

DISCLOSURE STATEMENT
(Real Estate Development Marketing Act)

SPALL VISTA ESTATES

Name of Developer: 0772431 B.C. LTD.

Address for Service:
c/o Halbauer & McAndrews,
Barristers & Solicitor,
445 Ellis Street,
Penticton, B.C. V2A 4M1

Mailing Address: 1132 Stevens Raod,
Kelowna, B.C. V1Z 1G1

Real Estate Agent: Royal LePage Kelowna,
#1, 1800 Cooper Road,
Kelowna, B.C. V1Y 8B7

Date of Disclosure Statement: January 11, 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 statement 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 purchasers' deposits with a brokerage, lawyer or notary public who must place the deposits 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.

TABLE OF CONTENTS:

Description **Page number**

1. The Developer:	
1.1 Jurisdiction, Date of Incorporation & Incorporation Number	4
1.2 Purpose of Incorporation	4
1.3 Address of the developer's registered and records office	4
1.4 List of directors of the developer	4
2. General Description:	
2.1 General Description of the Development	4
2.2 Permitted Use	4
2.3 Building Construction	5
3. Servicing Information:	
3.1 Utilities and Services	4
4. Title and Legal Matters:	
4.1 Legal Description	5
4.2 Ownership	6
4.3 Existing Encumbrances and Legal Notations	6
4.4 Proposed Encumbrances	6
4.5 Outstanding or Contingent Litigation or Liabilities	7
4.6 Environmental Matters	7
5. Construction and Warranties:	
5.1 Construction Dates	8
5.2 Warranties	8
6. Approvals and Finances:	
6.1 Development Approval	8
6.2 Construction Financing	8
7. Miscellaneous	
7.1 Deposits	8
7.2 Purchase Agreement	8
7.3 Developer's Commitments	9
7.4 Other Material Facts	9
Deemed Reliance	9
Declaration	9
Developer(s) Signature	9

1. **The Developer**

1.1 Jurisdiction: British Columbia
Date of Incorporation: October 23, 2006
Incorporation Number: BC0772431

1.2 The Developer was incorporated specifically for the purpose of developing the subdivision lots and the Developer does not have any assets other than the development property itself.

1.3 Registered and Records office of the Developer:

Halbauer & McAndrews,
Barristers & Solicitors,
445 Ellis Street,
Penticton, B.C. V2A 4M1

1.4 Director of the Developer is:

Jason Gedig

2. **General Description**

2.1 **General Description of the Development**

The Development is located in the Municipality of Spallumcheen. The description of the property is that portion of those lands described in paragraph 4.1 of this Disclosure as shown on proposed subdivision plan (the "Plan") attached hereto as Schedule A. The Development (the "Development") includes 16 lots (the "Lots") of which Lots 1 – 16 except Lot 15 will be offered for sale in accordance with this Disclosure Statement;

2.2 **Permitted Use**

The Lots are to be used for residential purposes only. The Development is zoned small holdings by the Municipality of Spallumcheen which zoning requires a minimum lot size of 1 hectare. The Lot sizes in the Development will range from one to two hectares approximately as shown on the Plan. Commercial Development is not permitted within the zoning except in limited cases as provided for in the Municipality of Spallumcheen Zoning Bylaws.

2.3 **Building Construction**

The Developer will not be responsible to build any improvements on any Lot. Purchasers will require a Building Permit from the Municipality of Spallumcheen to construct any

improvement and must comply with the Statutory Building Scheme that will be registered against title to each Lot, a copy of which is attached hereto as Schedule B.

3. Servicing Information

3.1 Utilities and Services

The following utilities and services are/will be installed to the Lot line at the expense of the Developer:

- (1) water is provided by Greater Vernon Services;
- (2) electricity is provided by British Columbia Hydro and Power Authority;
- (3) sewerage is not provided to the lot line of each Lot. The Ministry of Health has advised that it will require that each owner of a Lot to construct and maintain a type two onsite waste water treatment system;
- (4) natural gas is provided by Terasen Gas;
- (5) fire hydrants will be installed within the Development pursuant to the requirements of Municipality of Spallumcheen. Fire Protection is provided by the Armstrong Fire Department located in Armstrong, British Columbia. The Armstrong Fire Department is located approximately 10 kilometers from the Development. Back up protection is provided by BX Swan Lake Fire Department located on Silver Star Road, Vernon, British Columbia;
- (6) telephone is provided by Telus;
- (7) access to the Development is by way of Northwind Drive;
- (8) cable television service is provided by Shaw Cable Vision; and,
- (10) internet is provided by Shaw Cable Vision or Telus.

It will be the responsibility of the Purchaser of each of the Lots to apply to the applicable authority for the delivery of water, electricity, telephone, cable television, internet and gas services to such Lot;

4. Title and Legal Matters

4.1 Legal Description

The legal description of the Development are those portions of the following lands shown on the Plan except Lot 15:

- (a) Lot 3, District Lot 104, Osoyoos Division Yale District, Plan 1677 except Plan 34292
PID: 011-501-359;
- (b) Lot 3, Section 34, Township 8, Osoyoos Division Yale District, Plan 31929
PID: 003-567-389; and,
- (c) Lot 4, Section 34, Township 8, Osoyoos Division Yale District, Plan 31929
PID: 001-779-621.

Following registration of the Plan the legal description of the Development will be Lots 1 - 16, District Lot 104 , Osoyoos Division Yale District, Plan KAP_____.

4.2 Ownership

The Developer is the beneficial owner of the Lands. 925 Investments Ltd. is the registered owner of the Lands and holds the Lands in trust for the Developer as a bare trustee.

4.3 Existing Encumbrances and Legal Notations

Registered encumbrances

The title to the Lands is presently subject to the following registered charges and encumbrances:

1. Legal Notations

- (a) This Certificate of Title may be affected by the Agricultural Land Commission Act, See Agricultural and Reserve Plan No. M11122;
- (b) Notice of Establishment as Highway and of Vesting in Crown Received on the 23rd day of July, 1993 of Lands specified in the Notice, see DF KG70057 and Plan H433; and,
- (c) Hereto is annexed Easement KK71688 over Part of Lot 3, Plan 31929 shown on Plan KAP57486.

2. Existing Encumbrances

- (a) Land Use Contract Number P2375 as to proposed Lots 15 and 16 only;
- (b) Statutory Building Scheme Number S57704 as to proposed Lots 15 and 16 only.

4.4 Proposed Encumbrances

- (a) The following non-financial charges may or will be registered against the Lots to which a Purchaser's title will be subject:

- (1) Statutory Building Scheme substantially in the form and on the terms and conditions attached hereto as Schedule B as to proposed Lots 1 to 14 only; and
 - (2) Easement charging proposed Lots 8, 9 10 and 11 for storm water drainage and a storm water retention pond substantially in the form and on the terms and conditions attached hereto as Schedule C.
- (b) If required the Developer intends to grant rights of way, easements, restrictive covenants, dedications or other rights and restrictions as required by the Municipality of Spallumcheen, the North Okanagan Regional District, British Columbia Hydro and Power Authority, TELUS, Terasen Gas or any other applicable Government Authority or Public Utility as deemed advisable by the Developer in connection with the construction, common use or occupation of the Development.

4.5 Outstanding or Contingent Litigation or Liabilities

There is no outstanding or anticipated litigation or contingent liability in respect of the Development or against the Developer which may affect the Development.

4.6 Environmental Matters

There are no known dangers nor any requirements imposed by municipalities or other governmental authorities relating to flooding of or to the condition of the soil and subsoil except for the following:

- (a) pursuant to the Riparian Area Regulation (“RAR”) under the British Columbia Fish Protection Act Lots 9, 10, 11, 12, 13 and 14 are located in a riparian assessment area (“RAA”) because they are adjacent to Otter (Deep) Creek. The RAA is a 30 meter strip of land on each side of Otter (Deep) Creek measured from the high water mark. Activities restricted in the RAA include:
 - (1) removal, alteration, disruption or destruction of vegetation;
 - (2) disturbance of soil;
 - (3) construction or erection buildings and structures;
 - (4) construction of non-structural impervious or semi-impervious services;
 - (5) flood protection work;
 - (6) construction of road, trails, docks, wharves and bridges;
 - (7) provision and maintenance of sewer and water services;
 - (8) development of drainage systems;
 - (9) development of utility corridors; and,
 - (10) subdivision as defined in Section 872 of the *Local Government Act*.

5. Construction and Warranties

5.1 Construction Dates

Construction (including services and utilities) of the Development is anticipated to commence on January 1, 2007 and it is anticipated that such construction will be completed on or before April 30, 2007 subject to construction delays reasonably beyond the control of the Developer.

5.2 Warranties

The Developer is not providing any warranties to a purchase of a Lot.

6. Approvals and Finances:

6.1 Development Approval

The Development has been approved by the Municipality of Spallumcheen by the issuance by the Approving Officer for the Municipality of Spallumcheen of a Preliminary Layout Approval dated December 21, 2006, a copy of which has been deposited with the Superintendent of Real Estate concurrently with the filing of this Disclosure Statement.

6.2 Construction Financing

There are no financial encumbrances registered against the Title to the Lands. The Developer has made adequate arrangements for the purpose of installing utilities and services.

7. Miscellaneous

7.1 Deposits

All monies received by the Developer from a Purchaser of a Lot will be held in trust by a lawyer, notary public or licensed Real Estate Agent in accordance with the *Real Estate Development Marketing Act*, until the occurrence of all of the following circumstances:

- (i) the proposed Plan is deposited in the Land Title Office; and,
- (ii) an instrument evidencing the interest of the Purchaser in the Lot has been registered in the Land Title Office.

7.2 Purchase Agreement

The Developer does not intend to use any particular form of Purchase Agreement.

7.3 Developer's Commitments

The Developer has not made any commitment that will have to be met after completion of a sale or lease of a Lot.

7.4 Other Material Facts

Not Applicable

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 January _____, 2007

0772431 B.C. Ltd.

by its authorized signatory:

Jason Gedig

Jason Gedig

Director of 0772431 B.C. Ltd.

SCHEDULES

Schedule A Proposed Subdivision Plan

Schedule B Statutory Building Scheme

Schedule C Easement

SCHEDULE B

Land Title Act

Form 35
(section 220(1))

Declaration of Building Scheme

NATURE OF INTEREST CHARGE: Building Scheme

HEREWITH FEES OF: \$ *[amount]*

Address of person entitled to apply to register this building scheme:

Full name, address, and telephone number of person presenting application:

Signature of Applicant or
Solicitor or Authorized Agent

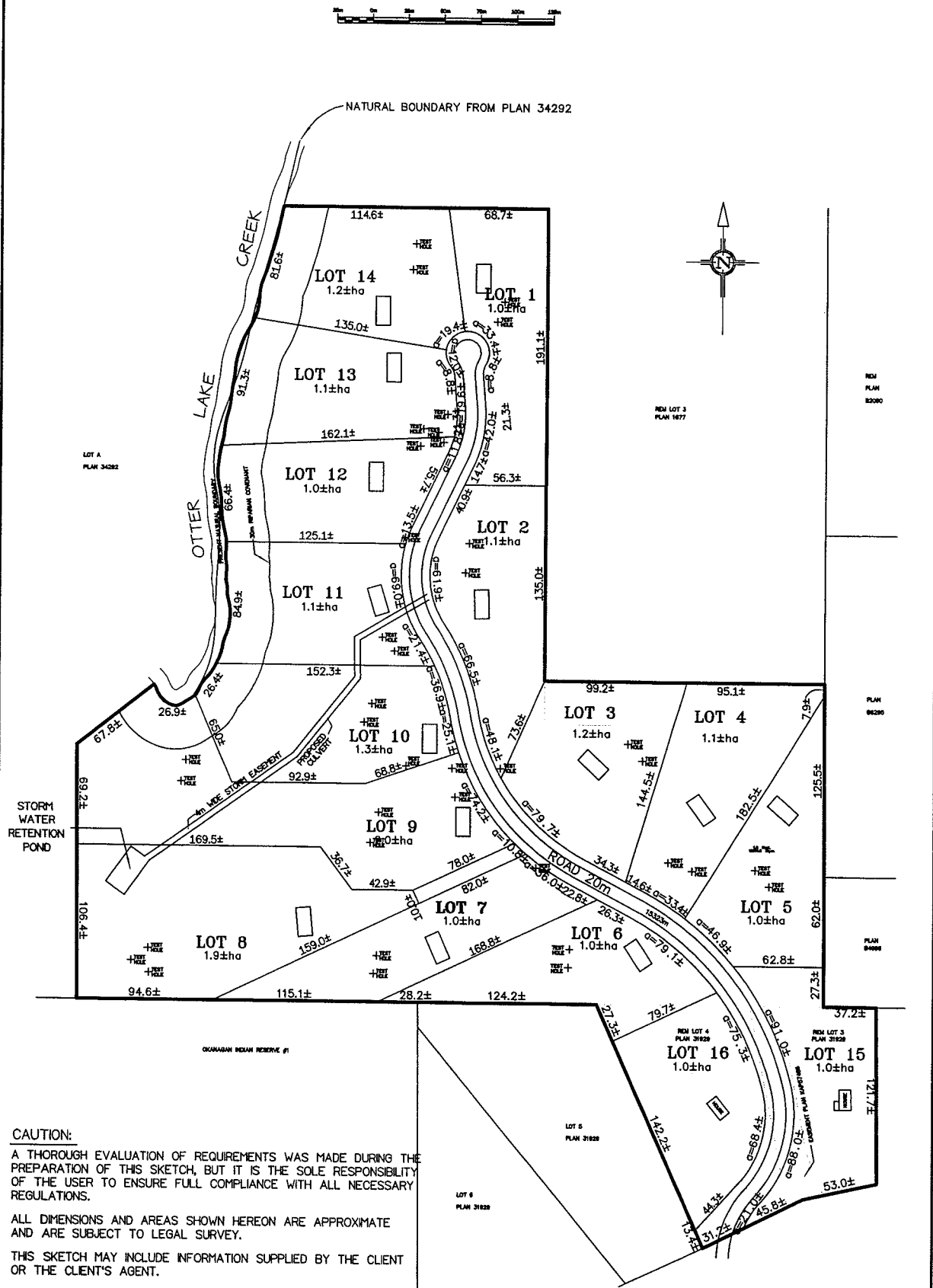
925 Investments Ltd. declare that:

1. 925 Investments Ltd. is the registered owner in fee simple of the following land (the "Lots"):

Lots 1 to 14
2. I hereby create a building scheme relating to the Lots.
3. A sale of any of the Lots is subject to the restrictions enumerated in the schedule attached or annexed hereto.
4. The restrictions shall be for the benefit of all the Lots, provided, however, that we reserve the right to exempt any of the Lots remaining undisposed of by us from all or any of the restrictions and benefits.

SCHEDULE A

SKETCH PLAN OF PROPOSED SUBDIVISION OF PART LOT 3, PLAN 1677, DL 104, ODYD.



CAUTION:
 A THOROUGH EVALUATION OF REQUIREMENTS WAS MADE DURING THE PREPARATION OF THIS SKETCH, BUT IT IS THE SOLE RESPONSIBILITY OF THE USER TO ENSURE FULL COMPLIANCE WITH ALL NECESSARY REGULATIONS.

ALL DIMENSIONS AND AREAS SHOWN HEREON ARE APPROXIMATE AND ARE SUBJECT TO LEGAL SURVEY.

THIS SKETCH MAY INCLUDE INFORMATION SUPPLIED BY THE CLIENT OR THE CLIENT'S AGENT.

© THIS DRAWING IS COPYRIGHTED TO RICHARD SHOESMITH, B.C.L.S., WHO RETAINS OWNERSHIP OF ALL INTELLECTUAL PROPERTY RIGHTS, AND MAY NOT BE REPRODUCED, TRANSMITTED OR DISTRIBUTED IN ANY FORM WITHOUT CONSENT.

PROFESSIONAL LAND SURVEYORS
SHOESMITH LAND SURVEYS
 15020-116th Street, Surrey, BC V4W 1G7
 TEL: 604-273-7878 FAX: 604-273-7879

EXECUTION(S)

Officer Signature(s)

Execution Date		
Y	M	D

Chargeholder Signature(s)

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.

CONSENT AND PRIORITY AGREEMENT OF CHARGE HOLDERS

We [names of chargeholders], of [addresses of chargeholders], the holders of the following registered charges, consent to the registration of the above Declaration of Building Scheme and agree that it shall have priority over our respective charges.

Officer Signature(s)

Execution Date		
Y	M	D

Chargeholder Signature(s)

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.

- Notes:
1. The consent and grant of priority of chargeholders may be in separate counterparts of Form 35.
 2. The execution of all declaring or consenting parties must be witnessed in accordance with Part 5 of the *Land Title Act*.
 3. The type and registration number of the charge must be typed or printed immediately below the signature of the owner of the charge.

SCHEDULE OF RESTRICTIONS

1. The following restrictions shall apply to the lot:
 - (a) There shall not be erected or maintained on any of the Lots any dwelling house which contains less than 1200 square feet of habitable floor area on the main floor of the dwelling house, not including the floor area of any basement of such dwelling house or garage;
 - (b) The Lots shall not be used for the accumulation or storage of any type of scrap, debris, salvage materials and, without limiting the generality of the foregoing, motor vehicles or parts of the same;
 - (c) No mobile home, trailer, manufactured home or modular home shall be installed on any of the Lots and this restriction shall apply, notwithstanding that the said mobile home, trailer, manufactured home or modular home is on a foundation or whether or not the wheels thereof have been removed;
 - (d) No prefabricated home shall be installed on any of the Lots;
 - (e) No dwelling or building shall be constructed on any of the Lots unless the exterior of the same to do with landscaping and any paved or concrete driveway is completed within 18 months of the date of issuance of the Building Permit for the dwelling house. The exterior must be painted or a finished surface. No exterior shall be left unpainted, unstained or unfinished;
 - (f) No fencing shall be constructed of chain link or barb wire and shall not exceed 1.5 meters in height. Fences must not restrict the view and must blend in with the country estate atmosphere. No plants or trees included as part of the landscaping shall restrict views from any dwelling house located on a lot;
 - (g) No dwelling shall be constructed on any Lot with a roof or siding finished in metal;
 - (h) The owner or occupier of any Lot shall cause, commit, suffer or authorize to remove any act of nuisance to originate or emanate from his or her lot;
 - (i) No commercial vehicles including logging trucks shall be stored on a Lot.
 - (j) The restrictions herein contained shall not be deemed to be exclusive either of the requirements of the applicable provincial or municipality authorities or of the obligations or liabilities imposed by statute or law or equity on the owners or occupiers of a Lot, all of which shall be observed and complied with;
 - (k) Invalidation of any of these restrictions or provisos, or any part thereof, by Judgment or Court Order shall in no way affect any of the restrictions herein set forth not invalidated by such Order or Judgment and any restrictions not so invalidated shall remain in full force and effect.
 - (l) Neither the Developer nor any of its agents, directors, employees or nominees shall be liable for any or all loss, costs, liabilities, claims, damages or injury to any person arising out of:
 - a) non-compliance with or non-fulfillment of any of the restrictions herein contained;
 - b) a failure to enforce any of the provisions herein contained

(m) The owner of any of the Lots acknowledge that adherence to this building scheme and the approved plans and specifications is in the best interest of all of the Lots and the owners thereof and that damages would not be an adequate remedy in the event of default or non-compliance in relation to the same. Accordingly, the owner of each of the Lots acknowledges that the Developer or its nominee or the owners of any other Lots may, upon any such default or non-compliance restrain the furtherance of any such default or non-compliance and require the compliance of any such owner in relation to this building scheme by way of application to a Court of competent jurisdiction for an ex-parte injunction prohibiting the continuance of any such construction, default or non-compliance and/or requiring the alteration of any building or structure to comply with this building scheme and the approved plans and specifications. The owner of the Lot shall be responsible for any costs necessary to remedy any violation of the restrictions herein contained or the non-compliance with the approved plans and specifications;

END OF DOCUMENT

