

This past summer we entered into the 3rd year since the Babych Group (“BG”) first tried to purchase the homes in Maple Place (and a portion of Meadowview Road east of the community hall). Since that time, BG’s proposed redevelopment plan has morphed from a proposal to “Purchase” a small part of our community into an “Option to Purchase” our entire community that seeks to “LOCKUP” (BG handout, p. 3) all the homes in Meadowlark Park (“MLP”) for up to 5 years. After more than 2 years of BG’s proposals, where are we?

Over the past several weeks some MLP homeowners have had delivered to their mailbox a BG Option to Purchase Agreement (“Option Agreement”) that they had not asked to receive.

It appears, however, that not much has really changed with respect to BG’s Option to Purchase proposal since February/March of 2020.

The BG Option Agreement confers upon the holder of the option – be it BG/Chinook Village or a developer to whom BG sells the option – the right to decide at a future point in time whether or not they wish to purchase your property at the price specified in the agreement. As the name makes clear, the Option Agreement is not a “Purchase” agreement because the holder of the option is under no obligation whatsoever to purchase your property.

“LAND LOCKUP”/Title Caveat

The BG Option Agreement allows the holder of the option to “LOCKUP” your land with a caveat registered against the title for up to 5 years.

Zoning Consent Granted Upfront

While you wait in a “LAND LOCKUP” (BG handout, p. 3) for up to 5 years, to see if anyone opts to buy your home at the specified price, the moment you sign the BG option contract you consent upfront to substantially change the zoning of the entire community, to that desired by BG, for next to nothing.

No Guarantee of Purchase

Even if the specified purchase price may at first seem attractive to you, there is absolutely no guarantee that you will ever be paid. Where does that leave an unpaid homeowner 5 years down the road?

Understandably, it probably leaves them most unhappy with little to show for the investment of their home in a “LAND LOCKUP”; and then -- if enough homeowners were to sign the option contract and thereby consent upfront to BG’s desired rezoning -- leaves them to come out of “LOCKUP” only to be faced with the prospect of life in a dramatically different MLP community.

At the recently held MLP Annual General Meeting one lawyer's perspective on the BG Option Agreement was read to those in attendance. For information purposes only, the view of Calgary lawyer Charles Hotzel is set forth below for those who were unable to attend.

Contrary to what you may think, this is not an offer to purchase it is merely a way of preventing an owner from selling their property to anyone else for 5 years. The company [has] an option to purchase if they decide to do so before July 2026, for which they essentially pay nothing. If they decide not to exercise the option, they simply walk away and it has cost them nothing. If before July 2026 they are going to buy the property they initially make a payment of [a] \$100,000.00 deposit and can close within an eight month period. What they are essentially doing is gambling that the value of the property will increase substantially in which case they will buy it, if it does not they will walk away and it has cost them nothing to hold the property off the market for 5 years. The stuff about Chinook Village is smoke designed to obscure what they are doing. It may be that they have plans to do something but the main objective of this offer is to freeze [your] property by giving these people the option to buy it for 5 years they will register the option against title and that is why [you] will not be able to sell it to another buyer.

[Communicated with the consent of Mr. Hotzel and the consent of his client.]

If you have received a BG Option Agreement (or receive one in the future) you are encouraged to review the questions and issues raised in the July 2020 booklet, December 15, 2020 communication and related information that is posted on the MLP community website at <http://www.meadowlark.org> under community re-developments.

Many of the questions raised continue to be very relevant and deserve well informed and serious consideration before you decide whether or not the BG Option Agreement is a good investment for you. That is why we strongly encourage you to consult with your various professional advisors (legal, financial, tax, real estate, banking i.e. mortgage, and any other) before you sign a BG Option Agreement.

While this communication raises important considerations, please be advised that this communication is not legal advice, nor is it intended to be legal advice, and you should not in any way understand it to be legal advice.

Your fellow Meadowlarkers