

DISCLOSURE STATEMENT
July 16, 2007

The Developer:

Merritt Plateau Holdings Inc. (Inc. No. 499979)
106- 1121 McFarlane Way,
Merritt, British Columbia
V1K 1B9

The Developer's Real Estate Agents are _____
_____. These agents are the employees of the Developer. They are not licensed under the Real Estate Services Act and are not acting on behalf of the purchaser.

DISCLAIMER
Dated July 16, 2007

This 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 statements contained in the Disclosure Statement, or whether the 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.

RIGHT OF RESCISSION

Under section 21 of the *Real Estate Development Marketing Act*, the purchaser or lessee of a development unit may rescind (cancel) the contract of purchase and sale or contract to lease by serving written notice on the developer or the developer's brokerage, within 7 days after the later of the date the contract was entered into or the date the purchaser or lessee received a copy of this Disclosure Statement.

The rescission notice may be served by delivering or sending by registered mail, a signed copy of the notice to

- (a) the developer at the address shown in the disclosure statement received by the purchaser,**
- (b) the developer at the address shown in the purchaser's purchase agreement,**
- (c) the developer's brokerage, if any, at the address shown in the disclosure statement received by the purchaser, or**
- (d) the developer's brokerage, if any, at the address shown in the purchaser's purchase agreement.**

The developer must promptly place purchaser's deposits with a brokerage, lawyer or notary public who must place the deposit in a trust account in a savings institution in British Columbia. If a purchaser rescinds their purchase agreement in accordance with the Act and regulations, the developer or the developer's trustee must promptly return the deposit to the purchaser.

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DECLARATION

DISCLOSURE STATEMENT

1. THE DEVELOPER

1.1 The Developer, Merritt Plateau Holdings Inc. (Incorporation Number 499979), is a company incorporated under the laws of the Province of British Columbia, on April 15, 1995.

1.2 The Developer was incorporated specifically for the purpose of developing the subdivision lots and the Developer has no assets other than the development property itself.

1.3 The Developer's registered and records office is 700 – 275 Lansdowne Street Kamloops, BC V2C 2E3, Attention: Richard Jensen, Q.C.

1.4 The Directors of the Developer are:

- (1) Wilson Beck; and
- (2) Frank Rizzardo

1.5 The Officers of the Developer are:

- (1) Frank Rizzardo, President; and
- (2) Wilson Beck, Vice President and Secretary

2. THE DEVELOPMENT

2.1 General Description of the Development

Grandview Heights Phase 3 (the "Development") is a composite development consisting of multiple phases of which this offering is phase 3, which consists of:

36- single-family lots; and

1 commercial lot

The lots are all "fee simple" lots. The development is situated in the North East Bench area in Merritt B.C., as shown a Site Plan attached hereto as **Exhibit "A"**. The approximate location of each Lot is set out in **Exhibit "B"** attached hereto.

2.2 Permitted Use

The 36 lots are zoned for residential use and one lot is zoned for commercial use, in accordance with the City of Merritt Zoning Bylaw, a copy of which is attached as **Exhibit "C"**. There are no occupancy restrictions other than those covered in the above-referenced **Exhibit "C"**.

2.3 Building Construction

- (i) Each Purchaser will be responsible for construction of his/her own home on the lot he/she purchases and for complying with all applicable building restrictions, including the City of Merritt Bylaws. There will be a Statutory Building Scheme registered against the title to each of the Lots covered by a covenant. A draft of the Statutory Building Scheme is attached as **Exhibit "D"**. The Developer may construct one or more homes either as show, custom or spec homes.
- (ii) Construction has started and is scheduled for completion in late 2007 or early 2008.
- (iii) Lot Taxes – Each Lot owner will be responsible for real property taxes for his or her Lot. Property taxes are levied by and payable to the City of Merritt.
- (iv) Lot Expenses – All utilities will be separately metered or assessed to each Lot and will be the responsibility of each Lot owner.
- (v) The Developer will, prior to May 15, 2008, file an amendment to this Disclosure Statement confirming whether the subdivision plan has been deposited for registration at the appropriate Land Title Office or whether the subdivision has been approved by an Approving Officer. In the event the amendment to the Disclosure Statement filed by the Developer contains amendments, which materially affect the offering, the Purchaser will have a period of seven (7) days from receipt of the Amended Disclosure Statement to rescind their Purchase Contract and have their deposit monies, if any, returned to them. In the event the Developer fails to file an Amended Disclosure to a Purchaser by May 15, 2008, such Purchaser shall have an immediate right to rescind their Purchase Contract and have their deposit monies, if any, returned to them.

3. SERVICING INFORMATION

3.1 Utilities and Services

All services shall comply with the City of Merritt Subdivision By-Laws.

- (i) Water: The project will be connected to municipal water system
- (ii) Electricity: Electrical service infrastructure will be provided to the Development at the Developer's cost. Each Lot will be connected to the electrical service at the property line. Connection and hook up charges, as well as monthly usage charges, will be billed by BC Hydro to the purchaser of a Lot.
- (iii) Sewerage: All lots will be serviced and connected to a municipal sewer system operated by the City of Merritt
- (iv) Natural Gas: There is a current gas distribution system for the Development and the extension to Phase 3 will be provided by Terasen gas.
- (v) Fire protection: Installed as per the City of Merritt Subdivision By-Law.
- (vi) Telephone: Telephone service infrastructure will be provided to the Development at the Developer's cost. Connection and hook-up charges, as well as monthly usage charges will be billed by Telus to the purchaser of a lot.
- (vii) Access: Access to the Development is by way of a paved road known as Grandview Heights Road. The Developer has constructed an extension of this road to service the Development. Grandview Heights Road is a public road maintained by the City of Merritt. The roads built by the developer have been built to City of Merritt Subdivision standards and will be dedicated to and maintained by the City of Merritt. The finished road has an 8 meter finished top complete with curb and gutter.
- (viii) Schools: There are schools in the immediate area, the nearest schools are Bench Elementary, Central Elementary, Merritt Secondary all in the City of Merritt.
- (ix) Garbage Removal: The City of Merritt will supply a scheduled garbage removal service at the Development.
- (x) Shaw Cable has agreed to install cable systems to each purchaser's lot. Connection and hook-up charges, as well as monthly usage charges will be billed by Shaw to the purchaser of a lot.

4. TITLE AND LEGAL MATTERS

4.1 Legal Description

The legal description of the Development is:

Kamloops Assessment Area

Parcel Identifier: 001-471-821

District Lot 4691, Kamloops Division Yale District, except plans 16853, 37249 & KAP60305

Parcel Identifier: 019-016-603

Lot B, Sec 23, Tp 91, Kamloops Division Yale District, Plan KAP53473, except Plans KAP60575, KAP62038, KAP 69055, KAP81662 & KAP83942

(herein collectively called the "Property")

4.2 Ownership

Merritt Plateau Holdings Inc.

4.3 Existing Encumbrances and Legal Notations

Charges Registered against:

(a) 001-471-821:

- (i) 79697E Right of Way in favour of B.C. Hydro
- (ii) N40654 Right of Way in favour of B.C. Hydro
- (iii) KH109442 Covenant with Ministry of Transportation that DL 4691 will only be transferred with title to the adjacent Lot B
- (iv) KK91488 Covenant with City of Merritt regarding Subdivision control
- (v) KL27106 Covenant with Ministry of Transportation and City of Merritt regarding intersections, access, drainage, road design, and site layouts

(b) 019-016-603:

- (i) 79192E Right of Way in favour of B.C. Hydro
- (ii) 79697E Right of Way in favour of B.C. Hydro
- (iii) X156405 Covenant with Ministry of Transportation and City of Merritt regarding intersections, access, drainage, road design, and site layouts

- (iv) X156406 Covenant with Ministry of Transportation and City of Merritt regarding intersections, access, drainage, road design, and site layouts
- (v) KH109442 Covenant with Ministry of Transportation that DL 4691 will only be transferred with title to the adjacent Lot B
- (vi) KL27106 Covenant with Ministry of Transportation and City of Merritt regarding intersections, access, drainage, road design, and site layouts
- (vii) KL127616 Statutory Right of Way in favour of City of Merritt for utilities
- (viii) KN22675 Covenant with Ministry of Transportation and City of Merritt regarding intersection placement and highway access
- (ix) LA111924 Statutory Right of Way in favour of City of Merritt for utilities

4.4 Proposed Encumbrances

The following encumbrances will be registered against the title to the Development prior to the completion of the sale of the lots:

- (i) Mortgage: A mortgage against the title to fund the construction of the services required to be constructed pursuant to the PLA, which mortgage will be partially discharged from the title to each Lot as the sale of that Lot is completed. A partial discharge of the Construction Mortgage will be filed upon the sale of each Lot so as to provide unencumbered title to the Lot.
- (ii) Restrictive Covenant (Building Scheme): There will be a restrictive covenant in the nature of a building scheme registered by the Developer in order to control the type and size of buildings in the Development. Construction of improvements will not be allowed unless they comply with the design guidelines in the building scheme. A draft of the Statutory Building Scheme is attached as **Exhibit "D"**.
- (iii) Easements and Statutory Rights of Way (Services): There will be easements and statutory rights of way as may be required to provide telephone, electrical, water, sewer and other services to the Development, as well as road access.
- (iv) Restrictive Covenant: The City of Merritt has indicated that mitigation efforts are required to reduce fire hazard with the forest interface, and therefore a wild fire interface covenant may be registered against the lots.

4.5 Outstanding or Contingent Litigation or Liabilities

There is no litigation against the Developer or anything affecting the Developer's ability to develop the Property at this date.

4.6 Environmental Matters

The City of Merritt has indicated that mitigation efforts are required to reduce fire hazard with the forest interface, therefore a wild fire interface covenant may be required to be registered with terms to be consistent with the Draft Statutory Building Scheme attached as Exhibit "B".

5. CONSTRUCTION AND WARRANTIES

5.1 Construction Dates

Construction has already commenced. The Developer estimates that the completion of the subdivision plan and the servicing and utilities will be on or before May 15, 2008.

5.2 Warranties

There are no performance bonds in place at this time, but the City of Merritt will be provided with a one-year warranty bond for completed works.

6. APPROVALS AND FINANCES

6.1 Preliminary Layout Approval ("PLA") for the Development has been granted by the City of Merritt, a copy of which is attached as Exhibit "E".

6.2 Construction Financing

The Developer has sufficient funds to complete construction of all the required services to the Development and requires no financing.

7. MISCELLANEOUS

7.1 Deposits

Purchaser's deposits shall be payable to and be held by the law firm of Morelli Chertkow LLP, and all monies so received shall be held in trust pursuant to the Real Estate Development Marketing Act.

7.2 Purchase Agreements

Attached hereto as **Exhibit "F"** is the form of the purchase agreement which the Developer intends to use in connection with the sale of the lots, unless otherwise agreed between the Developer and the Purchaser or as determined by the Developer.

7.3 Developer's Commitments

NIL

7.4 Other Material Facts

- (i) **Phased Development:** This Development is a phased development. Should any land be a remainder due to timing of the construction/marketing, then the Developer reserves the right to develop that property in accordance with available zoning bylaws. Purchasers will be required, as a condition of the purchase of a Lot, not to oppose the further development by the Developer of the lands adjoining the Development, but will be required by paragraph 11 of the Contract attached hereto as **Exhibit "G"** to support the further development. Prospective Purchasers should review paragraph 11 of **Exhibit "G"** to understand this obligation.
- (ii) **Changes from Natural State:** There will be no changes from the natural state of any of the Lots in the Development, other than normal clearing, paving, servicing and landscaping.
- (iii) **Condition of Soil and Subsoil:** The Developer, as well as the Purchasers, shall comply with all governmental requirements and regulations with respect to the condition of the soil and subsoil in connection with the construction and servicing of the Development.
- (iv) **Continuing Sales and Marketing Program:** Following the deposit of the Subdivision Plan for the Development, the Developer will continue to carry out, until all Lots are sold, a marketing plan, including tours of the Lots and possible construction of spec homes. The Developer will act reasonably in exercising this activity and use reasonable efforts to minimize any interference with the use or enjoyment of the access areas.
- (v) **Contracts Affecting Development:** The Developer has entered into contracts with respect to the Development. The Developer has entered into a contract with Dig Rite Construction for the servicing of the

Development. The Developer will enter into such other contracts, as are necessary to complete the servicing and sale of the Development.

- (vi) Purchase Financing: The Developer has made no arrangements for financing the purchase of the Lots.

EXHIBITS TO THIS DISCLOSURE STATEMENT

- A Site Plan
- B Subdivision Plan
- C City of Merritt Zoning By-Law
- D Draft Statutory Building Scheme
- E Preliminary Layout Approval
- F Purchase Agreement
- G Contract Re: Further Development

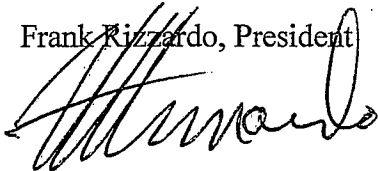
SECTION 22 OF THE REAL ESTATE DEVELOPMENT MARKETING ACT PROVIDES THAT EVERY PURCHASER WHO IS ENTITLED TO RECEIVE THIS DISCLOSURE STATEMENT IS DEEMED TO HAVE RELIED ON ANY FALSE OR MISLEADING STATEMENT OF A MATERIAL FACT CONTAINED IN THIS DISCLOSURE STATEMENT, IF ANY, AND ANY OMISSION TO STATE A MATERIAL FACT. THE DEVELOPERS 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 the 16th day of July, 2007.

DEVELOPER:
Merritt Plateau Holding Inc.
Per:

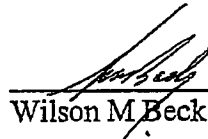
Frank Rizzardo, President



Signed by the Directors:



Frank Rizzardo


Wilson M. Beck

SOLICITOR'S CERTIFICATE

IN THE MATTER OF THE)
REAL ESTATE DEVELOPMENT)
MARKETING ACT and the Disclosure)
Statement for the property legally)
described as:)
)
)
)
)

Kamloops Assessment Area
Parcel Identifier: 001-471-821
District Lot 4691, Kamloops Division Yale District, except plans KAP 16853, 37249
&KAP 60305

Parcel Identifier: 019-016-603
Lot B, Plan KAP53473, Sec 23, Tp91, Kamloops Division Yale District, except
Plan KAP60575, KAP62038 & KAP 69055, KAP81662 & KAP83942

I, Sky Robert Anderson, a member in good standing of the Law Society of
British Columbia, HEREBY CERTIFY that I have read over the above described
Disclosure Statement dated the 16th day of July, 2007 and have reviewed the same with
the Developer therein named, and that the contents of sections 4.1, 4.2, and 4.3 in the
Disclosure Statement are correct.

DATED at Merritt, in the Province of British Columbia this 17th day of July
2007.



Signature

SKY R. ANDERSON
Barrister & Solicitor
300 - 120 SEYMOUR STREET
KAMLOOPS, BC V2C 2E9
(250) 374-3344

IN THE MATTER OF THE REAL)
ESTATE DEVELOPMENT MARKETING)
ACT and the Disclosure Statement for the)
Property legally described as:)
)
)

Kamloops Assessment Area
Parcel Identifier:001-471-821
District Lot 4691, Kamloops Division
Yale District, except plans KAP 16853, 37249
&KAP 60305

Parcel Identifier:019-016-603
Lot B, Plan KAP53473, Sec 23, Tp91,
Kamloops Division Yale District, except
Plan KAP60575, KAP62038 & KAP 69055
KAP81662 & KAP83942


I, Frank Rizzardo, a Director of Merritt Plateau Holdings Inc. of British Columbia, do solemnly declare:

1. THAT I am a director of Merritt Plateau Holdings Inc, the Developer referred to in the above described Disclosure Statement, dated July 16, 2007.
2. THAT every matter of fact stated in the said Disclosure Statement is true.
3. THAT a true copy of the Disclosure Statement will be delivered to each prospective purchaser or lessee.
4. AND I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

SWORN before me at the City of)
Merritt, in the Province of)
British Columbia, this 17)
day of July 2007.)
)



Frank Rizzardo



A Commissioner for taking Affidavits)
in the Province of British Columbia.)
)

SKY R. ANDERSON
Barrister & Solicitor
300 - 120 SEYMOUR STREET
KAMLOOPS, BC V2C 2E2
(250) 374-3344

IN THE MATTER OF THE REAL)
ESTATE DEVELOPMENT MARKETING)
ACT and the Disclosure Statement for the)
Property legally described as:)
))
))

Kamloops Assessment Area

Parcel Identifier:001-471-821
District Lot 4691, Kamloops Division
Yale District, except plans KAP 16853, 37249
& KAP 60305


Parcel Identifier:019-016-603
Lot B, Plan KAP53473, Sec 23, Tp91
Kamloops Division Yale District, except
Plan KAP60575, KAP62038 & KAP 69055
KAP81662 & KAP83942

I, Wilson Beck, a Director of Merritt Plateau Holding Inc. of British Columbia, do solemnly declare:


1. THAT I am a director of Merritt Plateau Holdings Inc, the Developer referred to in the above described Disclosure Statement, dated July 16, 2007.
2. THAT every matter of fact stated in the said Disclosure Statement is true.
3. THAT a true copy of the Disclosure Statement will be delivered to each prospective purchaser or lessee.
4. AND I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

SWORN before me at the City of ~~N. Vancouver~~

W Merritt, in the Province of)
British Columbia, this 16)
day of July, 2007.)

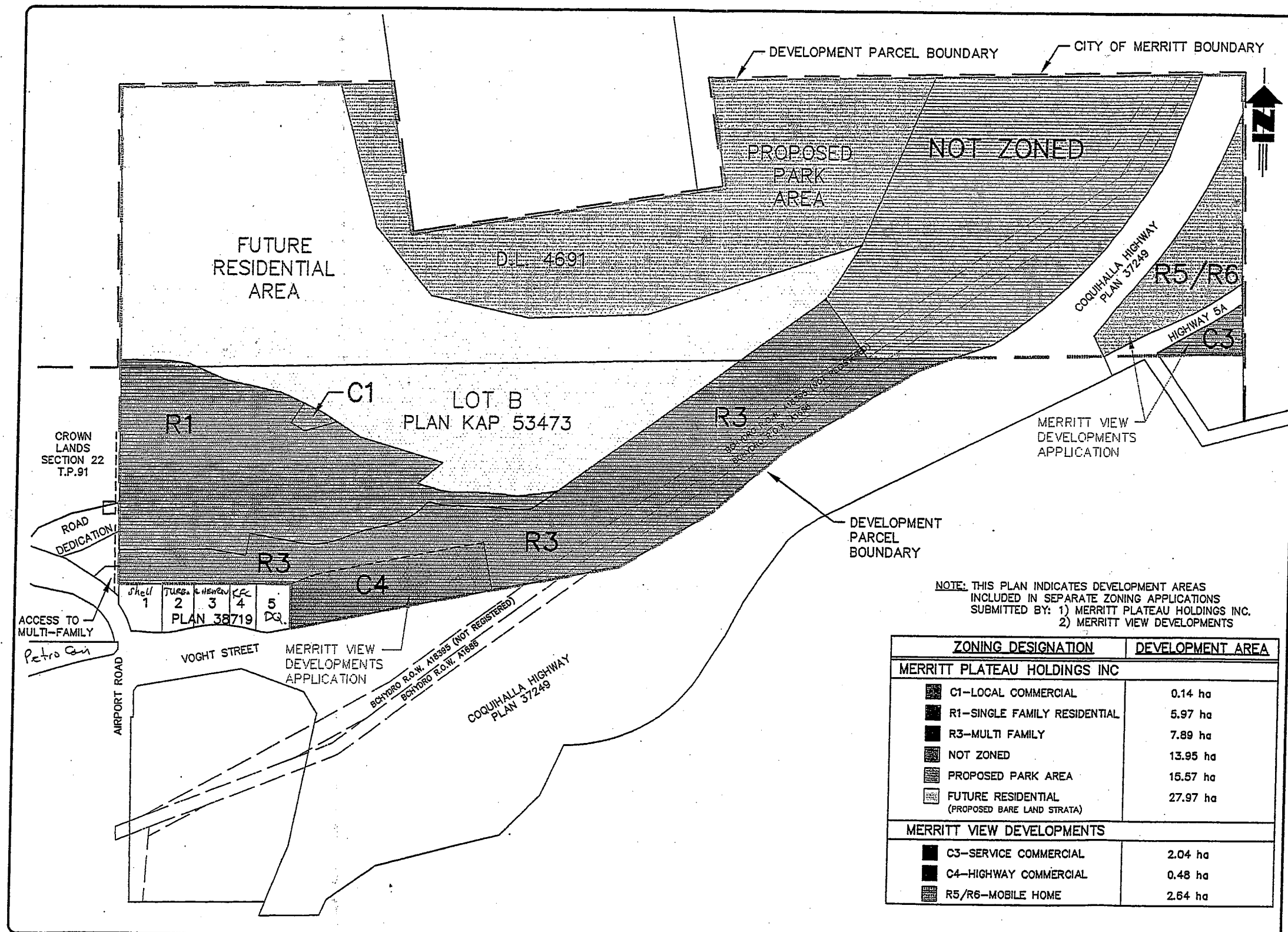


Wilson M. Beck



A Commissioner for taking Affidavits)
in the Province of British Columbia.)

DIANNA-LYNN LUND
NOTARY PUBLIC
3010 Lonsdale Avenue
North Vancouver, BC
V7N 3J5 Tel: (604) 988-6668



NOTE: THIS PLAN INDICATES DEVELOPMENT AREAS INCLUDED IN SEPARATE ZONING APPLICATIONS SUBMITTED BY: 1) MERRITT PLATEAU HOLDINGS INC. 2) MERRITT VIEW DEVELOPMENTS

ZONING DESIGNATION	DEVELOPMENT AREA
MERRITT PLATEAU HOLDINGS INC	
C1-LOCAL COMMERCIAL	0.14 ha
R1-SINGLE FAMILY RESIDENTIAL	5.97 ha
R3-MULTI FAMILY	7.89 ha
NOT ZONED	13.95 ha
PROPOSED PARK AREA	15.57 ha
FUTURE RESIDENTIAL (PROPOSED BARE LAND STRATA)	27.97 ha
MERRITT VIEW DEVELOPMENTS	
C3-SERVICE COMMERCIAL	2.04 ha
C4-HIGHWAY COMMERCIAL	0.48 ha
R5/R6-MOBILE HOME	2.64 ha

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1	DATE	FOR
	BY	BY
	DESCRIPTION	BY

SCALE	1:5000
DRAWN BY	
CHECKED BY	
DATE	

TJRW T. J. R. WOOD
ENGINEERING
KALLOOPS, B.C.

CITY OF MERRITT

MERRITT PLATEAU HOLDINGS INC.

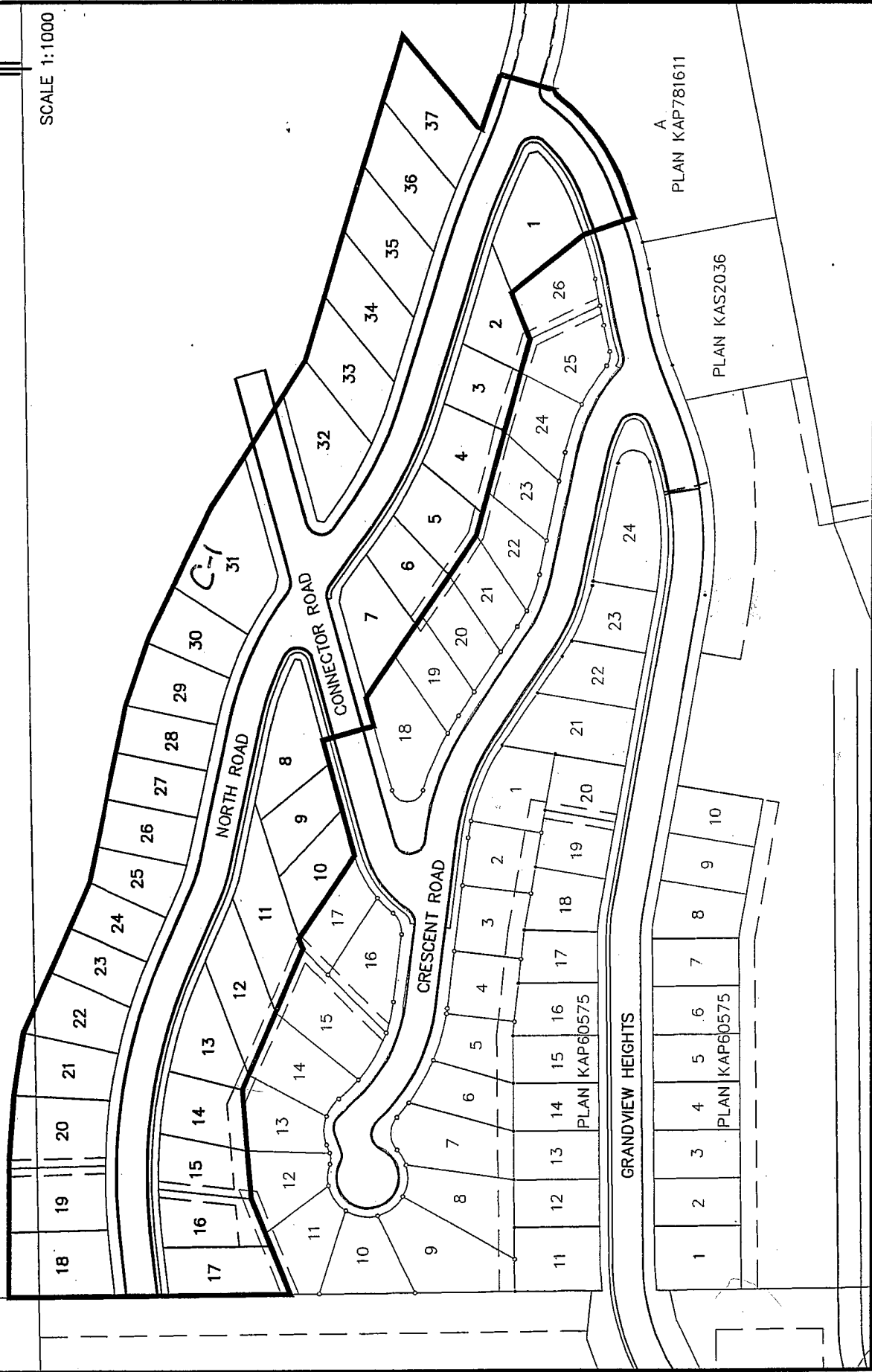
PRELIMINARY DEVELOPMENT PLAN ZONING APPLICATION

SHEET NO. 1 OF 1
DRAWING NO. 403-081-01

MERRITT PLATEAU HOLDINGS PHASE 3



SCALE 1:1000



Note: This is not an offering for sale.



City of **MERRITT**
Bylaw No. 1894, 2004

7.0 R1 (SINGLE FAMILY RESIDENTIAL)

Statement of Purpose

This zone provides for the use and development of single family dwellings on smaller parcels while preserving basic densities.

Permitted Uses

7.1 The following uses and no others shall be permitted in the area designated as R1:

- .1 Single family dwelling;
- .2 Single family dwelling with secondary suite;
- .3 Home-based business;
- .4 Accessory building;
- .5 Bed and Breakfast;
- .6 Specialized residential care facility; and,
- .7 Specialized residential care home

Regulations

7.2 On a parcel located in an area designated as R1, no building or structure shall be constructed, located or altered and no plan of subdivision approved which contravenes the regulations set out in the following page(s). Column I sets out the matter to be regulated and Column II sets out the regulations.

	<u>Column I</u>	<u>Column II</u>
.1	Maximum number of principal buildings	1 dwelling unit per parcel
.2	Minimum floor area for dwelling unit	85 square metres
.3	Maximum floor area for accessory buildings	Shall not exceed ten percent of the area of the parcel or the parcel coverage of the principal building.
.4	Maximum height:	
	.1 principal building	10 metres
	.2 accessory building	4.85 metres



- .5 Minimum Setback from Parcel Lines
for Principal Building:
 - .1 front parcel line 6 metres
 - .2 rear parcel line 6 metres
 - .3 interior side parcel line 1.5 metres
 - .4 exterior side parcel line 3 metres

- .6 Minimum Setback from Parcel Lines
or Dwelling Unit for Accessory Building:
 - .1 front parcel line 6 metres
 - .2 interior side parcel line 1.5 metres
 - .3 exterior side parcel line 3 metres
 - .4 rear parcel line 1.5 metres

- .7 Maximum parcel coverage 35 percent

- .8 Minimum parcel size for new
subdivisions 550 square metres

- .9 Minimum frontage for new
subdivisions 18 metres

- .10 Minimum width of a single family
dwelling 7 metres

Conditions of Use

- 7.3 .1 All manufactured housing must be on a permanent foundation and meet Canadian Standards Association (CSA) A277.

- .2 *Specialized residential care facility and specialized residential care home must meet the definitions and requirements of the Community Care and Assisted Living Act.*



16.0 C1 (LOCAL COMMERCIAL)

Statement of Purpose

This zone provides for the establishment of general commercial development outside the central business districts in residential neighborhoods to provide convenience shopping and services in close proximity to residential areas.

Permitted Uses

16.1 The following use and no others shall be permitted in the area designated as C1:

- .1 Convenience store;
- .2 Dwelling unit accessory to convenience store; and
- .3 Accessory building.

Regulations

16.2 On a parcel located in an area designated as C1, no building or structure shall be constructed, located or altered and no plan of subdivision approved which contravenes the regulations set out in the following page(s). Column I sets out the matter to be regulated and Column II sets out the regulations.

	<u>Column I</u>	<u>Column II</u>
.1	Maximum Floor Area for Convenience Store	250 square metres
.2	Minimum Floor Area for Accessory Dwelling Unit	55 square metres
.3	Maximum Floor Area for Accessory Building	65 square metres
.4	Maximum Height:	
	.1 principal building	10 metres
	.2 accessory building	3.5 metres
.5	Minimum Setback from Parcel Lines for Principal Building:	
	.1 front parcel line	6 metres
	.2 rear parcel line	6 metres
	.3 interior side parcel line	4.5 metres
	.4 exterior side parcel line	4.5 metres



City of MERRITT
Bylaw No. 1894, 2004

- | | | |
|----|--|--------------------|
| .6 | Minimum Setback from Parcel Lines
for Accessory Building: | |
| .1 | front parcel line | 6 metres |
| .2 | rear parcel line | 1.5 metres |
| .3 | interior side parcel line | 1.5 metres |
| .4 | exterior side parcel line | 3 metres |
| .7 | Maximum Parcel Coverage | 35 percent |
| .8 | Minimum Parcel Size for New
Subdivisions | 1000 square metres |
| .9 | Minimum Frontage for New
Subdivisions | 20 metres |

LAND TITLE ACT
FORM C
(Section 233(1))

Province of British Columbia

GENERAL INSTRUMENT - PART 1

(This area for Land Title Office use)

Page 1 of 4 Pages

1. APPLICATION: *(Name, Address, phone number and signature of applicant, applicant's solicitor or agent)*
 MORELLI CHERTKOW, Barristers & Solicitors
 #300, 180 Seymour Street, Kamloops, BC V2C 2E3
 Ph: (250) 374-3344
 LTO Client No. 10337 _____ Agent

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:*(PID) (LEGAL DESCRIPTION)
 Lots 1-37, Sec 23, Twp 91, KDYD,
 Plan KAP _____, except Plans KAP60575, KAP62038, KAP69055,
 KAP81662, KAP83942, 16853, 37249 and KAP 60305

3. NATURE OF INTEREST:*	DOCUMENT REFERENCE	PERSON ENTITLED TO INTEREST
DESCRIPTION	(Page and Paragraph)	
Statutory Building Scheme	Entire Document	Transferee

4. TERMS: Part 2 of this instrument consists of (select one only)
 (a) Filed Standard Charge Terms D.F. No.
 (b) Express Charge Terms x Annexed as Part 2
 (c) Release There is no Part 2 of this instrument

A selection of (a) includes any additional or modified terms referred to in item 7 or in a schedule annexed to this instrument. If (c) is selected, the charge described in item 3 is released or discharged as charge on the land described in Item 2.

5. TRANSFEROR(S):* **MERRITT PLATEAU HOLDINGS INC.** (Inc. No.499979),
 Of #106-1121 McFarlane Way, Merritt, BC V1K 1B9

6. TRANSFeree(S): *[postal address(es) and postal code(s)]*
MERRITT PLATEAU HOLDINGS INC. (Inc. No.499979),
 Of #106 - 1121 McFarlane Way, Merritt, BC V1K 1B9

7. ADDITIONAL OR MODIFIED TERMS:N/A

8. EXECUTION(S):***This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.*

Officer Signature(s) _____	Execution Date			Transferor(s) Signature(s) MERRITT PLATEAU HOLDINGS INC. by its authorized signatory (ies): _____ _____
	Y	M	D	

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C., 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

* *If space insufficient, enter "SEE SCHEDULE" attach schedule in Form E.*

** *If space insufficient, continue executions on additional page(s) in Form D.*

TERMS OF INSTRUMENT – PART II

WHEREAS:

1. MERRITT PLATEAU HOLDINGS INC. (“Plateau”) is the registered owner in fee simple of the property legally described as:

PID Lot B, Sec 23, Twp 91, KDYD, except Plans KAP60575, KAP62038, KAP69055,
KAP81662 and KAP83942

and

PID Part of DL4691, KDYD, except Plans 16853, 37249 and KAP60305

2. Plateau will be submitting a plan of subdivision to the Kamloops Land Title Office for registration, which plan will create Lots 1 to 37 after registration (“the Lots”).
3. Plateau hereby creates a building scheme relating to the Lots.
4. A sale of any of the Lots is subject to the restrictions enumerated in the schedule attached hereto.
5. The restrictions shall be for the benefit of all the Lots.

SCHEDULE OF BUILDING RESTRICTIONS AND CONDITIONS**THE LAND AND PREMISES TO WHICH THIS BUILDING SCHEME BINDS AND ATTACHES ARE:**

Lots 1 to 37 inclusive, shown on a Plan of Subdivision of Lot B, Sec 23, Twp 91, KDYD, except Plans KAP60575, KAP62038, KAP69055, KAP81662 and KAP83942 and Part of DL4691, KDYD, except Plans 16853, 37249 and KAP60305, prepared by John Graham of the firm of Graham & Associates, B.C.L.S., and dated _____.

1. It is expressly understood and agreed that the covenants and agreements herein shall run with the land and shall be binding upon all owners and all persons claiming through, under or in trust for them, and for the purpose of assuring that the said covenants shall continue to run with the land, or any part thereof, express notice of the said covenants and agreements are hereby given.
2. No building or other improvements (including any and all fences, driveways) shall be constructed or erected until the reasonably detailed plans and specifications for such buildings and/or improvements, including plans showing the siting of any improvements, the architectural treatment of the exterior of any buildings, the location of existing trees, the intended landscaping and other matters affecting the visual effect of a development on any of the Lots have been submitted to the Developer, and hereinafter referred to as "Plateau", at #105-1121 McFarlane Way, Merritt, BC V1K 1B9, for approval and until the said plans have in fact been approved in writing by Plateau. All buildings are to conform to the City of Merritt and the British Columbia Building Code requirements. It being the intention of these restrictive covenants that all improvements, including dwellings and appendages thereto, fences and landscaping are to be controlled as to design, siting, height, setbacks, type of materials used and exterior colour schemes, for the benefit of the subdivision as a whole.
3. No trailer, boat, snowmobile, recreational equipment in excess of 8,000 pounds gross vehicle weight or commercial vehicle of any kind or equipment shall be parked or stored on any part of any lot unless the same are sufficiently screened so as not to be visible from off the Lot on which the same is stored.
4. Any dwelling or structure constructed or erected on the Lot shall be fully completed on the exterior within a period of one year from the date of commencement of construction and, until the exterior of the dwelling or structure has been fully completed, it shall not be occupied or permitted to be occupied.
5. No living trees or shrubs shall be cut or removed from any Lot except in an area to be excavated for buildings, without receiving prior written approval from Plateau.
6. Clothes lines shall not be constructed except for single pedestal clothes lines permitted in rear yards only.
7. Satellite dishes, antennas or sheds shall not be erected or constructed in the front yard of any Lot. Any satellite dishes, antennas or sheds erected or constructed in the back yard of any Lot shall be properly screened.
8. No fence shall be erected on any Lot closer to the front of the Lot than the City of Merritt setback requirement for the dwelling house constructed on the Lot.

9. Provided always that Plateau shall have the power to cancel, waive, alter or modify such of the covenants contained herein in their application to any lot or lots which remain the property of Plateau or its successor or to any part of such lots without notice to the owner of any lot within the subdivision.
10. Any reference included in this Building Scheme shall apply to any successor to Plateau.
11. The provisions of this Statutory Building Scheme shall cease and not longer of any force and effect after that day 20 years after the date of the registration hereof in the Kamloops Land Title Office.

END OF DOCUMENT



COUNTRY MUSIC CAPITAL OF CANADA

July 12, 2007

Our File: SD2007-03

Merritt Plateau Holdings Inc.
Attn: Mr. Frank Rizzardo
105 – 1121 McFarlane Way
Merritt, BC V1K 1B9

Dear Mr. Bradley:

**Subject: Subdivision of Lot B, Sec 23, TWP 91, KDYD, Plan KAP 53473
And DL 4691, KDYD – Grandview Heights Phase 3 – 37 Lot R1
Residential**

This letter is to provide you with a Preliminary Layout Review of the above captioned subdivision subject to the following conditions:

1. All development must conform to the regulations set out in:
 - a. City of Merritt Zoning Bylaw No. 1894, 2004
 - b. City of Merritt Subdivision and Development Servicing Bylaw No.1187, 1987.
 - c. City of Merritt Official Community Plan Bylaw No. 1874, 2004, Development Permit Area Guidelines.
2. Copies of the above noted bylaws are available at City Hall for sale or can be accessed on the City's website.
3. Payment of applicable Development Cost Charges must be received.
4. The concerns of the Merritt Fire Rescue Department must be addressed. Their referral correspondence dated March 23, 2007 is attached.
5. Provision of a tax certificate from the City Treasurer showing all taxes have been paid for this property.

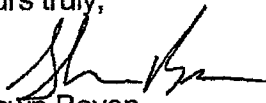


6. Engineered design drawings for all works and services – sewer, water, roads, drainage, hydrants, sidewalk, curb and gutter must be submitted for approval prior to construction. The engineered drawings must include and overall site drainage plan. All services must be inspected at substantial completion with any deficiencies noted and addressed to the City's satisfaction prior to final completion certificate being issued. Subdivision approval would not be granted until final completion certificate is obtained unless security is first provided to the City. A complete set of as built drawings must be provided to the City in electronic format prior to the end of the one year maintenance period and will be included in the maintenance security.
7. Any required Rights of ways to be identified, surveyed and registered including agreements.
8. Section 941 of the Local Government Act requires provision of park land or an amount that equals the market value of the land that may be required for park land purposes. Our assumption, based on the engineered design construction drawings, is that no park land is being provided within the 37 lot subdivision and that you will be paying cash in lieu. The payment for park land must also be provided to the City prior to signing of the Subdivision Plan unless the Minister of Community Services for the Province of BC, by regulation, authorizes payment in installments.

This Preliminary Layout Review is valid for 180 days from the date of this letter. Please note that this letter cannot be considered as final subdivision approval and final approval cannot necessarily be assured. Final approval can only be accomplished by the signing of the Plan of Subdivision by the Approving Officer after all requirements have been met.

This Review is based on a review of material provided by the applicant and may be revoked at any time by the Approving Officer especially if there is a change in the applicable provisions of Municipal Bylaws or Provincial Statutes. If you have any questions please contact me at 378-4224.

Yours truly,


Shawn Boven,
Approving Officer



MERRITT FIRE-RESCUE

1799 NICOLA STREET

TELEPHONE: (250) 378-5626
FAX: (250) 378 5621
MAIL ADDRESS:
2185 VOGHT STREET
P.O. BOX 189 MERRITT B.C.
V1K - 1B8

EMAIL: firmer@telus.net
Web: www.merritt.ca
Web: www.mfr.ca



To: Erin McGregor, Development Services Manager. Date: March 23, 2007

From: David Matteucci FC

Page 1 of 1

SD 2007 - 03 Grandview Heights, Phase - 3. Sub Division Proposal.

Erin,

1. I have a concern with the trend to create dead end streets; it is contrary to good design practices. Where ever possible, they should be eliminated.
2. As this proposal is on a hill side, we should ensure the grade of the roads is within acceptable standards.
3. Lastly, considering the elevation and our current water supply issues in that area, there should be special attention to the availability of water for fire suppression, including pressure and volume.

With the limited information provided I have no other comments at this time. I will comment further when a more detailed plan is provided.

Yours truly,

David Matteucci
Fire Chief

OFFER TO PURCHASE

CONTRACT OF PURCHASE AND SALE

DATED the _____ day of _____, _____.

BETWEEN:

Merritt Plateau Holdings Inc.
106 – 1121 McFarlane Way
Merritt, BC V1K 1B9

(the "Vendor")

AND:

Home Phone: _____ Business Phone: _____

(the "Purchaser")

WHEREAS the Vendor has developed a development known as "Phase 3" in Merritt, British Columbia, on that property described as Lots 1 to 37 inclusive, shown on a Plan of Subdivision of Lot B, Sec 23, Twp 91, KDYD, Plan KAP53473, except Plans KAP60575, KAP62038, KAP69055, KAP81662 and KAP83942 and Part of DL4691, KDYD, except Plans 16853, 37249 and KAP60305 (the "Lands").

AND WHEREAS the Purchaser is desirous of purchasing Lot _____ of Plan _____ registered in the Kamloops Land Title Office (hereinafter referred to as "Lot _____" or the "Lot.")

IN CONSIDERATION of payment of the Purchase Price of \$ _____ by the Purchaser to the Vendor in the same manner hereinafter received and the terms and conditions of this Agreement, the Vendor agrees to sell and the Purchaser agrees to purchase the Lot on the following terms and conditions:

TERMS AND CONDITIONS

1. Purchase Price:

\$ _____

(a) By initial deposit to the Vendor's solicitors, Morelli Chertkow (the receipt of which is hereby acknowledged by the Vendor) (1% minimum)

\$ _____

(b) By further deposit upon removal of purchaser's conditions this amount and the initial deposit equal 10% of Purchase Price

\$ _____

(c) Balance upon completion

\$ _____

TOTAL:

\$ _____

All deposits shall be held in trust by Morelli Chertkow in a CWB Trust Account as a stakeholder pursuant to the Real Estate Act. In the event that the vendor fails to complete this transaction on the Completion Date then the deposit shall be refunded forthwith to the Purchaser. All deposit cheques should be made payable to Morelli Chertkow "In Trust." All deposits to be credited to the purchase price at completion. Interest, if any, shall accrue to the benefit of the Purchaser and a small trust charge will apply.

The Purchase price does not include applicable Federal Goods and Services Tax ("GST"). The Purchaser shall be responsible for payment of GST and the Purchaser hereby indemnifies the Vendor from any and all liability for such payment. The Vendor will not provide a credit to the Purchaser for any GST rebate or portion thereof, should the Purchaser be entitled to any such rebate.

2. Legal Fees:

It shall be the Purchaser's responsibility to prepare documents necessary to complete this transaction and the Purchaser shall deliver to the Vendor for execution by the Vendor a Transfer in registrable form and a Statement of Adjustments at least three (3) days prior to the Completion Date. The Purchaser shall bear all costs of preparation and registration of the closing documents and delivery of the purchase monies to the Vendor. The Vendor shall bear all costs of clearing the title.

3. Completion Date:

The sale shall be completed on the _____ day of _____, _____ (the "Completion Date"). The Purchaser agrees that the Completion Date may be extended by the Vendor without penalty and without entitling the Purchaser to withdraw from the transaction, provided that the Vendor exercises all reasonable diligence resolving outstanding items.

4. Adjustment and Possession Date:

All adjustments, both ingoing and outgoing, of whatsoever nature will be made as of the Completion Date. The Purchaser shall obtain possession of the Lot, free of all tenancies on the Completion Date, and after the balance of the purchase price has been paid.

5. Included Equipment:

The Purchase Price shall include the following equipment:

Nil

6. Title:

On the Completion Date, the Vendor will transfer title to the Lot to the Purchaser free and clear of all registered liens, mortgages, charges and encumbrances of any nature whatsoever save and except:

- (a) those encumbrances set out in Paragraph 3.2 (c) (II) through (III) of the Disclosure Statement and as amended in any Amendments to the Disclosure Statement, and described therein as Permitted Encumbrances: and
- (b) any other easements, rights of way, or covenants in favour of utilities, public authority and other parties as required by them (the "Permitted Encumbrances").

The Purchaser acknowledges and agrees that the Vendor will be using the purchase monies received from the Purchaser to obtain a partial discharge of the Vendor's financing. The Purchaser's solicitor or notary public will pay the balance of the purchase price on the Completion Date to Morelli Chertkow in Trust on their undertaking to pay and discharge the Vendor's financing from the title to the Lot. If the purchaser is relying upon a new mortgage to finance the purchase price, the Purchaser, while still required to pay the balance of the purchase price on the Completion Date, may wait and pay the same until after the transfer and new mortgage have been lodged for registration at the Kamloops Land Title Office, but only if before such lodging against title to the Lot, the Purchaser has:

- A. deposited in trust with its solicitor or notary public, the cash balance of the purchase price not being financed by the mortgage;
- B. fulfilled all the new mortgagee's conditions for funding except lodging for registration: and
- C. made available to Morelli Chertkow a lawyer's or notary public's undertaking to pay on the Completion Date the balance of the purchase price upon the lodging of the transfer and the new mortgage documents and the advance by the new mortgagee of the mortgage proceeds.

7. Risk:

The Lot shall be at the risk of the Vendor until the Adjustment Date or actual possession by the Purchaser, whichever occurs first, and in the event of loss or damage to the same occurring before such time by reason of fire, tempest, lightning, earthquake, flood or other act of God, explosion or civil commotion, the Purchaser may at his option, cancel this Contract and shall thereupon be entitled to the return of any deposit monies paid hereunder. The Lot shall be at risk of the Purchaser from the Adjustment Date or actual possession by the purchaser, whichever occurs first.

8. Time:

Time shall be of the essence hereof. In the event that the purchase and sale contemplated by this agreement is not completed on the Completion Date or the Completion Date as extended pursuant to Paragraph 3 hereof, as a result of the Purchaser's default, the Vendor may, at its election, cancel this agreement and the amount paid by the purchaser as a deposit shall be absolutely forfeited to the Vendor as liquidated damages or the Vendor may, at its option, elect not to cancel this Agreement, but retain the deposit without prejudice to the rights of the Vendor to obtain from the Purchaser by an action for specific performance or otherwise, payment in full of the purchase price or pursue the Purchaser for damages arising out of the Purchaser's failing to complete this Contract of Purchase and Sale or pursue any other remedy available to the Vendor.

9. Agency Relationship:

The Purchaser acknowledges that _____ acts as a realtor for the Vendor only and has no agency relationship with the Purchaser.

10. Right of Rescission

The Developer has delivered on November 15, 2005, an amendment to the Disclosure Statement confirming the subdivision plan has been deposited for registration at the Kamloops Land Title Office and that the subdivision has been approved by an Approving Officer. No Right of Rescission exists on an offer.

11. Special Conditions

The Purchaser acknowledges that the Vendor will be developing other lands adjoining the subdivision of which the Lot is a part. The Purchaser acknowledges that it is a condition of the Vendor's agreement to sell the Lot to the Purchaser that the Purchaser agrees to support and not to oppose the future development of those other lands owned by the Vendor. The Purchaser acknowledges that in the event the Purchaser opposes such Development, damages may not be an adequate remedy for the Vendor and that the Vendor shall be entitled to an injunction prohibiting the Purchaser from opposing such development and all costs on a solicitor-own client basis incurred in obtaining such remedies as may be available to the Vendor.

12. General

A. It is understood and agreed that there are no representations, warranties, guarantees or conditions other than those contained within the Agreement. The representations and warranties contained herein will survive completion and the conveyance of the Lot to the Purchaser.

B. Any notice, document or communication required or permitted to be given under this agreement shall be in writing and either delivered by hand, transmitted by fax, or sent by prepaid mail to the Vendor or to the Purchaser as the case may be, at the above address. The time of giving such notice, document or communication shall be, if delivered, when delivered, if sent by fax, then on the day of transmission, and if mailed, then on the third business day after the day of mailing.

IN THIS AGREEMENT:

- a. The singular include the plural and vice versa;
- b. The masculine includes the feminine and vice versa;
- c. Any reference to a party includes the party's heirs, executors, administrators and assigns, and in the case of a corporation, its successors and assigns;

d. Any covenant, proviso, condition or agreement made by two or more persons shall be construed as several, as well as joint.

This offer is open for acceptance on or before _____ o'clock _____. m. on _____, _____, 200__.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals the day and year first above written.

Merritt Plateau Holdings Inc.,
by its authorized signatory:

Name:

Witness

SIGNED, SEALED AND DELIVERED)
In the presence of:)
)
)
_____)
Signature)
)
_____)
Name)
)
_____)
Address)
)
_____)
Occupation)

Signature of Purchaser

Signature of Purchaser

ADDENDUM

FURTHER TO the Contract of Purchase and Sale signed by the Purchaser(s) on _____, 200__.

BETWEEN:

MERRITT PLATEAU HOLDINGS INC.
106 – 1121 McFarlane Way
Merritt, BC V1K 1B9

AND:

Purchaser(s)

For Lot _____, Merritt Plateau Holdings Inc.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. This agreement is subject to the Purchaser being made available satisfactory financing in the amount of \$ _____ by on or before _____. If the Purchaser fails to notify the Vendor in writing on or before the said date that financing is or is not available, then the Purchaser will be deemed to have waived this condition, and the obligation of the Purchaser to complete the purchase will be unconditional. The Purchaser will make all possible best efforts to fulfill this condition including the pledging of additional security as may be necessary to obtain the financing sought. The condition is for the sole benefit of the Purchaser.

2. _____

See Page 2 for any additional conditions, if any.

AGENCY DISCLOSURE (if applicable):

The Purchaser and Vender acknowledge having received, read and understood the brochure published by the British Columbia Real Estate Association entitled "Working With a Real Estate Agent" and acknowledge and confirm as follows:

1. The Vendor has an agency relationship with _____
_____ (Agent) and _____ (Salesperson).
2. The Purchaser has an agency relationship with _____ (Agent)
and _____ (Salesperson).

DATED THIS _____ DAY OF _____, 200_____.

Merritt Plateau Holdings Inc.
by its authorized Signatory:

Name:

Witness

Witness

Purchaser

Purchaser

MERRITT PLATEAU HOLDINGS PHASE 3

