

MEADOWS EDGE RECREATION RESORT

Executive Summary

Company Information

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Resort Concept

Meadows Edge Recreation Resort (The Resort) offers a limited number of spectacular recreation lots along the most pristine shoreline on Okanagan Lake. The Resort is solely located at the north end and eastside of Okanagan Lake on the Okanagan Indian Band Reserve, I.R. # 1. The surrounding area is stunningly beautiful displaying several miles along the lake completely untouched by urban spread. The Resort is taking a low impact, eco friendly approach to developing the project land in the attempt to blend into the natural landscapes of the area. The Resort is now entering into Phase II selling the last thirty lots.

The Resort offers a total of 45 spacious lots for sub-lease. Two different size lots are available as follows 65ft. x 55ft. and/or 75ft. x 55ft. An equal size common area space has been placed in between each lot. Each lot is available under a sub-lease for a ten year term that comes with a first option to renew for an additional ten years.

The Resort has a particular interest in promoting yurts (www.yurtco.com) as the preferred alternative dwelling for the resort although there are a number of lots reserved for high quality RV's and trailers. There will be no cabins.

Financial Terms

For a limited time only, all lots are \$25,000.00 for a ten year lease with a first option for an additional ten years.

Purchasers are only required to pay a non-refundable \$1,000.00 down to hold their preferred lot number until such time that road access and water is available to their lot. At that time, each purchaser will be required to pay the remaining down payment of \$14,000.00. The majority of money raised from lot sales is committed to and held in a trust fund to be distributed only towards the completion of promised amenities and services. The remaining balance of the purchase price equaling \$10,000.00 can either be paid in full or by a monthly payment program spread over three years @ \$300.00 per month.

Annual Fees

Annual fees are \$2500.00 per year for maintenance, security and management. Fees are due April 1st of each year. Those wishing to pay monthly by direct debit can arrange to have \$215.00 month withdrawn from their bank account to cover the annual fees.

MEADOWS EDGE RECREATION RESORT

Executive Summary

Amenities

The Resort offers a huge beautiful sandy beach and great lawn area with shade shelters and picnic tables. Trees will be planted in common areas and lot owners are encouraged to plant trees and/or shrubs as well. Water will be provided by the recently drilled well that happens to be an artesian well producing 40 gallons of great tasting clear cold water per minute. A common use amenities building will be provided with hot showers, sinks, toilets, workshop, laundry facility and a recycling station once the head lease has approved the engineered design. In consideration of the waiting time for the head lease to finalize a small two washroom facility will be constructed for immediate use.

Services are limited to each lot. To provide all the standard services would add a significant increase to the cost of each lot. To keep the cost of lots down and to insure as little change to the land as possible sub-lessees are required to provide their own independent source of power and other desired amenities within their immediate dwelling (solar/compost toilet). Water line will be delivered to each Lot once each lot owner has a holding tank system in operation for the collection of black/grey water. The collection of black/grey water is a service that is provided by management and covered under your annual fees. A nominal fee will be charged where excessive use and collection is required.

For lot owners who want to set up in an ideal fashion you will need a certain list of items that will include solar panels, inverters, battery bank for electricity, water tanks (for the collection of black/grey water), building materials, sand, gravel, soil, trees and shrubs, heaters (wood, pellets, propane) and compost toilets and any other product where there is a multiple interest in acquiring a particular item or service. Management is setting up a power buy program to gain an edge on significant savings for lot owners. Savings could be in the hundreds of dollars purchasing together. Lot owners are required to immediately keep their lot in a maintained and tidy condition. Lot owners that live outside of the area can make an arrangement with management to provide service to their lot when required. Structural implements must be approved by management and completed within one year from date of purchase.

Recreation Benefits

Meadows Edge Recreation Resort is a unique outdoor experience. Nature lovers and families desiring more of the traditional recreation values will be overwhelmed by the dynamics of the surrounding area. Wildlife abounds, making it difficult to keep in mind that it is only twenty minutes by car from the City of Vernon. The Resort is also easily accessible by boat.

The Resort is located in an ideal area for boating, kayaking, canoeing, mountain biking, hiking, horseback riding, golfing, swimming, bird watching, volleyball and many other activities. It can also be used as a winter getaway for cross country skiing, skating and tobogganing.

Entertainment

The Resort will operate in a unique fashion. Management will be promoting occasional (Saturdays) cultural, recreation and entertainment events and programs on the site lands. The concept of implementing these programs is to first benefit lot owners by raising funds

MEADOWS EDGE RECREATION RESORT

Executive Summary

for ongoing improvements, services and landscaping. The programs are designed to keep future costs at bay and to also attract an interest from the public whereby lot owners, if they so wish, can make their investment pay for itself via renting their dwelling out to interested participants when vacant.

A historical boat is situated onsite. The 110 foot former Great Canadian Pacific Railway vessel MV "OKANAGAN" built in Vernon in 1946 is permanently moored adjacent to the campground. It is no longer operational for cruises. The boat is being refitted to become a wonderful social facility for the resort able to accommodate up to 150 people for any special event. It will also provide a great casual venue on the water to convene with others on hot summer days or be utilized for a personal and/or private special occasion.

Leasing Terms

The Okanagan Nation has a long history of honor and trust with more than 500 leases and sub-leases currently active on the reserve. Most recreation leases on the Okanagan Indian Band lands are referred to as a "*buckshee lease*" which may not always be an enforceable lease under Canadian law. There has never been any incident or dispute over a buckshee lease on the Okanagan Indian Band reserve for over sixty years. Leasing land is the main significant contributor to the Okanagan Indian Band's (OKIB) economic growth.

As an added level of comfort and security to each sub-lessee, Meadows Edge Recreation Resort has taken steps to formalize the tenure of a sub-lessee by submitting an application to "Indian and Northern Affairs Canada (INAC)" for a registered "head lease" on the project land for a twenty year term. Once the head lease has been finalized and registered, it becomes a secured lease that protects the use by all sub-lessees under the head lease. The Certificate of Possession Holder (owner) of the project land has already signed off on this process which is now underway with INAC and takes approximately one year to complete.

Anyone wishing to secure a preferred Lot # and be able to have immediate occupation to the lot at this time must enter into a ten year buckshee lease agreement in the interim. Each buckshee lease will be converted over to the legal sub-lease under the head-lease at the appropriate time of full registry with INAC. All sub-leases will then be registered under INAC's land registration system (i.e. Indian Lands Registry).

Guarantees

It is important to understand that the present day policy of financial institutions does not provide mortgages and loans to unregistered reserve lands. Meadows Edge has applied for registry of the project lands; however it will be sometime before it is finalized.

Therefore, Meadows Edge has taken the approach of completing this project in two phases based on accumulated lot purchases and what work can be completed outside of the approval process of INAC. Once a certain number of lot purchases are reached within each phase, further work will commence where improvements are allowed.

The layout of lots will remain as is insuring each lot owner that there will be no other lot sales either side of their lot.

MEADOWS EDGE RECREATION RESORT

Executive Summary

Parkers Cove is a well established resort on the OKIB reserve located on Westside Road that took the same approach as Meadows Edge is during their beginning times which has unfolded with great success. A "trust account" has been set up with Kidston & Co. LLB (barristers and solicitors) who will hold safe all funds from each lot purchase. Kidston & Co. LLB can only release funds from that account at the time twenty purchasers have fully committed. The majority of all funds are committed to infrastructure and improvement expenditures (refer to Phase II spread sheet).

Phase I - 15 lots - sold out and the scheduled improvements have been completed.

- Legal survey
- Phase 1 Roads
- Cattle Guard
- Fencing
- Sandy Beach
- Shade Shelters
- Outdoor stage
- Outhouses
- Landscaping

Phase II - 30 lots purchases - improvements indicated below will be implemented.

- Independent Power
- Well for water and lines to each lot
- Four washrooms (once a final approval comes from INAC on engineered plans)
- Additional Roads
- Additional Shade Structures
- Picnic Tables/Fire pits
- Landscaping

Additional Information on Yurts

A yurt is a circular style living space available in sizes ranging from 113sq ft. to 805 sq. ft. They are low maintenance, portable, headache-free dwellings that can withstand winds up to 200km.

Yurts were originally designed by the Mongolians who mastered this practical stylish dwelling over a thousand years ago. However, the yurt's practical design has been greatly improved on since the original, with the application of 21st century super high-tech materials for durability and longevity. Yurts are resistant to all weather conditions, cool in the summer and warm in the winter, having an R-40 insulating factor. Yurts are an excellent option for recreation living and more economical than building a cabin or buying an RV or trailer.