAC. Although Landstar has agreed via the NFU application and the attendant report by a Professional Agrologist, that the developer is willing to work with the Agricultural Land Commission (ALC) and the City of West Kelowna to lease the said parcel to a farmer / Vintner of reputable status for a minimum of 15 years, the details of such will be defined with input from the ALC and our legal counsel. If the City of West Kelowna is adamant about not permitting subdivision of the agricultural lands from the parent parcel (above Campbell Road), the lease will likely need to be arranged with the owners of the ag lands (possibly the strata council), and management direction of the long term lease for the ag lands will be negotiated between the then owners and the chosen farmer / vintner.

Right to Farm legislation and the ALR status , along with the Municipal Zoning (A1) is expected to protect the integrity of maintaining the land for agricultural use. Landstar and their consultants have always maintained that using the parcel in the best agricultural economic condition will help enshrine its ALR status for the long term. However, the type of agricultural use could change over the years, while still meeting all intents of the legislation, local bylaws and the agreements with the City. Nevertheless, since it is likely that the Strata's objective will always be to protect farm use, especially the aesthetic value of the viewscape below the proposed SolAqua Townhomes, and towards the lake, they will always try to work in the best interest of the vineyard, as well as protect it for a potential future winery/tasting room location.

As noted above, ownership of the said agricultural block is an important matter to protect the integrity of the agricultural use on that land. As such, post Campbell Road dedication, ownership will be considered by either the Strata or the Developer, which should address the important objectives of maintaining access to the waterfront boat moorage, oversight of the farm, relationship with a reputable farm manager in the form of a long-term lease and ensuring farm use and restoration of the agricultural component of their asset. While we cannot comment on details of the farm lease at this juncture, we can provide assurances to the City that the ag lands will continue to be managed and enhanced for its optimal food production use through the services of a credible existing West Kelowna farmer/vintner.

Ownership and Subdivision:

While we have not to this point have concluded with legal counsel the suggested ownership framework, we are open to various alternatives to allow for the simplest ownership structure and would need to discuss this and come up with an acceptable solution for the City, ourselves, future strata, and all parties involved. Once again, legal advice is now being sought to confirm best approach, while still maintaining the above-noted objective to protect farm use and the aesthetic value of the site.

If subdivision of the parcel below Campbell Road is permitted, Landstar could remain as the owner, and would lease to a reputable farmer that would meet zoning and any other conditions applied by the ALC and the City. We certainly would not consider a 'fractional ownership' by strata members due to the various possible complications. Our intent is to ensure that the ownership remains consistent and in the hands of an entity that could make best decisions quickly and in the best interest of the intention of the zoning approval.

We are now seeking advice Mr. Cronquist, who specializes in municipal law, development, and subdivision matters, and would encourage him to start having these conversations with your legal counsel, but especially after we know the outcome of Third Reading. Once we have a clearer idea of what Council directions are, and what West Kelowna would like the ownership structure or framework to be, we can enter into more meaningful discussions and together seek a suitable resolution to this matter.

Please feel free to contact me with any questions.

Sincerely,

Robert Moskovitz

Robert Moskovitz

Executive Vice President, Development & Operations

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