

**Form 45-106F2**  
**Offering Memorandum for Non-Qualifying Issuers**

**Date:** May 1, 2009

**The Issuer**

**Name:** Alta Pacific Mortgage Investment Corp.

**Head office:** Address: 1230 Hamilton Street (Yaletown), Suite 204, Vancouver, BC V6B 2S8

Phone#: (778) 552-4151

E-mail address: [admin@altapacificmortgages.com](mailto:admin@altapacificmortgages.com)

Fax#: : (604) 608-9070

Currently listed or quoted? These securities do not trade on any exchange or market.

Reporting Issuer? No.

SEDAR filer? No.

**The Offering**

Securities offered: Class B Shares

Price per security: \$100 per Class B Share

Minimum offering: \$0. You may be the only purchaser.

Maximum offering: \$10,000,000 (100,000 Class B Shares)

Minimum subscription amount: \$10,000 (100 Class B Shares)

Payment terms: A certified cheque or bank draft payable to "Alta Pacific Mortgage Investment Corp." or "Welwood Wiens & Warkentin LLP in trust"

Proposed Closing Date: On or before July 1, 2009 or such other date or dates as determined by the Corporation, but no later than the earlier of the Maximum Offering being subscribed for or November 30, 2010.

Income tax

consequences: There are important tax consequences to these securities. See Item 6.

Selling Agent: See Item 7.

**Resale Restrictions**

You will be restricted from selling your securities for an indefinite period. See Item 10.

**Purchaser's rights**

You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this offering memorandum, you have the right to sue either for damages or to cancel the agreement. See Item 11

**No securities regulatory authority has assessed the merits of these securities or reviewed this offering memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 8.**

This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this offering. By their acceptance of this Offering Memorandum, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisors, this Offering Memorandum or any information contained herein. No person has been authorized to give any information or to make any representations not contained in this Offering Memorandum. Any such information or representation which is given or received must not be relied upon.

Alta Pacific Mortgage Investment Corp. (the "Corporation") is offering under the Offering Memorandum Exemption up to 100,000 Class B Shares at \$100.00 per share to qualifying residents in British Columbia, Alberta, Saskatchewan and Manitoba only (the "Offering"). The Corporation was formed to be a mortgage investment corporation to invest in various mortgages.

The Corporation's securities are not listed or quoted on any stock exchange. The Corporation is not a reporting issuer in any jurisdiction, nor does it file continuous disclosure materials on SEDAR. The Class B Shares are subject to restrictions on resale. Investors will be restricted from selling Class B Shares for an indefinite period. There are important tax consequences to the ownership of Class B Shares. See Item 10: Resale Restrictions and Item 6: Income tax Consequences and RRSP Eligibility.

If purchasing the Class B Shares pursuant to this Offering Memorandum Exemption, interested parties have two business days from their execution of the Subscription Agreement to cancel their agreement to purchase these securities. In certain jurisdictions in which this Offering will be made, if there is a misrepresentation in this Offering Memorandum, the Investor has the right to sue either for damages or to cancel their Subscription Agreement. See Item 11: Purchaser's Rights.

To subscribe, an interested party must deliver a certified cheque or bank draft payable to the Corporation along with a complete Subscription Agreement (copy attached hereto). Subscriptions will be received subject to rejection by the Corporation in whole or in part before Closing. The Initial Closing is expected to occur on or about July 1, 2009, however the Corporation reserves the right to close subscriptions at any time without notice.

The Offering is not underwritten and is not subject to any minimum subscription. Therefore any funds invested will not be returned to Investors. See Item 11: Purchaser's Rights" and Item 8: Risk Factors.

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## SUMMARY

This is a summary of the more detailed information appearing elsewhere in this Offering Memorandum and is qualified by such information.

- Offering:** 100,000 Class B Shares for gross proceeds of \$10,000,000
- Price:** \$100.00 per Class B Share
- Subscription Procedure:** A fully executed Subscription Agreement must be delivered with a bank draft or certified cheque for the full subscription price payable to Corporation.
- Closings:** The Initial Closing is anticipated to occur on or about July 1, 2009. Subsequent closings are expected to occur at such time as the Corporation considers appropriate.
- The Corporation:** The Corporation was incorporated on March 27, 2007 under the laws of the Province of British Columbia. See Item 2: "Business of Alta Pacific Mortgage Investment Corp.
- Principal Business:** The principal business of the Corporation is a mortgage investment corporation, which is a company whose business is restricted to investing in first and second residential and commercial mortgages. See Item 2: "Business of Alta Pacific Mortgage Investment Corp.
- Use of Available Funds:** The net proceeds of the Offering will be principally used to invest in mortgages in accordance with the Corporation's investment practices and restrictions. See Item 1: Use of Net Proceeds, Item 2: Business of Alta Pacific Mortgage Investment Corp. and Item 8 Risk Factors.
- Risk Factors:** The Class B Shares offered hereunder must be considered highly speculative. Interested parties should carefully consider the following risk factors: (a) the indefinite hold periods on the Class B Shares and the lack of market for the Class B Shares; (b) no guaranteed return on invested funds; (c) no fixed dividend or redemption of the Class B Shares; (e) no significant history of operations or earnings; (f) availability of capital funding; (g) the real property against which the mortgages will be secured are subject to significant fluctuation in value; (h) reliance on a non-arm's length manager to determine mortgage investments; (i) changes in income tax laws and government incentive programs; and (j) conflicts of interest. See Item 8 Risk Factors.
- Directors and Officers of the Corporation:** Bradly Unrau, President, Chief Executive Officer, Chairman and Director  
Ches Orlando Hagen, Secretary, Vice President and Director  
See Item 3: Directors, Management, Promoters and Principal Holders.
- Investors' Rights:** Each Investor has certain statutory or contractual rights of rescission, withdrawal and damages. See Item 11 Purchaser's Rights.

## DEFINITIONS

The following are definitions of certain terms that appear throughout this Offering Memorandum. Care should be taken to read each term in the context of the particular provision of the Offering Memorandum in which such term is used.

<b>Auditors</b>	means the auditors of the Corporation as elected by the Class A shareholders from time to time, Deloitte & Touche, Chartered Accountants of Langley, British Columbia.
<b>Class B Shares</b>	means the Class B shares in the capital of the Corporation being offered hereunder.
<b>Commercial Mortgages</b>	means mortgages that are principally secured by multi-family housing projects, residential land developments or income-producing properties that have retail, commercial, service, office and/or industrial uses.
<b>Closing</b>	means one or more closings of this Offering. The Initial Closing is tentatively scheduled to be July 1, 2009.
<b>First Mortgage</b>	means a mortgage having priority over all other security interests registered against the same real property used to secure such mortgage for which the principal amount, at the time of commitment, does not exceed 75% of the appraised value of the underlying real property securing the mortgage as determined by a qualified independent appraiser.
<b>GAAP</b>	means Canadian generally accepted accounting principles.
<b>Initial Closing</b>	means July 1, 2009 or such other date as the Corporation may determine.
<b>Investors</b>	mean those persons who are considering, or have subscribed for Class B Shares under this Offering.
<b>Management Contract</b>	means the agreement dated February 01, 2008 between the Corporation and the Manager respecting the provision of financial management services relating to the mortgage investment portfolio of the Corporation.
<b>Manager</b>	means Dominion Properties Corp., an Alberta corporation that is non-arm's length to the Corporation
<b>Offering</b>	means the offering of 100,000 Class B Shares described herein.
<b>Offering Memorandum Exemption</b>	means the exemption from registration and prospectus requirements listed under section 4.1 of National Instrument 45-106 – Capital Raising Exemptions
<b>Residential Mortgages</b>	means mortgages that are principally secured by single family houses, and multifamily residential properties.
<b>Rules</b>	means the Rules promulgated under the Securities Act.
<b>Second Mortgage</b>	means a second mortgage for which the principal amount, at the time of commitment, together with the principal balance outstanding on any mortgage having priority on the same real property secured by such second mortgage, does not exceed 85% of the appraised value of the underlying real property securing the mortgage as determined by a qualified appraiser.
<b>Securities Act</b>	means the Securities Act (Alberta) as may be amended from time to time.
<b>Subscription Agreement</b>	means the document signed by interested parties indicating their desire to purchase Class B Shares and acknowledging all of the rights, limitations and characteristics of their investment in the Class B Shares, particularly with respect to applicable securities regulation.
<b>Subscription Price</b>	means \$100.00 per Class B Share.
<b>Tax Act</b>	means the Income Tax Act (Canada), as amended from time to time.

## Item 1: Use of Net Proceeds

### 1.1 Net Proceeds

1.2 The net proceeds of the Offering and the funds that will be available to the Corporation after this Offering are as follows:

		Assuming Minimum Offering(3)	Assuming Maximum Offering
A	Amount to be raised by the Offering	\$0	\$10,000,000
B	Selling Commissions and Fees(1)		\$500,000(1)
C	Estimated Offering Costs(2)		\$50,000
D	Net Proceeds: D = A - (B+C)		\$9,450,000

(1) The Corporation will pay selling commissions or fees up to 5% of the funds raised and 1% annually as a trailing commission. The \$500,000 is an estimate of selling commissions.

(2) Legal, accounting, and audit

(3) There is no minimum offering, meaning the Corporation may raise no funds under this Offering or only a portion of the maximum offering.

### 1.2 Use of Net Proceeds

Assuming the successful closing of the maximum offering of \$10 million, the Corporation intends to use the net proceeds following the Offering as follows:

Use of Available Funds	Maximum Offering
Investment in Mortgages and other permitted investments(1)	\$9,450,000
<b>Total</b>	<b>\$9,450,000</b>

(1) Although specific mortgage investments cannot be identified at this time, the Corporation will invest the available funds in Residential and Commercial Mortgages as more particularly described under the heading "Business of Alta Pacific Mortgage Investment Corp.

Until required, the available funds will be invested only in securities of, or those guaranteed by, the Government of Canada or any province of Canada, in certificates of deposit or interest-bearing accounts of Canadian chartered banks or trust companies. The available funds will not be commingled with the accounts of the Manager.

### 1.3 Reallocation

The Corporation intends to invest the available funds as stated. The Corporation will reallocate funds only for sound business reasons.

### 1.4 Working Capital Deficiency

Due to the structure contemplated it is not anticipated that there will be any working capital deficiency.

## Item 2: Business of Alta Pacific Mortgage Investment Corp.

### 2.1 Structure

The Corporation was incorporated under the Business Corporations Act of British Columbia ("BCA") on March 27, 2007. Its head and principal office is located at 1230 Hamilton Street (Yaletown) Suite 204 Vancouver, BC V6B-2S8 and the registered and records office is located at 305 -2692 Clearbrook Road, Abbotsford, BC V2T 2Y8. Controlling interest in the Corporation is held through holding companies by Bradly Unrau, Ches Orlando Hagen, Tanis Froese, and Dan Weiss – all four parties with 1/4 each. The Corporation has no subsidiaries. See Item 3: Directors, Management, Promoters and Principal Holders.

## 2.2 Our Business

### Overview

The Corporation is a mortgage investment corporation. It is in the business of investing in mortgages which have been granted by mortgagees to the Manager, as security for loans advanced to builders, developers and owners of commercial, industrial and residential real estate located in the provinces of Alberta, British Columbia, Saskatchewan, Manitoba and Ontario. These mortgages will be registered against specific parcels of real estate allowing the Corporation and the Manager to be secured creditors of the mortgagors.

The Corporation does not employ resources to actively seek or originate mortgages for investment, and it relies exclusively on the expertise of the Manager to provide mortgage investment opportunities. To the extent that the Corporation's funds are not invested in its mortgage portfolio, such funds will be held in securities of, or those guaranteed by, the Government of Canada or any province of Canada, in certificates of deposit or interest-bearing accounts of Canadian chartered banks or trust companies so that the Corporation maintains a level of working capital for its ongoing operations considered acceptable by the directors of the Corporation.

The Corporation intends to conduct business initially in the provinces of Alberta and British Columbia. The Corporation may expand its business into other provinces, and if so the Corporation or the Manager will apply, if necessary, to become registered under corporate and applicable mortgage brokering legislation to carry on business as a mortgage investment corporation in the provinces of Alberta, British Columbia, Saskatchewan, Manitoba, and Ontario.

The Manager will be responsible for overseeing and managing the Corporation's mortgage investment portfolio. The Management Contract sets out this relationship and requires the Manager to observe and comply with the Corporation's investment policies and criteria and all laws that apply to the Corporation, its investments and its securities. The Manager will obtain opinions from counsel as it deems necessary in connection with such compliance. Accordingly, the Corporation does not have and does not expect to have any employees other than the officers described herein. See Item 3: Directors, Management, Promoters and Principal Holders.

Under the Tax Act, a mortgage investment corporation is allowed to deduct dividends that are paid from income. The Corporation intends to pay out all of its net income and net realized capital gains as dividends within the year earned or within 90 days from the end of the year as specified in the Tax Act. As a result, it is not anticipated that the Corporation will be paying any income tax.

### The Corporation's Investments

The Corporation's objective is to build a mortgage investment portfolio that encompasses the following general characteristics: (i) property type and geographical diversification; (ii) short, intermediate and long term loans; (iii) payment schedules primarily of interest only; and (iv) loans in Canadian dollars on Canadian based real estate. The actual composition of the Corporation's mortgage investment portfolio will vary over time depending on the Manager's assessment of the appropriate strategy given overall market conditions and outlook.

The Corporation has established certain policies respecting how it can invest its funds in mortgages, which include, but are not limited to, the following:

- a) The Corporation will primarily invest in Residential and Commercial Mortgages. Investments of the Corporation will be made by purchasing interests in mortgages offered for sale by the Manager ;
- b) The Corporation will invest primarily in First Mortgages and Second Mortgages, but may also invest in promissory notes and other caveatable interests;
- c) No more than 75% of the available funds of the Corporation may be invested in Second Mortgages;
- d) A First Mortgage may not exceed 75% of the appraised value of the underlying real property securing the mortgage, as determined by a qualified appraiser and calculated at the time of commitment;
- e) A Second Mortgage may not exceed 85% of the appraised value of the underlying real property securing the mortgage, as determined by a qualified appraiser and calculated at the time of commitment;
- f) Mortgages may contain clauses permitting the mortgagor, when not in default, to renew the mortgage for additional terms at the sole discretion of the Corporation;
- g) An investment in, or acquisition of, a mortgage with a single borrower shall not exceed 20% of the cost of the Corporation's assets. (A single borrower shall include persons known to be associates of any single borrower.);
- h) The Corporation may borrow funds in order to acquire or invest in specific mortgage investments or mortgage portfolios in amounts up to 50% of the book value of the Corporation's portfolio of First Mortgages; provided, the interest rate is less than the interest rate charged by the Corporation on the corresponding mortgage investment or portfolios acquired with such borrowed funds; and

- i) The Corporation may participate in mortgages on a syndication basis.

#### *Investment Criteria*

In addition to the above policies, the Corporation has established the following investment criteria, which are consistent with the Corporation's Articles of Incorporation, the provisions of the Tax Act and applicable real estate legislation including, but not limited to, the following:

- a) All mortgages, promissory notes and caveatable interests will, prior to funding, be registered on the title of the approved property as the Manager shall direct;
- b) Where investment is made by the Corporation in purchasing an interest in a mortgage offered for sale by the Manager that amounts to less than full acquisition of that mortgage, the purchase agreement will contain a charging clause enabling the Corporation to register a beneficial caveat on title to the subject property in the Corporation's name.
- c) All mortgage investments will be made in the Provinces of British Columbia, Alberta and in other Canadian jurisdictions as the Manager or the Corporation become registered as mortgage brokers in such jurisdictions;
- d) The Corporation will attempt to maintain at least 50% of the Corporation's assets in investments in mortgages secured by residential real estate;
- e) No more than 50% of the Corporation's assets will be invested in mortgages secured by commercial and industrial real estate;
- f) The Corporation may advance funds on approved loans by way of progress payments upon Manager evaluation and acceptance of completion of specified stages of construction or development;
- g) The Corporation will not make any investment that would result in the Corporation not qualifying as a mortgage investment corporation pursuant to the Tax Act;
- h) The Corporation will not invest in securities, guaranteed investment certificates or treasury bills unless they are issued by an arm's-length party and are pledged as collateral in connection with Mortgage investments or obtained by realizing on such collateral;
- i) The Corporation will not cause the Corporation to invest for the purposes of exercising control over management of any issuer of securities; and the Corporation to make short sales of securities or maintain a short position in any securities;
- j) The Corporation will not act as an underwriter in the capital stock of any corporation;
- k) The Corporation will not guarantee the securities or obligations of any person;
- l) The Corporation will not loan money to or invest in securities of the Manager, affiliates of the Corporation or The Manager, or other non-arm's length parties;
- m) To the extent that the Corporation's funds are not invested in mortgages from time to time, they will be held in securities of, or those guaranteed by, the Government of Canada or any province of Canada, in certificates of deposit or interest-bearing accounts of Canadian chartered banks or trust so as to maintain a level of working capital for ongoing operations considered acceptable by the Corporation's directors; and
- n) The Corporation will not make any investments that would result in The Manager developing or managing real property on the behalf of the Corporation.

If, due to a change in the provisions of the Tax Act or other legislation applicable to the Corporation, any of the foregoing restrictions require amendment in order to comply with such change in legislation, the Corporation may make such change and such change will be binding on the Corporation. In addition, the foregoing restrictions may be changed at any time (so long as such change complies with applicable legislation) if the change is approved by a special resolution (as such term is defined in the BCA) of the holders of the Corporation's Class A shares and a special resolution of the holders of the Corporation's Class B Shares. It is anticipated that the Manager will provide the Corporation with assistance from time to time on revision of the foregoing restrictions in order to comply with applicable legislation or any shareholder resolution. In the event of any amendment to the foregoing restrictions, the Manager will be required to comply with and observe such change immediately upon such change becoming effective. See also "The Corporation's Investments", "Management Contract" and "The Manager - Corporate Summary".

#### *Management Contract*

Pursuant to the Management Contract, Dominion Properties Corp. has been appointed as the Manager of the mortgage investment portfolio of the Corporation. The Manager will source, recommend and make available to the Corporation, for investment, in the Corporation's name mortgages or interests in mortgages as and when they become available. The Manager will have the exclusive right to provide the Corporation with these mortgage investments and the Corporation will not seek mortgage investment opportunities from other third parties. Pursuant to the Management Contract, the Manager must carry out its duties in a conscientious and commercially reasonable manner. See Item 2.7 Material Agreements.

The Manager will oversee the Corporation's day to day operations and the administrative services provided by the Manager for the Corporation's operations. The Manager will pay all of its costs, expenses and overhead relating to the provision of its services. All of the costs with respect to the business of the Corporation shall be on account of the Corporation including, without limitation, legal, audit, shareholder meeting and communication costs.

The Corporation will be responsible for paying the costs, including legal fees and disbursements, of collecting or attempting to collect any amounts owing or in arrears on any of its Mortgage investments, or any portion thereof pro rata, including foreclosure or other court proceedings. The Corporation is also responsible for the payment of director and officer fees for attending formal meetings of the Directors, conference calls and meetings of the committees of the Corporation.

In exchange for the management services provided under the Management Contract, the Manager will receive a fee from the Corporation equal to 3.0% per annum of the net assets of the Corporation to be dispersed to the Manager on an annual basis.

The Management Contract provides the right for the Manager, or its principals or affiliates, to purchase with their own funds and own as co-lenders, percentage interests in mortgage loans. The Manager may also sell undivided percentage interests in mortgage loans to other co-lenders. The Manager has the right to take such actions as may be necessary or desirable in its discretion to administer the mortgage loans. In the administration or collection or enforcement of any mortgage loan, the Manager may, but shall not be obligated to, retain solicitors, counsel and other experts and receivers and advance such funds as it considers reasonable or necessary in order to preserve, protect, defend or improve its interests in any mortgage loan or any real property. The Manager shall endeavour to collect the amount of all costs incurred or advances made from the mortgagor but, in all events, the Corporation and any other co-lenders shall indemnify the Manager for and shall pay to the Manager such co-lender's percentage interest of such costs. See Item 8: Risk Factors. The Management Contract also provides that the Manager may, from time to time, charge brokers' fees, lenders' fees, commitment fees, extension fees, renewal fees, NSF fees, administration fees and similar fees to borrowers with respect to any mortgage loan, all of which fees are the sole property of the Manager.

The Management Contract is for an indefinite term, and may be terminated by the Corporation in the event that:

- a) A bankruptcy, receivership or liquidation order is issued against the Manager;
- b) The Manager makes an assignment for the benefit of creditors or commits any act of bankruptcy within the meaning of the Bankruptcy and Insolvency Act (Canada);
- c) The Manager assigns the Management Contract or its rights or obligations thereunder to any person who is not an affiliate of the Manager without the prior written consent of the Directors;
- d) The Manager commits a breach or default under the Management Contract not related to the payment of any money to be paid by the Manager to the Corporation and the same is not cured within 30 days of the Manager receiving notice thereof;
- e) The Manager commits a breach or default under the Management Contract related to the payment of any money to be paid by the Manager to the Corporation and the same is not cured within 15 days of the Manager receiving notice thereof; or
- f) The Corporation gives the Manager one year's prior written notice of its intention to terminate this Agreement

The Manager may terminate the Management Contract in the event that:

- a) A bankruptcy, receivership or liquidation order is issued against the Corporation;
- b) The Corporation makes an assignment for the benefit of its' creditors or commits any act of bankruptcy within the meaning of the Bankruptcy and Insolvency Act (Canada);
- c) The Manager gives the Corporation one year's prior written notice of its intention to terminate this Agreement;
- d) The Corporation commits a breach or default under this Agreement (not related to the payment of any money to be paid by the Corporation to the Manager) and the same is not cured within 30 days of the Corporation receiving notice thereof; or
- e) The Corporation commits a breach or default under this Agreement related to the payment of any money to be paid by the Corporation to the Manager and the same is not cured within 15 days of the Corporation receiving notice thereof.

This Agreement may also be terminated by the mutual consent of the Parties hereto:

- a) on ninety (90) days notice in writing; or
- b) upon appointment of (a) suitable replacement(s).

The Manager must render its services under the Management Contract honestly and in good faith and must use reasonable commercial efforts to perform its duties and responsibilities under the Management Contract in a conscientious, reasonable and competent manner.

The Corporation has agreed that the Corporation shall not hold the Manager liable for any loss, damages or costs arising out of a failure to collect any amount owing on any particular mortgage after it has been acquired by the Manager for purchase by the Corporation. The Corporation has also agreed under the Management Contract to indemnify and hold harmless the Manager as well as its officers, directors, employees, shareholders, and agents from and against any and all liabilities, losses, claims, damages, penalties, actions, suits, demands, costs and expenses including, without limiting the following, reasonable legal fees and expenses arising from or in connection with any actions or omissions which the Manager takes as Manager under the Management Contract, provided that such action or omission is taken or not taken in good faith and without gross negligence or is taken pursuant to and is in compliance with the Management Contract.

The Manager and its shareholders, directors, officers, agents and employees will have no liability in respect of any act or omission regarding, respecting or relating to the services, duties, and powers performed or to be delivered or performed by those pursuant to the Management Contract, except to the extent such act or omission constitutes gross negligence or wilful misconduct. This indemnity survives the removal or resignation of the Manager in connection with any and all of its duties and obligations under the Management Contract.

*The Manager- Corporate Summary*

The Manager, Dominion Properties Corp., provides real estate builders, developers and property owners with short term loans and intermediate term loans to fund new construction and term financing on land development and income-producing properties. The Manager identifies new mortgage investment opportunities through its network of contacts in the builder, developer and mortgage broker industries. The Manager develops its mortgage portfolio through the following activities:

Direct Origination – The Manager originates mortgages through direct negotiations with borrowers such as real estate builders, developers and property owners;

Agency Origination – The Manager utilizes various professionals such as lawyers, bankers, brokers and developers to assist in identifying mortgage investment opportunities.

It is also intended that the Manager will attempt to develop its mortgage portfolio through purchases in the secondary market, which will include purchasing blocks of mortgages at market yields from, among others, financial institutions, investment dealers and pension funds, all of whom will be at arm's length to the Manager, the Corporation and their respective directors, officers and promoters.

**2.3 Development of the Business**

The Offering is intended to provide the Corporation with sufficient investment to continue operations and advance further mortgage loans with emphasis on urban centers and growth areas.

**2.4 Long Term Objectives**

The Corporation's long term objective is to acquire sufficient investment to provide Class B shareholders with a return that is superior to term deposits, guaranteed investment certificates and money market funds, with due consideration to preservation of their capital. Further, the Corporation intends to seek mortgage investment opportunities in other Provinces outside of Alberta and British Columbia, including Saskatchewan, Manitoba and Ontario.

**2.5 Short Term Objectives and the Intentions to Achieve Them**

As a mortgage investment corporation, the principal short term objectives focused on completing the Offering and investing the net proceeds in mortgages. The following table sets out the objectives, the timelines and the expected costs to complete the short term objectives for the next twelve months:

<b>What Must Be Done and How It Will Be Accomplished</b>	<b>Target Completion Date</b>	<b>Cost to Complete</b>
Raise investment funds of up to \$10,000,000.	On or before July 1, 2009 or such other date or dates as determined by the Corporation, but no later than the earlier of the Maximum Offering being subscribed for or November 30, 2010	\$50,000 for legal, accounting and audit expense
Commence investment of Available Funds into mortgages.	Upon closing	(1)

(1) The costs to complete the investment of the Available Funds will vary based on the amount of funds actually invested and the different type of mortgages invested in.

## 2.6 Insufficient Proceeds

If the Corporation is unsuccessful in obtaining subscriptions from a sufficient number of Investors to proceed with a closing under this Offering, then the Corporation may have insufficient investment to proceed with its longer term objectives.

## 2.7 Material Agreements

The following are the material agreements to which the Corporation is currently a party. Copies of these agreements may be inspected prior to 30 days after the final closing of the Offering during ordinary business hours at the head office of the Corporation at 1230 Hamilton Street (Yaletown), Suite 204, Vancouver, BC, V6B 2S8

- a) Management contract dated February 01, 2008 with Dominion Properties Corp. (the "Management Contract")

## Item 3: Directors, Management, Promoters and Principal Holders

### 3.1 Compensation and Securities Held

The following are the names and residence of the current directors, officers, promoters and principal holders of the Corporation, their respective management experience and any of their holdings of securities of the Corporation and its affiliates after the Offering.

Name and municipality of principal residence	Positions held	Actual and Anticipated Compensation for the year ended June 30	Number and percentage of securities of the issuer held prior to completion of Offering	Number and percentage of securities of the issuer held after completion of Offering
Bradly Unrau , Vancouver, BC	President , Chief Executive Officer, & Director Since March 27, 2007	2007 \$ nil 2008 \$ nil	400 Class A Shares (25%) held in 0824004 B.C. Ltd. Class B Shares (0%)	400 Class A Shares (25%) Class B Shares (0%)
Ches Orlando Hagen, Vancouver, BC	Secretary , Vice President, & Director Since March 27, 2007	2007 \$ nil 2008 \$ nil	400 Class A Shares ( 25%) held in 0824016 B.C. Ltd. Class B Shares (0%)	400 Class A Shares (25%) Class B Shares (0%)
Tanis Froese		2007 \$ nil 2008 \$ nil	400 Class A Shares (25%) held in 134776 Alberta Ltd. Class B Shares (0%)	400 Class A Shares ( 25%) Class B Shares (0%)
Dan Weiss		2007 \$ nil 2008 \$ nil	400 Class A Shares (25%) held in 541461 Alberta Ltd. Class B Shares (0%)	400 Class A Shares ( 25%) Class B Shares (0%)

### 3.2 Management Experience

The following table discloses the principal occupations of the directors and senior officers of the Corporation over the past five years and their relevant experience in businesses similar to the Corporation's.

Name	Principal Occupation and Related Experience
Bradly Unrau , Vancouver, BC	Currently mortgage broker; previously licensed realtor, see below
Ches Orlando Hagen, Vancouver, BC	Currently co-founder and CEO of Vendasta Technologies Inc, see below

#### Brad Unrau

Brad Unrau is currently among the top 5% of licensed Mortgage Brokers in the fastest growing Mortgage Broker firm in Canada; Dominion Lending Centres (headquarters in Vancouver, British Columbia). Mr. Unrau reached the "top 10 brokers by lending volume" in the 700+ broker firm in his first 12 months of receiving his Mortgage Broker license. Mr. Unrau achieved this through aggressive relationship building with his vast reach of existing investment partners and contacts in British Columbia and Alberta. Mr. Unrau received his Mortgage Broker license from the Province of British Columbia in January 2007.

Mr. Unrau has extensive experience in the acquisition, financing and management of residential and commercial real estate in B.C. and Alberta. He continues to manage and grow his personal portfolio of owned and co-owned properties in all segments of the real estate market; single family residential homes (B.C.), small acreage holdings (B.C.), residential recreational property (B.C.), residential rental property (B.C.), private island resort community (B.C.), city-core residential-commercial complex (AB), and downtown rental apartments (AB).

Mr. Unrau was first licensed in British Columbia as a CREA® licensed Realtor® in 1994; completing the University of British Columbia (UBC) Real Estate Trading Services course in the top of his class. From 1994 to 1997 Mr. Unrau completed over 80 real estate transactions with Abbotsford based Real Estate Broker NRS; at the time he was 19-22 years of age.

Mr. Unrau continues to hold his Real Estate License with Royal Pro Realty, in White Rock BC, as well as his Mortgage Broker license with Dominion Lending Centre, Vancouver BC. He handles an average of fifteen transactions per month in both commercial and residential mortgages.

With 10 years of business and entrepreneurial experience, Mr. Unrau brings to Alta Pacific Mortgage Investment Corp. expertise in business building, property acquisition, contract negotiations, property management, and financial management. He has clearly shown skills, knowledge and expertise in current real estate market analysis, long-term investment strategies and risk management of tenanted and non-tenanted properties.

#### Ches Hagen

Ches Hagen is the Co-founder and CEO of VendAsta Technologies Inc. VendAsta is a software technology company with operations in Vancouver BC and Saskatoon Saskatchewan; specializing in software consulting services for corporate clients as well as innovative technology solutions for the real estate industry.

Prior to VendAsta, Ches was the Chief Operating Officer and Executive Team member with Point2 Technologies, Inc. Incorporated in 1996, Point2 is a privately held 100+ employee company with operations in Vancouver, British Columbia and Saskatoon, Saskatchewan. Point2 is the market leader in the two industries it serves; Real Estate and Heavy Equipment. In Real Estate, Point2 is the world's largest provider of web-based marketing software for Real Estate Professionals (Brokers, Agents, New Home Builders) with over 148,000\* clients in 85 countries (\*January 2008).

From March 2003 to December 2005, Mr. Hagen worked on contract with Point2's largest customer, Caterpillar Inc. as Caterpillar's *Global Product Manager* of the CatUsed Business Suite (Point2 develops, supports and implements CatUsed). Caterpillar, headquartered in Peoria, Illinois is a Dow 30 company with 2006 reported revenue of over \$41 billion. In the contract position, Mr. Hagen reported directly to the President of Caterpillar Redistribution Services Inc., and worked directly with Caterpillar's global marketing managers as well as Cat dealer personnel around the world. Mr. Hagen traveled extensively; working with multi-million dollar and multi-billion dollar Caterpillar dealerships in numerous countries.

In addition to the aforementioned business expertise, Mr. Hagen has experience in the acquisition and management of residential real estate in British Columbia. Mr. Hagen has owned, currently owns, or co-owns and manages properties in several segments of the real estate market; single family residential homes, residential rental property and recreational property.

After 9 years of work experience, Mr. Hagen brings to Alta Pacific Mortgage Investment Corp. well rounded business skills; including people and process management, technology and product sales, product and project management, new product rollout, successful implementations of new products and technologies, raising of capital for business growth, as well as executive duties and responsibilities.

Ches Hagen is educated at British Columbia Institute of Technology and possesses a Diploma of Technology in Marketing Management. Mr. Hagen attended B.C.I.T. from 1997 to 1999.

### **3.3 Penalties, Sanctions and Bankruptcy**

There have been no penalties or sanctions (e.g. cease trade orders, fines, penalties, enforcement orders, etc.) and there have been no declarations of bankruptcy, voluntary assignment in bankruptcy, proposals under any bankruptcy or insolvency legislation, proceedings, arrangements or compromises with creditors, or appointments of receivers, receiver managers or trustees that were imposed or in effect at any time during the past 10 years against or with respect to any of the directors, officers or control persons of the Corporation or any issuer of which any of above individuals and companies were a director, senior officer or control person at the relevant time.

## **Item 4: Capital Structure**

### **4.1 Share Capital**

As at the date hereof the Corporation is currently authorized to issue an unlimited number of Class A Shares and Class B Shares. Prior to this Offering, there were 1600 Class A shares and 2468 Class B Shares issued and outstanding.

The holders of the Class A Shares are entitled to one vote for each Class A Share held at any meeting of the shareholders. The Class B Shares are non-voting.

### **4.2 Long-Term Debt**

As at the date hereof the Corporation has no long term debt. The Corporation does not contemplate issuing any debt securities under this Offering.

### **4.3 Prior Sales**

The following table sets out the prior sales of the Class B Shares of the Corporation in the past 12 months:

<b>Date of Issuance</b>	<b>Type of Security</b>	<b>Number Issued</b>	<b>Price per Share</b>	<b>Total Funds Received</b>
September 8, 2008	Class B Share	720	\$100	\$72,000
October 23, 2008	Class B Share	680	\$100	\$68,000
October 29, 2008	Class B Share	1,000	\$100	\$100,000
January 5, 2009	Class B Share	640	\$100	\$64,000

## **Item 5: Securities Offered**

### **5.1 Terms of Securities**

We are offering up to 100,000 Class B Shares for sale at a price of \$100.00 per Class B Share. The rights and restrictions attaching to the Class B Shares are as follows:

#### *Non-Voting*

Holders of the Class B Shares shall not be entitled to receive notice of, attend or speak at any meeting of the shareholders of the Corporation, subject to any rights pursuant to the BCA.

#### *Dividend Entitlement*

The Class B Shares are the only class of shares entitled to receive dividends.

Holders of the Class B Shares are entitled to receive dividends as and when declared in the discretion of the Board of Directors, in an amount equal to the profits of the Corporation (as determined in accordance with generally accepted accounting principles) available for the payment of dividends (as determined by the Board of Directors).

For income tax purposes, the Corporation intends to distribute as dividends substantially all of its net earnings. See Item: 6 Income Tax Consequences and RRSP Eligibility.

#### *Redemption Rights*

Subject to the provisions of the BCA and applicable securities laws (if any), the Corporation may redeem all or any part of the Class B Shares outstanding by giving notice at least 30 days before fiscal year-end to all the holders of record of the outstanding Class B Shares. The redemption price for each Class B Share will be the lesser of:

(i) \$100.00 per Class B Share plus any declared but unpaid dividends thereon; or (ii) the net realizable value attributable to each Class B Share as determined in the Corporation's audited financial statements prepared for the relevant fiscal year-end in which notice is given (both referred to as the "Redemption Amount").

If upon giving notice that the Corporation intends to redeem a portion of the outstanding Class B Shares, the Corporation receives acceptance of an aggregate number of shares greater than the number for which the Corporation is prepared to accept, then the Class B Shares will be purchased, as nearly as may be, pro rata, to the number of Class B Shares so offered for redemption by each of the holders of the Class B Shares.

#### *Retraction Rights*

Subject to the provisions of the BCA and applicable securities laws (if any), a holder of Class B Shares may with respect to any Class B Shares that have been registered in the name of the holder ("Retractable Shares"), by giving written notice at least 60 days before fiscal year-end to the Corporation (the "Retraction Notice"), request that the Corporation redeem the whole or any part of the Retractable Shares held by such holder. Upon receipt by the Corporation of the Retraction Notice, the holder of Retractable Shares shall thereafter cease to have any rights with respect to the Retractable Shares tendered for redemption (other than to receive the Redemption Amount which has accrued up to and including the Date of Retraction (as defined below). Class B Shares shall be considered to be tendered for redemption on the date that the Corporation has, to the satisfaction of the Board of Directors, received the Retraction Notice.

Subject to the provisions of the BCA, including the solvency provisions thereof, on the day that is 120 days after the end of the year in which the Retraction Notice is received by the Corporation (the "Date of Retraction"), the Corporation will be required to redeem the Retractable Shares specified in the Retraction Notice. The Redemption Amount for each Retractable Share to be redeemed will be calculated as of the Date of Retraction.

The Corporation will not redeem Class B Shares for which Retraction Notices are given, if redemption of the aggregate number of Class B Shares subject to the Retraction Notices would result in the Corporation having a Class B Shareholder during the period of time since the start of the most recent fiscal year which owns greater than 25% of the Class B Shares issued and outstanding (as at the beginning of the fiscal year during which the last of such Retraction Notices are given).

Retraction of Class B Shares will not be redeemed by the Corporation for which a Retraction Notice is received, if it would result in the Corporation having less than 20 holders of Class B Shares as defined under the Mortgage Investment Corporation provisions of the Tax Act.

#### *Entitlement on Liquidation, Dissolution or Winding Up*

In the event of a reduction of capital or the liquidation, dissolution or winding-up of the Corporation or other distribution of property or assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Class B Shares shall be entitled to receive any declared but unpaid dividends on such shares and thereafter Class A Shares and the Class B Shares shall be entitled to receive an amount equal to the aggregate amount paid up on the Class A and Class B Shares held by them respectively to the Class B Shares to the Class B Shareholders and in the event that there is not sufficient property or assets to return the entire amount paid up thereon to all holders, the amount available for distribution shall be distributed to the holders rateably according to a fraction the numerator of which is the amount paid up on the issued shares of the particular class and the denominator of which is the amount paid up on the issued shares of all classes.

After the Corporation has made the distribution to the holders of the Class A Shares and Class B Shares contemplated above, the holders of the Class A and Class B Shares shall be entitled to receive, on an equal basis, a share of the remaining amount available

for distribution. The aggregate amount distributable to all holders of any class of shares shall be determined by multiplying the amount remaining to be distributed by a fraction the numerator of which is the number of shares of the class then outstanding and the denominator of which is the number of shares of all classes then outstanding.

#### *Constraints on Transferability*

Paragraph 130.1(6)(d) of the Tax Act stipulates that to qualify as a mortgage investment corporation, a corporation must have at least twenty shareholders and no one shareholder may be a Specified Shareholder, as such term is defined in the Tax Act, of the corporation.

The Tax Act states that a trust governed by a registered pension plan or a deferred profit sharing plan is counted as four shareholders for purposes of determining the number of shareholders and one shareholder for purposes of determining if a shareholder is a Specified Shareholder.

The Board of Directors intend to refuse registration of an allotment or any transfer of shares which would result in the Corporation ceasing to meet the qualifications of a mortgage investment corporation.

As the Corporation is not a reporting issuer in the selling jurisdictions or in any other jurisdiction, the Class B Shares are subject to resale restrictions pursuant to applicable securities law. See Item 10: Resale Restrictions.

#### **5.2 Subscription Procedure**

An Investor may subscribe for Class B Shares by delivering the following documents to the Corporation at the address shown in the Subscription Agreement:

- (a) an executed subscription agreement, including attachments, in the form provided with this Offering Memorandum; and
- (b) a certified cheque or bank draft made payable to the Corporation in the amount of the subscription price for the Class B Shares. The Corporation will hold your subscription funds in trust until midnight on the second business day after the day on which the Corporation received your signed subscription agreement. After this, the Corporation will hold the subscription funds in trust pending closing. See Item 11: Purchaser's Rights.

This Offering is not subject to any minimum subscription level, and therefore any funds received from an Investor are available to the Corporation and need not be refunded to the Investor. The Corporation anticipates that there will be multiple closings. The Corporation anticipates completing and closing the offering prior to November 30, 2010. However, the Corporation may close the offering on an earlier or later date as the Corporation may determine.

The Corporation reserves the right to accept or reject in whole or in part and the right to close the subscription books at any time without notice. Any investment funds for subscription that the Corporation does not accept will be promptly returned after the Corporation has determined not to accept the investment funds.

At a closing of the Offering, the Corporation will deliver to the Investor copies of the certificates representing fully paid and non-assessable Class B Shares, provided the subscription price has been paid in full. **Unless directed otherwise, the original share certificates will be kept in the Corporation's Minute Book.**

**An Investor should carefully review the terms of the Subscription Agreement attached hereto for more detailed information concerning the rights and obligations of the Investor and the Corporation. Execution and delivery of the subscription agreement will bind the Investor to the terms thereof, whether executed by the Investor or by an agent on the Investors behalf. The Investor should consult with their professional advisors. See Item 8: Risk Factors.**

#### **Item 6: Income Tax Consequences and RRSP Eligibility**

**You should consult your own professional advisers to obtain advice on the tax consequences that apply to you.**

As each individual investor has unique income and financial backgrounds, the exact nature of the income tax consequences to you, should you choose to purchase the offered securities, cannot be determined.

The Tax Act stipulates that for a corporation to qualify as a mortgage investment corporation, among other requirements, the corporation must have a minimum of 20 shareholders and no shareholder can own in excess of 25% of the total issued and outstanding shares of any class of the capital of the corporation. A minimum of 50% of the cost of the corporation's assets must be invested in residential mortgages as defined in the Tax Act include mortgages on multiple unit residential developments and deposits with Canada Deposit Insurance Corporation-insured institutions.

The Corporation intends to maintain its qualification as a mortgage investment corporation under the terms of the Tax Act, which would mean that its shares are an eligible investment for registered retirement savings plans and registered retirement investment funds. However, you should consult your own professional advisers to obtain advice on the RRSP and RRIF eligibility of these securities. As a mortgage investment corporation, if it pays out all of its net income annually in the form of dividends during the year or within 90 days after the end of the year it may deduct the dividend amount paid as if it was an expense. The dividends received are not subject to usual dividend treatment in the hands of shareholders. Rather, they will be taxable in the hands of shareholders who are subject to tax as if they had received an interest payment.

Accordingly, it is anticipated that for each taxation year of the Corporation throughout which it qualifies as a mortgage investment corporation under the Tax Act, the Corporation will not be required to pay income taxes on the net earnings from which dividends are paid in each year. Income in excess of allowable deductible reserves under the Tax Act which is not distributed to shareholders within ninety days of each of the Corporation's year-ends will be subject to ordinary corporate tax under the Tax Act.

**The Corporation is making the foregoing tax disclosure, but it makes no other warranties or representations, implied or otherwise, with respect to the to taxation issues.**

#### **Item 7: Compensation Paid to Sellers and Finders**

It is currently contemplated that the offered securities will primarily be sold through the Manager pursuant to the Management Contract. However, the Corporation reserves the right to retain the services of arm's length sellers/finders (the "Finder") in connection with this Offering, and if so, the Corporation, or the Manager on the Corporation's behalf, will negotiate terms as follows:

- (a) the Finder will be paid a finder's fee of up to a maximum of 5% of the investment monies raised by the Finder and, potentially, 1% annually as a trailing commission;
- (b) no brokers warrants or agent's options will be issued as a component of the finder's fee; and
- (c) any finders fee paid will consist of cash compensation only, no securities will be issued as compensation.

#### **Item 8: Risk Factors**

The Offering should be considered highly speculative due to the nature and stage of development of the Corporation's business. The purchase of Class B Shares involves a number of significant risk factors. In addition to the factors set forth elsewhere in this Offering Memorandum, prospective Investors should consider the following risks before purchasing Class B Shares. Any or all of these risks, or other as yet unidentified risks, may have a material, adverse effect on the Corporation's business or the dividends to the holders of Class B Shares.

##### **Investment Risks**

This Offering Memorandum constitutes a private offering of the Class B Shares by the Corporation only in those jurisdictions where, and to those persons to whom, they may be lawfully offered for sale under exemptions in applicable securities legislation. This Offering Memorandum is not, and under no circumstances is to be construed as a prospectus, advertisement or public offering of these Class B Shares. Subscribers to this Offering Memorandum will not have the benefit of a review of the material by any regulatory authority.

The Class B Shares are also subject to onerous and indefinite resale restrictions under applicable securities legislation. There is no market through which the Class B Shares may be sold and the Corporation does not expect that any market will develop pursuant to this Offering or in the future. Accordingly, an investment in the Class B Shares should only be considered by Investors who do not require liquidity. See Item 10: Resale Restrictions.

The Class B Shares are not guaranteed by any other person. Neither the Manager nor any of its affiliates are guaranteeing the obligations of the Corporation.

The Corporation is not a member institution of the Canada Deposit Insurance Corporation and the Class B Shares offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Corporation. The Class B Shares are retractable at the option of the holder, but only under certain circumstances. See "Securities Offered".

There is no guarantee that an investment in Class B Shares will earn any positive return. The declaration and payment of dividends on the Class B Shares is in the discretion of the Board of Directors. There is no guarantee that any dividends will be paid on the Class B Shares.

If, for any reason, the Corporation fails to maintain its qualification as a mortgage investment corporation under the Tax Act, dividends paid by the Corporation on the Class B Shares will cease to be deductible from the Corporation's income and the Class B Shares, unless listed on a prescribed stock exchange for the purposes of the Tax Act, may cease to be qualified investments for Deferred Income Plans. See Item 6: Income Tax Consequences and RRSP Eligibility.

### **Issuer Risks**

The Corporation has only been recently established and has no history of sales or profits and has not paid any dividends or made any cash distributions.

Investors will be relying on the expertise and good faith of the management of the Corporation and the Manager to carry on the business of the Corporation. Some of the directors and officers of the Corporation are engaged full time on activities related to the Corporation. Some of the directors and officers of the Corporation are engaged and will continue to be engaged in other activities. See Item 3: Directors, Management, Promoters and Principal Holders.

If the Corporation fails to meet all of the conditions required to be a mortgage investment corporation, the dividends paid on the Class B Shares will cease to be deductible in the determination of the Corporation's taxable income. In addition, the Class B Shares, unless listed on a prescribed stock exchange, which the Corporation has no intentions of such public listing, may cease to be qualified investments for Deferred Income Plans. See Item 6: Income Tax Consequences and RRSP Eligibility.

The normal gross-up and dividend tax credit rules do not apply to dividends paid on Class B Shares of the Corporation and corporate Investors of the Class B Shares will not be entitled to deduct the amount of any dividends received on their Class B Shares from their taxable income. See Item 6: Income Tax Consequences and RRSP Eligibility.

The Corporation may commit to making future mortgage investments in anticipation of repayment of principal outstanding under existing mortgage investments. In the event that such repayments of principal are not made in contravention of the borrowers' obligations, the Corporation may be unable to advance some or all of the funds required to be advanced pursuant to the terms of its commitments and may face liability in connection with its failure to make such advances.

Although the Corporation will endeavour to maintain a diversified portfolio as disclosed, the composition of the Corporation's investment portfolio may vary widely from time to time and may be concentrated by type of security, industry or geography, resulting in the Corporation's portfolio being less diversified than anticipated. There is no assurance that the Corporation's mortgage portfolio will reflect the Manager's mortgage portfolio and in fact the composition of the Corporation's mortgage portfolio may render it less profitable than the Manager's mortgage portfolio.

Some of the Corporation's directors and officers are also directors or officers of the Manager and may act as members of the Manager's credit committee, and accordingly, there may be conflicts of interest if the interests of these companies are inconsistent.

The Manager has entered into the Management Contract with the Corporation and is entitled to an annual fee for providing services to the Corporation. The Corporation may be subject to various conflicts of interest because of the fact that the directors and officers of the Manager are engaged in a wide range of investing and other business activities which may include real property financing in direct competition with the Corporation. The Manager intends to and has established other investment vehicles which may involve transactions which conflict with the interests of the Corporation.

The services of the Manager, the directors and officers of the Manager and the members of its credit committee are not exclusive to the Corporation. The Manager, its affiliates, members of its credit committee and their affiliates may, at any time, engage in promoting or managing any other corporation or its investments including those which may compete directly or indirectly with the Corporation.

The Corporation will be dependent on the knowledge and expertise of the Manager for investment advisory and portfolio management services under the Management Contract. There is no certainty that the persons who are currently officers and directors of the Manager or members of its credit committee will continue to be officers and directors of the Manager or members of its credit committee for an indefinite period of time. See "The Manager".

Although none of the directors or officers of the Corporation or the members of its credit committee will devote all of his or her full time to the business and affairs of the Corporation each will devote as much time as is necessary to supervise the management of, to manage or to advise on the business and affairs of the Corporation.

### **Real Estate Industry and Related Risks**

The Corporation's investments in mortgage loans will be secured by real estate. All real property investments are subject to elements of risk. Real property value is affected by general economic conditions, local real estate markets, the attractiveness of the

property to tenants, competition from other available properties and other factors. While independent appraisals are required before the Corporation may make any mortgage investments, the appraised values provided therein, even where reported on an "as is" basis are not necessary reflective of the market value of the underlying real property, which may fluctuate. In addition, the appraised values reported in independent appraisals may be subject to certain conditions, including the completion, rehabilitation or lease-up improvements on the real property providing security for the investment. There can be no guarantee that these conditions will be satisfied and if, and to the extent, they are not satisfied, the appraised value may not be achieved. Even if such conditions are satisfied, the appraised value may not necessarily reflect the market value of the real property at the time the conditions are satisfied.

The value of income producing real property may also depend on the credit worthiness and financial stability of the borrowers. The Corporation's income and funds available for distribution to security holders would be adversely affected if a significant number of borrowers were unable to pay their obligations to the Corporation or if the Corporation were unable to invest its funds in commercial mortgages on economically favourable terms. On default by a borrower, the Corporation may experience delays in enforcing its rights as lender and may incur substantial costs in protecting its investment.

Certain significant expenditures, including property taxes, capital repair and replacement costs, maintenance costs, mortgage payments, insurance costs and related charges must be made through the period of ownership of real property regardless of whether the property is producing income. The Corporation may be required to incur such expenditures to protect its investment, even if the borrower is not making debt service required of it under the mortgage.

Real property mortgage investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and for the perceived desirability of the investment. Such illiquidity may tend to limit the Corporation's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the Corporation were required to liquidate its real property mortgage investments, the proceeds to the Corporation might be significantly less than the total value of its investment on a going concern basis.

The Corporation will be subject to the risks associated with debt financing, including the risk that mortgage indebtedness secured by the properties of the Corporation will not be able to be refinanced or that the terms of refinancing will not be as favourable as the terms of existing indebtedness.

The mortgage business can be significantly affected by the prevailing rates of interest. The interest rate is subject to sudden fluctuations. Substantially increased interest rates could have a materially adverse affect on the Corporation's business.

Although the Corporation intends to generally obtain an evaluation of the property to be subject to the mortgage, in the form of a Phase I Environmental Audit, environmental legislation and policies have become an increasingly important feature of property ownership and management in recent years. Under various laws, the Corporation could become liable for the costs of effecting remedial work necessitated by the release, deposit or presence of certain materials, including hazardous or toxic substances and wastes at or from a property, or disposed of at another location. The failure to affect remedial work may adversely affect an owner's ability to sell real estate or to borrow using the real estate as collateral and could result in claims against the owner.

The Corporation follows the environmental program of the Manager, which includes policies and procedures to review and monitor environmental matters associated with its properties. The Manager's environmental policy usually includes a Phase I Environmental Audit when warranted, conducted by an independent and experienced environmental consultant, before advancing a loan or acquiring a mortgage.

There can be no assurance that income tax laws and government incentive programs relating to the real estate industry will not be changed in a manner which adversely affects the Corporation or distributions received by its security holders.

As a result of these factors, the Offering is only suitable to those Investors who are willing to rely on the management of the Corporation and the Manager and who can withstand the loss of their entire investment. Investors should consult with their own professional advisors to assess the income tax, legal and other aspects of an investment in the Class B Shares.

#### **Item 9: Reporting Obligations**

The Corporation is not a "reporting issuer" under the securities laws of any jurisdiction. Accordingly, the Corporation is not subject to the continuous disclosure obligations of reporting issuers. Therefore, Investors will not receive any financial statements or other disclosures regarding the Corporation and its mortgage investments, other than as required by law.

#### **Item 10: Resale Restrictions**

These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless he can comply with an exemption from the prospectus and registration requirements under securities legislation. Class B Shares issued by the Corporation will bear the following legend:

*Unless permitted under securities legislation, you cannot trade the securities before the date that is four (4) months and a day after the date Alta Pacific Mortgage Investment Corp. becomes a reporting issuer in any province or territory of Canada.*

Unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless:

- (a) The Corporation has filed a prospectus with the regulator in Manitoba with respect to the Class B Shares purchased by the Investor and the regulator in Manitoba has issued a receipt for that prospectus, or
- (b) The Investor has held the Class B Shares for at least twelve (12) months.

The regulator in Manitoba will consent to the trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

The Corporation has no current intention of becoming a reporting issuer in any jurisdiction and therefore the foregoing restriction on trading will continue indefinitely (subject to the availability of certain limited exemptions which may not apply in the circumstances).

Securities legislation provides an exemption for redemption of Class B Shares. Notwithstanding this exemption, the right of redemption is limited and may not be available.

#### **Item 11: Purchaser's Rights**

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

##### **Two Day Cancellation Right**

You can cancel your agreement to purchase these securities. To do so, you must send a notice to the Corporation by midnight on the second business day after you sign the Subscription Agreement.

##### ***Statutory Rights of Action in the Event of a Misrepresentation for Residents of Alberta and British Columbia***

If there is a misrepresentation in this Offering Memorandum and you are resident in Alberta or British Columbia, you have a statutory right to sue:

- (a) the Corporation to cancel your agreement to buy these securities, or
- (b) for damages against the Corporation, every director of the Corporation at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have the right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. You must commence your action for damages within the earlier of:

- (a) 180 days after you first had knowledge of the facts giving rise to the cause of action; or
- (b) three years after the date of the transaction that gave rise to the cause of action.

##### ***Statutory Rights of Action for Residents of Saskatchewan***

If there is a misrepresentation in this Offering Memorandum or any advertising or sales literature used in connection with this Offering Memorandum and you are resident in Saskatchewan, you have a statutory right to sue:

- (a) the Corporation to cancel your agreement to buy these securities; or
- (b) for damages against the Corporation, every director and promoter of the Corporation, every person or company whose consent has been filed with this Offering Memorandum (but only with respect to statements made by them) and every person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various

defences available to the Corporation and to the other parties you might have the right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. Also, the amount recoverable will not exceed the price at which the securities were offered under this Offering Memorandum and any defendant will not be liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

In addition, you have a statutory right to sue any person or company who made verbal representations relating to the Corporation or the Units that contained a misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date of the transaction that gave rise to the cause of action. You must commence your action for damages within the earlier of:

- (a) one year after you first have knowledge of the facts given rise to the cause of action; or
- (b) six years after the date of the transaction that gave rise to the cause of the action.

***Contractual Rights of Action in the Event of a Misrepresentation for Residents of Manitoba***

If there is a misrepresentation in this Offering Memorandum and you are resident in Manitoba, you have a contractual right to sue the Corporation:

- (a) to cancel your agreement to buy these securities, or
- (b) for damages.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages that the Corporation proves does not represent the depreciation in value of the securities resulting from the misrepresentation. The Corporation has a defence if it proves that you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and 3 years after you signed the Subscription Agreement.

**Item 12: Financial Statements**

The following financial statements are attached as Schedule "A" to this Offering Memorandum:

- (a) audited annual financial statements for the years ended June 30, 2008 and 2007; and
- (b) unaudited interim financial statements for the six month period ended December 31, 2008.

**Item 13: Date and Certificate**

Dated this 1st day of May, 2009

**This Offering Memorandum does not contain a misrepresentation.**

**ALTA PACIFIC MORTGAGE INVESTMENT CORP.**

(signed)

Bradly Unrau

Chief Executive Officer and Director

(signed)

Ches Orlando Hagen

Vice-President and Director

**On behalf of the Board of Directors**

(signed)

Bradly Unrau

Director

(signed)

Ches Orlando Hagen

Director