

KOOCANUSA RESORTS
DISCLOSURE STATEMENT
SEPTEMBER 7, 2010

- **Developer** **Koocanusa Resorts Ltd.**
- **Business address for the Developer:**
c/o Majic, Purdy Law Corporation
PO Box 369
592 – 2nd Avenue
Ferne, British Columbia, V0B 1M0
- **Address for Service for the Developer:**

c/o Majic, Purdy Law Corporation
PO Box 369
592 – 2nd Avenue
Ferne, British Columbia, V0B 1M0
- **Developer's Agents:**

The Development will be marketed by the in-house sales staff of the Developer or such other licensed real estate agents as the Developer may retain from time to time. Where the Development is marketed by the Developer's employees, those employees may not be licensed under the Real Estate Services Act of British Columbia and will not be acting on behalf of any purchasers.
- **Date of Disclosure Statement:** **September 7, 2010**

Disclaimer

"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."

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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.

A purchaser may serve a notice of rescission by delivering a signed copy of the notice in person or by registered mail 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 saving institution in British Columbia. If a purchaser rescinds their purchase agreement in accordance with the Act and regulations, the developer or the developer's trustee must promptly return the deposit to the purchaser.

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List of Exhibits

Exhibit "A" Plan

Exhibit "B" Current Rules

Exhibit "C" Operating Budget

Exhibit "D" Purchase Agreement

Exhibit "E" Shareholders Agreement

Exhibit "F" ALC Meeting Minutes dated September 5, 1990

Exhibit "G" Amalgamation Application, Notice of Articles, and Articles of Kooocanusa Resorts
Ltd.

Exhibit "H" Share Transfer Application

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1. **The Developer**

- 1.1 (a) Jurisdiction: British Columbia
- (b) Date of Incorporation: May 15, 1999; Amalgamated September 3, 2010
- (c) Incorporation Number: BC0889680

1.2 The Developer was incorporated specifically for the purpose of developing the Development Property and has no other assets other than the Development Property, and chattels related to the operation of the Development Property, as described herein.

1.3 Addresses of Developer's Registered and Records Office is:

c/o Majic, Purdy Law Corporation
PO Box 369
592 – 2nd Avenue
Fernie, British Columbia, V0B 1M0

1.4 The Directors of the Developer are:

Dale Bowman

Doug Scales

Dave Gallant

Debbie Kuresh

Reg MacDonald

Robert G. Simpson

Pat Henning

1.5 Developer's Background

- (1) Neither the Developer nor any of the Directors have previous development experience.
- (2) None of the Developer, the directors, officers and principal shareholders of the Developer, to the best of the Developer's knowledge, within the ten years before the date of the Developer's declaration attached to this Disclosure Statement, has been subject to any penalties or sanctions imposed by a court or regulatory authority, relating to the sale, lease, promotion, or management of real estate or securities, or to lending money secured

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by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud, and describe any penalties or sanctions imposed.

- (3) None of the Developer, the directors, officers and principal shareholders of the Developer, to the best of the Developer's knowledge, within the five years before the date of the Developer's declaration attached to this Disclosure Statement, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.
- (4) None of the Developer, the directors, officers and principal shareholders of the Developer, to the best of the Developer's knowledge, within the five years prior to the date of the Developer's declaration attached to this Disclosure Statement, has been a director, officer or principal holder of any other developer that, while that person was acting in that capacity, that other developer
- (a) was subject to any penalties or sanctions imposed by a court or regulatory authority relating to the sale, lease, promotion, or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud, and describe any penalties or sanctions imposed, or
- (b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

1.6 Conflict of Interest

The Developer, the directors, officers and principal shareholders of the Developer, or principal holders, and person providing goods or service to the Developer, or any manager or holders of the development units in connection with the development do not have any conflicts of interest that could reasonably be expected to affect a Purchaser's purchase decision.

2. General Description

2.1 General Description of the Development

Koocanusa Resort Ltd. ("K.R.L."), is the registered owner of the Development Lands, being:

PARCEL IDENTIFIER: 006-778-089
LOT 5 DISTRICT LOT 316 KOOTENAY DISTRICT PLAN 16900
EXCEPT PART INCLUDED IN
PLAN 17782

(the "Lands")

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The Development is a seasonal recreational vehicle campground located at Koocanusa Lake, British Columbia (the "Campground"). The Campground was originally developed by a company known as "Koocanusa Enterprises Ltd.", which was the owner of all of the issued and outstanding shares in K.R.L., being 150 common shares. In 1999, Koocanusa Enterprises Ltd. developed the Campground on the Lands, selling 50 shares in K.R.L. to individuals, each share giving the shareholder the right to utilize one recreational vehicle campsite on the Lands. In 2007, the 50 shareholders purchased from Koocanusa Enterprises Ltd. the balance of the 100 shares in K.R.L., through a company known as 0771649 B.C. Ltd. On September 3rd, 2010, 0771649 B.C. Ltd. was amalgamated with K.R.L. K.R.L. is now selling a further 25 shares in K.R.L., each share entitling the owner to the use of a seasonal camp site on the Lands (the "Lot") from April 1st to October 15th of each year. A plan of the Campground is attached to this Disclosure Statement as Exhibit "A". Twenty-Five (25) shares in K.R.L., to be represented by share certificates numbered 51 to 75, are being offered for sale pursuant to this Disclosure Statement, entitling each purchaser of a share to the use of one of Lots 51 to 75 depicted in Exhibit "A". Lots 76 to 81 are not being offered for sale at this time.

2.2 Permitted Use

The Development is not zoned by the Regional District of East Kootenay. The Lands are also located within the Agricultural Land Reserve. The Agricultural Land Commission has given permission for up to 100 camp sites to be developed on the Lands. A copy of the meeting minutes of the Agricultural Land Commission date September 5, 1990 is attached as Exhibit "F" (the "A.L.C. Approval")

3. Cooperative Information

3.1 Cooperative Association

The Cooperative Association, K.R.L., was incorporated in British Columbia on May 15, 1999, Incorporation Number BC0585901. On September 3rd, 2010, K.R.L. was amalgamated with 0771649 B.C. Ltd., and the Incorporation Number after amalgamation changed to BC0889680, the shares in 0771649 B.C. Ltd. being cancelled upon amalgamation.

3.2 Form of Ownership

There are 150 authorized shares in K.R.L., of which 50 shares are issued and outstanding at the date hereof, owned by individual shareholders. Each share of K.R.L. entitles the owner to the use of the corresponding Lot for a recreational campsite from April 1st to October 15th each year. Each shareholder in K.R.L. will have one vote per share at Annual General Meetings of K.R.L. The maximum number of shares that may be issued with the right attached to occupy a Lot is 100 by reason of the A.L.C. Approval. Each shareholder of K.R.L., including the existing 50 shareholders at the date hereof, has a 1/150th, or .666% interest in K.R.L. on sale of the Lands. A schedule of the interests is attached as Schedule "B" to the Shareholders Agreement.

3.3 Use Agreement

Each purchaser of a share in K.R.L. will be required to enter into and agree to be bound by the existing K.R.L. shareholders agreement, attached hereto as Exhibit "E". Key terms of the K.R.L. shareholders agreement include:

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- a. attached to each share in K.R.L. is the right to occupy a Lot, and other portions of the Lands, including roads, electrical system, water system, and septic system, in common with other shareholders;
- b. each shareholder has the right to place one (1) recreational vehicle on their Lot, but must obtain the prior approval of the Board of Directors as to the type of vehicle, general location, layout and design;
- c. each shareholder shall pay, annually, a fee as approved at the Annual General Meeting of K.R.L., which fee includes a proportionate share of the costs of maintaining the Lands, including property taxes. At the date hereof, the fee is \$350.00;
- d. in the event that a shareholder fails to pay their proportionate share of costs, or continuously violates rules and regulations, the Directors may take possession of their Lot, and remove and impound and recreational vehicle and fixtures on the Lot, and may rent the Lot until the shareholders proportionate share of costs is paid, or infractions of the rules is remedied.

In addition, the use of the Lot and other areas of the Lands is subject to the Rules as amended from time to time at the Annual General Meetings of K.R.L. The current Rules are attached as Exhibit "B";

3.4 Articles, Bylaws and Rules

The Amalgamation Application, Notice of Articles, and Articles of K.R.L. are attached as Exhibit "G". A shareholder may transfer their shareholding to a Third Party, upon making application to the Directors, paying a transfer fee (presently \$400.00 inclusive of HST), and assigning any shareholders loan in K.R.L. that they may have to the transferee. A copy of the Transfer Application form is attached as Exhibit "H".

3.5 Developer's Rights

Upon sale of all Twenty-five (25) shares pursuant to this Disclosure Statement, 75 shares out of the authorized One Hundred and Fifty (150) shares in K.R.L. will remain unissued. K.R.L. may, in the future, develop a further Twenty-five (25) Lots and sell a further Twenty-five (25) shares in K.R.L., but at the date hereof, K.R.L. has no plans to do so.

3.6 Assets and Liabilities

At the date hereof, K.R.L. has no liabilities or debts to Third Parties. There is an existing Shareholders Loan owed by K.R.L. to shareholders in the amount of \$666,183.00, which is transferable, but not redeemable. Each shareholder, including purchasers of Shares 51 to 75, is or will be assigned .666% of such Shareholders Loan pursuant to the Shareholders Agreement.

Further, there are shareholders loans outstanding to a majority of the 50 shareholders, arising from the acquisition of the balance of the shares in 2007, in an aggregate amount of \$618,500.00, and bare interest at the rate of 10% per annum, from and after October 12, 2007. (the "Acquisition Loans"). It is intended to repay the Acquisition Loans when funds are available to do so from K.R.L.'s own funds. Purchasers of Lots 51 to 75 will not be required to advance funds to repay the Acquisition Loan.

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3.7 Parking

All shareholders must park vehicles, boats and/or personal ATV's on their Lot. No parking is permitted on the shared property, without the consent of the Board of Directors, and an additional fee may be charged for such.

3.8 Common Areas and Facilities

The common areas of the Development consist of portions of the Land that are not developed as Lots, including roads, and access to Kooconusa Lake, including the beach. Common facilities include septic disposal, including a sani-dump, electricity to each Lot and water services to each Lot, with the water being sourced through wells. The use of the common areas is governed by the Rules attached as Exhibit B.

3.9 Furnishings and Equipment

No furnishings or equipment are included with the purchase of a share, other than then shared interest in the common facilities, and equipment owned by K.R.L. used for maintenance of the Lands.

3.10 Budget

Attached as Exhibit "C" is the actual operating Budget for 2008, 2009 and 2010, and projected Budget for 2011.

Each shareholder will be required to pay an Annual Fee, established at the Annual General Meeting. For the year 2010, the Annual Fee is \$350.00.

K.R.L. derives a significant portion of its annual revenue from the yearly rental of areas of the Campground to individuals who are not shareholders.

3.11 Utilities and Services

Utilities and services, as detailed in the following paragraphs will be provided or are available at the Development.

- (i) Water: Each of the existing 75 Lots is serviced with water, sourced from wells. All requisite permits have been obtained. The costs of supply of water are included in the Maintenance Fees.
- (ii) Electricity: Electrical services are provided to each of the existing 75 Lots. Electric consumption costs are included in the Maintenance Fees.
- (iii) Sewerage: **Lots 51 to 75 ARE NOT serviced with sewer services**, although Lots 1 to 50 are have sewer service at the date hereof. Sani-dump facilities are available. Lots 51 to 75 MAY be serviced with sewer in the future, but **if serviced by sewer, a connection fee will be levied by K.R.L. to connect a Lot to such sewer facilities.**
- (iv) Natural Gas: Natural Gas services are NOT available at the Development, and it is not proposed to make such available in the future.

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- (v) Fire Protection: No fire protection is available to the Development, given its rural location, however, the Volunteer Fire Department in Jaffray, British Columbia, may provide fire suppression services at their discretion, although there is no formal agreement for them to do so.
- (vi) Telephone: Land line telephone service is NOT available to the Development, although the Development is covered by cellular telephone service provided by various carriers.
- (vii) Access: Access to the Lands is by way of a dedicated road, maintained by the Ministry of Transportation and Infrastructure of the Province of British Columbia. Access to each Lot is by way of common roads within the Development, maintained by K.R.L.

3.12 Management Contracts

K.R.L. has contracted for caretaker services for the Development. The caretaker is not related to K.R.L. or the Developer.

3.13 Insurance

K.R.L. maintains third party liability insurance over the Development with a limit of \$2,000,000.00. Improvements to individual Lots by shareholders, or recreational vehicles, are NOT covered by K.R.L.'s insurance. It is the responsibility of each shareholder to maintain such insurance as they deem appropriate regarding the use of their Lot and improvements, and third party liability insurance.

4. Title and Legal Matters

4.1 Legal Description

PARCEL IDENTIFIER: 006-778-089

LOT 5 DISTRICT LOT 316 KOOTENAY DISTRICT PLAN 16900 EXCEPT PART
INCLUDED IN
PLAN 17782

(the "Lands")

4.2 Ownership

The registered owner of the Lands is Koocanusa Resorts Ltd.

4.3 Existing Encumbrances and Legal Notations

4.3.1 Legal Notations

NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE KN65509 FILED 1999-07-22-
This Legal Notation provides that K.R.L.'s interest in the Lands is not bound by a lien claimed under the Builders Lien Act in respect of an improvement on the land unless that improvement is undertaken at the express request of K.R.L.

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4.3.2 Non-Financial Encumbrances

- (i) Reservation 28324D 1945-06-20 13:40 Registered Owner: COLUMBIA AND KOOTENAY RAILWAY AND NAVIGATION COMPANY
28324D REMARKS: SEE 613711 MINES AND MINERALS TRANSFERRED TO P6812 – This was a reservation of minerals and was transferred to Her Majesty the Queen in Right of the Province of British Columbia
- (ii) Undersurface Rights P6812 1980-03-31 09:54 Registered Owner: HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA P6812
REMARKS: MINES AND MINERALS – This reserves all mineral rights in the Lands to the Province of British Columbia.
- (iii) Restrictive Covenant V2128 1986-02-03 11:13 Registered Owner: HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA AS REPRESENTED BY THE MINISTRY OF TRANSPORTATION AND HIGHWAYS V2128 REMARKS: SECTION 215 LTA – This provides that no building or mobile home may be locate within 60 meters of the 749.9 meters G.S.M datum contour, and the floor of any area of a building used for habitation or storage of goods damageable by floodwater must be above 752.9 meters, G.S.M. datum.

4.3.3 Financial Encumbrances

None

4.4 Proposed Encumbrances

None

4.5 Outstanding or Contingent Litigation or Liabilities

The Developer is not aware of any outstanding or anticipated litigation in respect of the Lands or against the Developer which may affect the Lands, although there is a small claims action outstanding against the Developer, which is not in relation to the Lands or development of the Lands.

4.6 Environmental Matters

The Developer is unaware of any dangers, or any requirements imposed by governmental authorities, relating to flooding or conditions of the soil or subsoil, excepting as set out in 4.3.2(iii).

5. Construction and Warranties

5.1 Construction Dates

Lots 51 to 75 are constructed at the date hereof.

5.2 Warranties

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No construction warranties are offered or provided.

5.3 Previously Occupied Building

Not applicable.

6. Approvals and Finances

6.1 Development Approval

The Development of the Lands is authorized pursuant to the A.L.C. Approval to develop the Lots. The water system installed to Lots 51 to 75 has been approved by the British Columbia Ministry of Health. No other approvals are required.

6.2 Construction Financing

The Developer has utilized its own funds to construct Lots 51 to 75.

7. **Miscellaneous**

7.1 Deposits

All monies received from a purchaser will be held in trust by the law firm of Majic, Purdy Law Corporation who act as solicitors for the Developer, or such other solicitors who may be appointed to act for the Developer from time to time. All such monies shall be held in trust by Majic, Purdy Law Corporation, or other law firm, in the manner required by the *Real Estate Development Marketing Act*.

7.2 Purchase Agreement

The Developer intends on utilizing the form of Purchase Agreements attached as Exhibit D. The form of Purchase Agreement is subject to the following:

- (1) There are no provisions in the Purchase Agreement for the Purchaser to terminate the Purchase Agreement. Article 4 of Schedule "A" to the Purchase Agreement provides that if the Purchaser defaults in any of the Purchaser's obligations pursuant to the Purchase Agreement, and including failing to complete the purchase of the development unit on the terms as specified in the Purchase Agreement, any deposits paid together with interest shall be forfeit to the Developer, without limitation on any other rights of the Developer.

- (2) Assignment

Article 9 of Schedule "A" to the Purchase Agreement provides as follows:

- *The Purchaser represents and warrants or covenants and agrees that he will not assign its rights under this Agreement to an assignee (an "Assignee") without the prior written consent of the Vendor, which consent may be withheld by the Vendor in its sole discretion provided that if the*

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Vendor consents to the assignment of this Agreement to an Assignee, as a condition to such agreement:

a) The Assignee shall covenant and agree in writing with the Vendor to comply with the terms and conditions of this Agreement;

b) The Purchaser shall remain fully bound by and under the terms of this Agreement; and

c) The Purchaser shall pay to the Vendor an Assignment Fee equivalent to 3% of the Purchase Price.

- (4) Pursuant to Article 4 of Schedule "A" to the Purchase Agreement, deposits will NOT be held in interest bearing accounts.

7.3 Developer' Commitments

Not Applicable

7.4 Other Material Facts

7.4.1 Continuing Sales and Marketing Program

The Developer MAY market a further 20 Lots in the future, but at the date hereof, has no plans to do so.

7.4.2 Guarantees or Other Similar Financial Commitments

There are no guarantees or other similar financial commitments in connection with the Development.

7.5.3 HST

Harmonized Sales Tax ("HST") - HST will be payable by each purchaser to the Developer on the closing of the purchase and sale of a share. No rebate is available.

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STATEMENT RE: 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 defenses available under section 22 of the Real Estate Development Marketing Act.

DEVELOPER'S 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 September 7, 2010

KOOCANUSA RESORTS LTD.:

Per:


Authorized Signatory

The Directors of KOOCANUSA RESORTS LTD. in their personal capacity:

DALE BOWMAN

DOUG SCALES

DAVE GALLANT

DEBBIE KURESH

REG MACDONALD



ROBERT G. SIMPSON

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DALE BOWMAN

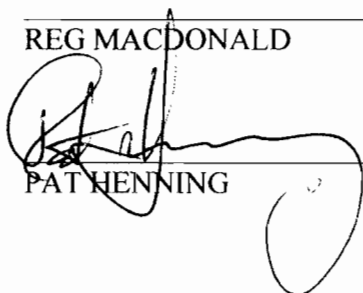
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DEVELOPER'S DECLARATION

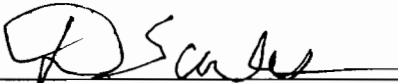
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SEPTEMBER 7, 2010

STATEMENT RE: 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 defenses available under section 22 of the Real Estate Development Marketing Act.

DEVELOPER'S 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 September 7, 2010

KOOCANUSA RESORTS LTD;

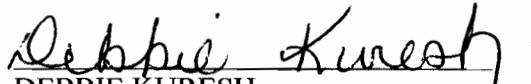
Per: _____
Authorized Signatory

The Directors of KOOCANUSA RESORTS LTD. in their personal capacity:

DALE BOWMAN

DOUG SCALES

DAVE GALLANT



DEBBIE KURESH

REG MACDONALD

ROBERT G. SIMPSON

PAT HENNING

**PLAN SHOWING LOCATION OF CAMPGROUND LEASES ON LOT 5,
DISTRICT LOT 316, KOOTENAY DISTRICT, PLAN 16900, EXCEPT PART INCLUDED IN PLAN 17782
(Kootanusa Resort)**

BCGS 82G.034



The intended plot size of this plan is 864mm in width by 560mm in height (D size) when plotted at a scale of 1:750.

All distances are in metres and decimals thereof unless otherwise noted.

The area outline in bold was surveyed by Focus December 7, 2008. All other information is for scenery purposes only.

This is not a legal survey plan.

Rebars placed are not legal survey monuments.

Exterior property lines are based on legal survey ties to existing survey evidence.

Zoning requirements were not researched in the production of this plan.

Legend

△ Denotes Rebar Placed

EXHIBIT "A"

PLAN A 17782

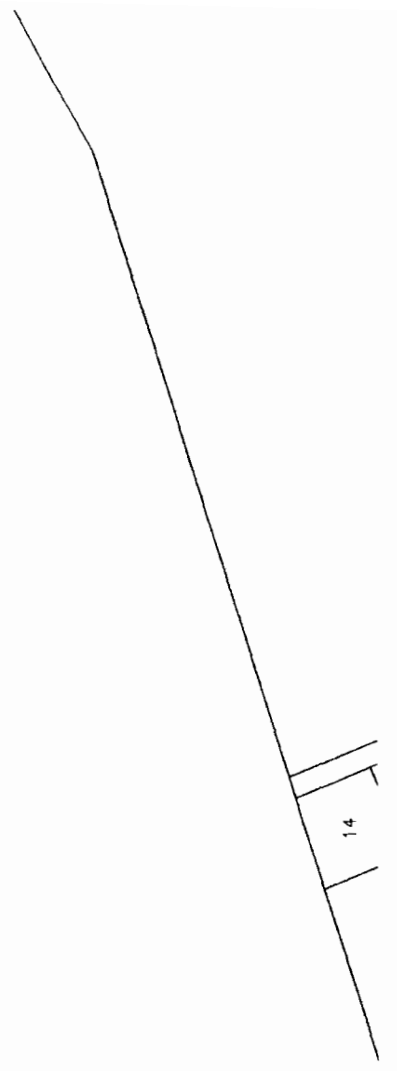


EXHIBIT "A"

LEASE LOT #	AREA
51	185.8 m ²
52	185.8 m ²
53	183.6 m ²
54	185.8 m ²
55	176.6 m ²
56	185.8 m ²
57	185.8 m ²
58	185.8 m ²
59	189.3 m ²
60	185.7 m ²
61	185.8 m ²
62	199.3 m ²
63	224.9 m ²
64	219.0 m ²
65	217.9 m ²
66	235.3 m ²
67	199.3 m ²
68	195.1 m ²
69	195.1 m ²
70	219.2 m ²
71	351.2 m ²
72	229.3 m ²
73	204.6 m ²
74	230.7 m ²
75	187.1 m ²
76	243.6 m ²
77	210.6 m ²
78	228.8 m ²
79	195.7 m ²
80	206.9 m ²
81	173.8 m ²

WAY

SUBLOT 1
PLAN X-2



17782

316

5
PLAN 16900

EXHIBIT "B"

KOOCANUSA RESORT RULES and REGULATIONS

For Shareholder, Lessee and Visitors June, 2010

Vision Statement: Our recreational community is to be enjoyed by families who maintain respect and consideration of our neighbors and a safe and sustainable environment. It is the highest priority to be enjoyed by everyone for years to come.

- 1. Recreational Lot:** Each is to have no more than one RV unit per lot. It is to be used only for recreation and must carry a liability insurance policy. No business or advertising of any business permitted. Lots will be kept in a tidy and neat manner. Provide parking for a minimum of one vehicle on lot.
- 2. Parking:** Any additional parking required, for boats, trailers, Quad trailers. Assigned space can be provided for a fee of \$300 per season. Fee set by the BOD or can be adjusted at the discretion of the BOD
- 3. Recreational Vehicles** (Quads, Motorbikes, Boats, Dune Buggies, and Golf Carts) are to be maintained in a safe and road worthy manner. Vehicles used on the resort are subject to the rules and regulations of the laws of the province of B.C. All vehicles must have proper insurance and liability insurance. No excessive noise, 10 km speed limit obeyed when they are used. Safety equipment is to be used at all times. Please be considerate and safe when operating them.
- 4. Additions or Improvements:** To lots or recreational units must be approved by the Board of Directors prior to starting work. All electrical, propane gas and building repairs, or addition are subject to the rules and regulations of the laws of the province of B.C. This includes the removal of dirt or addition of trees, shrubs, grass, rock or any landscape features, including decks, fences, outdoor kitchens, sheds, and extra sleeping accommodations
- 5. Fire and Fireworks:** Fires can only be in a designated fire pit and must be placed in a safe manner with consideration given to neighbors. Forestry Fire Bans must be obeyed. Propane gas fire pits are permitted during fire ban restrictions.
Fireworks should only be used in accordance with the laws and regulations of the province of B.C. and only be discharged off the beach area over the water. See campfire safety policy for additional information
Protect our children, Consider safety of wood pile. If they exceed 3 feet high it must be secured in a method to prevent falling on a young child. **Do not use trees** to support wood piles.
- 6. Pets:** Only domestic pets are permitted in the RV Park and they are to be kept on a leash. Pets are not allowed on the public beach. Excessive barking is prohibited and

EXHIBIT "B"

must be monitored by the pet owner. Do not use the playground for your pet's bathroom.

7. **Public Area/Showers and Restrooms:** No smoking in these areas. Please help to keep them clean. Please turn off lighting in public area. Young children need to be supervised in public areas.
8. **Garbage and Environment:** All garbage is to be disposed of in proper containers with lids. Please be aware of bears. No dumping of grey water at sites, only in designated dump site. Please ensure sewer lines and connections are in good condition. Use an air tight style connection to park connection. RV sewer Black and Grey tank valves are not to be left in the open position, only open to dump.
9. **Electric Heater/Air Conditioners:** Let's all do our part to keep our energy bills down and conserve energy.
10. **Water:** Practice water conservation. Turn main water valve off before returning home.
11. **Noise:** Please respect quiet time from Midnight to 9:00AM. Be considerate of your neighbor.
12. **Firearms: Including** BB Guns, Pellet Guns, Paint Ball Guns, or Sling Shots are not permitted at any time to be used on Kocanusa Resort property.
13. **Boat Dock and Beach:** No diving from the boat dock. Young children need to be supervised at all times. No lifeguard at the beach, swimming is at your own risk.
14. **Winter Storage Tarps:** All RV winter storage tarps, other winter storage means and accumulated debris must be removed by May 24
15. All RV's are required to have a working propane gas leak detector. (See propane safety policy for additional information.)
16. All leaseholders and shareholders before moving RV's and park models into KRL RV PARK must provide the BOD documentation of their unit; year, model, length, proof of insurance and pictures of the unit they are moving in, Verify unit is equipped with working propane sensor, smoke alarm and fire extinguisher. Unit shall have a well maintained appearance. The BOD RESERVES THE RIGHT TO REFUSE ENTRY TO KRL RV PARK OF ANY UNIT NOT MEETING THE ABOVE STANDARDS.

Please note these rules are subject to changes, deletions, additions and alterations, at any time, at the discretion of the Board of Directors.

EXHIBIT "C"

KRL BUDGET

2010 budget Approved at AGM
 Actuals from fiscal year end.
 Allowances for campsite revenue loss from development activities

	2011 forecast	2010 budget	2009 Actual	2008 Actual
Campsite Lots - no sewer	25	40		
Campsite Lots - with sewer	12	0		
Owner Shares	63	55		
Total	100	95		
Revenue (year end)				
Rental revenue - no sewer	#REF!	#REF!	122,370	87,200
Rental Revenue - with sewer	#REF!	#REF!	0	0
Management Fees	#REF!	#REF!	17,500	15,717
Other Income	1,300	1,300	6,550	1,275
Share sales	#REF!	#REF!		0
Sewer Tie in Fee	0	#REF!		0
Total	#REF!	#REF!	146,420	104,192
Expense				
Business Taxes and licenses	600	592	525	592
Caretaker fees	35,000	35,582	21,675	35,582
Equipment Rentals	0	0	0	0
Insurance	4,000	4,000	2,733	3,007
Interest and Bank Charges	300	250	226	198
Meals and Entertainment	300	300	0	216
Office	150	150	3,342	134
Professional dues	3,000	5,000	8,164	2,094
Property taxes	3,500	3,500	6,188	3,427
Repairs and Maintenance	15,000	15,000	46,435	12,719
Supplies	2,500	2,500	2,500	2,402
Utilities	12,000	12,000	11,500	11,899
Development Costs		0		
Total Expenses	76,350	78,874	103,288	72,270

EXHIBIT "D"

**KOOCANUSA RESORTS LTD.
AGREEMENT OF PURCHASE AND SALE**

THIS AGREEMENT is made this _____ day of _____ 201__.

BETWEEN:

(Full Legal Name)

Address: _____

Occupation: _____

Telephone (hm): _____

Telephone (wk): _____

E-mail: _____

Fax: _____

Purchaser is a resident of:

(Country)

(Full Legal Name)

Address: _____

Occupation: _____

Telephone (hm): _____

Telephone (wk): _____

E-mail: _____

Fax: _____

Purchaser is a resident of:

(Country)

(the "Purchaser(s)")

AND:

KOOCANUSA RESORTS LTD.
having a registered office in British Columbia at
592-2nd Avenue, P.O. Box 369
Ferne, British Columbia VOB 1 MO

(the "Developer", and/or "Vendor")

The Purchaser and the Developer hereby agree that the Purchaser shall purchase from the Vendor a share in the Vendor, being a co-operative, entitling the Purchaser to the use and occupancy of a Lot located on lands owned by the Vendor, jointly with other shareholders of the Vendor.

Property Sold Pursuant to this Agreement:

Initials			

Share No. _____

Share Certificate No. _____ in Kooconusa Resorts Ltd. (the "Share") entitling the Purchaser to the use and occupation of Lot _____ designated on the Plan attached hereto as Schedule "A", being an unregistered sketch plan of:

PARCEL IDENTIFIER: 006-778-089
LOT 5 DISTRICT LOT 316 KOOTENAY DISTRICT PLAN 16900 EXCEPT PART
INCLUDED IN PLAN 17782

and more particularly described in the Disclosure Statement, and Amendments, if any, and filed by the Developer with the Superintendent of Real Estate of British Columbia (the "Property") subject to the encumbrances as specified in the Disclosure Statement (the "Permitted Encumbrances"):

Purchase Price : \$ _____

12% H.S.T. \$ _____

Total Purchase Price Including HST: \$ _____

Payment of the Purchase Price

The Purchaser agrees to purchase the Property from the Developer for the Total Purchase Price set out above. (the "Purchase Price"), which shall be due and payable as follows:

Deposit to be paid upon the execution of this Agreement ⁽¹⁾ \$ 2,500.00

Balance of Purchase Price Payable on Closing Date ⁽³⁾ \$ _____

Closing Date _____

⁽¹⁾ These amounts are referred to in this agreement as "Deposits"

Conditions Precedent

The Purchaser's obligation to complete the purchase herein is subject to compliance by the Developer with the *Real Estate Development Marketing Act* that cannot be waived by either party and must be satisfied.

Terms and Conditions of Purchase and Sale

1. The Property is a share in the Vendor, in the Development known as "Kooconusa Resorts" (the "Development") as described in the Developer's Disclosure Statement dated September 7, 2010. The Purchaser specifically acknowledges and agrees that the Purchaser will not be acquiring a registered interest in real or other property. The Purchaser

Initials			

acknowledges and agrees that no financing is available.

2. The price payable for all of the Property sold hereby is the Purchase Price calculated and payable as set out above plus taxes, fees or government impost including Harmonized Sales Tax (HST). For clarity, all similar taxes, whether or not specifically mentioned, relating to the Purchase of the Property, shall be payable by the Purchaser.
3. The Purchaser shall have the right to self-assess and claim an exemption for any HST payable pursuant to this Agreement provided that it is registered for HST purposes, is an incorporated entity and further provided that should the exemption claimed by such self-assessment be rendered unavailable by Canada Revenue Agency (CRA) for any reason, then the Purchaser shall be solely liable to CRA for HST to the exclusion of the Developer and indemnify the Developer for any damages, including legal fees, as a result of the unavailability of such exemption.
4. All funds paid hereunder as Deposits will be:
 - (a) Paid to the Vendor's solicitors, in trust.
 - (b) Paid and held pursuant to the provisions of this Agreement.
 - (c) Paid over and retained by the Vendor as part of the Purchase Price if the sale and purchase is completed;
 - (d) Paid over to and retained by the Vendor if the Purchaser defaults in completion for any reason, which retention will not preclude any claim by the Vendor against the Purchaser for such failure to complete and will not be construed or deemed an election by the Vendor of any remedy available to it as a result of such default by the Purchaser; or
 - (e) Repaid to the Purchaser if the Vendor fails to complete the sale and purchase under this Agreement. Any repayment to the Purchaser of all Deposits as a consequence of any failure by the Vendor to complete the purchase and sale under this Agreement will be paid as liquidated damages and shall be the Purchaser's sole remedy for such failure to complete by the Vendor and will preclude any further claim by the Purchaser against the Vendor for such failure to complete.
 - (f) Will not be deposited in an interest bearing trust account, and no interest will accrue.

Real Estate Development Marketing Act of British Columbia

5. The Vendor has delivered to the Purchaser a copy of the Disclosure Statement of the Vendor dated September 7, 2010 in respect of the Development and the Purchaser hereby acknowledges receipt of such Disclosure Statement and that they have been given the opportunity to read the Disclosure Statement fully prior to executing this Agreement.
6. All Deposits and other monies received from the Purchaser will be held in trust in the manner required by the Real Estate Development Marketing Act until such time as:
 - a. an instrument evidencing the interest of the Purchaser in the Property has been filed for registration in the applicable Land Title Office, and

Initials			

Share No. _____

- b. pursuant to Article 4 hereof.

General Matters

- 7. The Purchaser acknowledges and agrees that no portion of the Purchase Price may or will be held back by the Purchaser in respect of potential builder's lien claims (the "Lien Holdback") or for any other reason.

Representations, Warranties, Covenants and Agreements

- 8. The Vendor represents and warrants or covenants and agrees that the Vendor is not a non-resident of Canada within the meaning of the Income Tax Act (Canada), nor are the majority of the shareholders of the Vendor non-residents of Canada within the meaning of the Income Tax Act (Canada).
- 9. The Purchaser represents and warrants or covenants and agrees that he will not assign its rights under this Agreement to an assignee (an "Assignee") without the prior written consent of the Vendor, which consent may be withheld by the Vendor in its sole discretion provided that if the Vendor consents to the assignment of this Agreement to an Assignee, as a condition to such agreement:
 - a) The Assignee shall covenant and agree in writing with the Vendor to comply with the terms and conditions of this Agreement;
 - b) The Purchaser shall remain fully bound by and under the terms of this Agreement; and
 - c) The Purchaser shall pay to the Vendor an Assignment Fee equivalent to 3% of the Purchase Price.

Closing and Risk

- 10. The sale and purchase shall be completed on Closing Date.
- 11. The Purchaser shall agree to be bound by the Shareholders Agreement attached to the Disclosure Statement.
- 12. The documents of transfer, being a resolution of the Directors of the Vendor authorizing the issuance of the Share to the Purchaser and a share certificate will be prepared by the Vendor's solicitors (the "Closing Documents").
- 13. The Purchaser acknowledges and agrees that it shall not request delivery of the original share certificate representing the Share, and shall keep such share certificate at the Registered Office of the Company. The Vendor will provide the Purchaser with a copy of such share once issued. The Purchaser warrants and represents that the Purchaser shall not pledge or hypothecate the Share as Security, nor assign or transfer any interest in the Share to a third party without the consent of the Directors of the Vendor. This representation and warranty shall survive the Closing of the transaction indefinitely.

Initials			

14. In completing the purchase and sale of the Property, the following Closing Terms will apply:

- a. On or before the Closing Date, the Vendor will cause its solicitors to deliver to the Purchaser's solicitors, duly executed by the Vendor, a copy of the resolution authorizing the issuance of the Share, the Agreement to be bound by the Shareholders Agreement, on such undertakings as are customarily exchanged between solicitors in Fernie, British Columbia as are necessary to facilitate the closing procedures as herein set forth;
- b. On or before the Closing Date the Purchaser will deposit, in trust, with its solicitors the amount due to the Vendor hereunder;
- c. On the Closing Date, the Purchaser will cause to be paid to the Vendor's solicitors in trust, by way of solicitors trust cheque or certified cheque, the balance of the Purchase Price, plus H.S.T. and deliver the Agreement to be bound by the Shareholder's Agreement, duly signed by the Purchaser ;
- d. Forthwith following delivery of the Purchase Price, and delivery of the Agreement to be bound by the Shareholder's Agreement, the Vendor will cause to be issued the Share in the name of the Purchaser, and recorded as such in the records of the Company, and
- e. If the Property is encumbered by any security granted by the Vendor (the "Security") that are not Permitted Encumbrances, the Vendor will be entitled to use the proceeds received pursuant to the Closing Conditions to obtain a discharge of the Security on or after the Closing Date and will cause its solicitors to undertake to the Purchaser and its solicitors to cause the Security to be discharged from the title for the Property.

15. The Property will be at the risk of the Vendor until the Closing Date and thereafter will be the risk of the Purchaser.

Adjustments, Possession and Inspection

19. Purchaser will be required to pay the Annual Maintenance Fee as determined by the Vendor at its Annual General Meeting, upon acquisition for the calendar year, which for the year 2010, is \$350.00.

20. The Purchaser shall take possession of the Property, and have the right to occupy the Lot, at the later of 12:00 Noon on the date following the Closing Date.

Miscellaneous

21. Time is of the essence in the performance of each obligation under this Agreement.

22. The representations, warranties, covenants and agreements herein set out will survive the completion of the sale and purchase of the Property.

23. The Purchaser acknowledges and agrees that there are no representations, warranties, conditions or collateral contracts, express or implied, statutory or otherwise, or applicable

Initials			

Share No. _____

hereto, made by the Vendor, its agents or employees, other than those contained herein or in the Disclosure Statement as the case may be, including, without limitation, arising out of any marketing material including sales brochures, models including architectural models, representative view sets, show room displays, photographs, illustrations, or renderings provided to the Purchaser or made available for its viewing.

24. The Agreement will enure to the benefit of and be binding upon the legal representatives, successors and permitted assigns of the parties.

25. Where there is more than one person comprising the Purchaser, the representations and warranties and covenants and agreements of the Purchaser will be joint and several and whenever the singular is used, it will be construed as including the plural.

Purchaser Acknowledgement

The Purchaser has read and understood this Agreement.

IN WITNESS WHEREOF the Purchaser has signed this Agreement this _____ day of _____, 200__, at _____, in the presence of:

Witness as to both signatures

Purchaser signature and printed name

Witness's name and address

Purchaser signature and printed name

IN WITNESS WHEREOF the Vendor has signed this Agreement this _____ day of _____ 200__.

KOOCANUSA RESORTS LTD. per:

Authorized Signatory

Initials			

EXHIBIT "E"

THIS AGREEMENT dated the 1st day of July, 1999.

BETWEEN:

KOOCANUSA RESORTS LTD., (Inc. #585901)
a body corporate having offices at
20 - 11th Avenue South
Cranbrook, B.C. V1C 2P1

("the Company")

OF THE FIRST PART

AND:

THE UNDERSIGNED

OF THE SECOND PART

WITNESS AND WHEREAS:

A. The Company owns property at Lake Kooconusa comprising 8.0 hectares (more or less) and more particularly known and described as:

P.I.D. 006-778-089
Lot 5, District Lot 316, Kootenay District,
Plan 16900 Except part included in Plan 17782
(hereinafter called the "Property")

B. The undersigned owners of Share Certificates Numbers 1 to 50 (the "Shareholders") have agreed that this agreement shall govern their holdings of shares in the Company and shall govern the rights between themselves as Shareholders of the Company.

In consideration of the mutual covenants and agreements hereinafter contained the parties covenant and agree each with the other as follows:

EXHIBIT "E"

- 2 -

1. The undersigned shall so vote their shares in the Company that no more than One Hundred Fifty (150) shares in the capital of the Company are issued, authorized, or subscribed for.

2. (a) Attached to the shares of the Company shall be the right to exclusively occupy that portion of the Property (the "Lot") described in Schedule "A" attached hereto and Plan attached as Schedule "B" and the right in common with the other Shareholders to use the shared property consisting of the roads, electrical system, septic system and water system ("Shared Property") subject to the reasonable rules and regulations (the "Rules") made from time to time by the Directors of the Company. The exclusive right to occupy the Lot shall be transferable, but only to the transferee of such share.

(b) Each Shareholder will be assigned a portion of the Shareholders Loan due from the Company to its Shareholders. The loan is \$304,600.00. The percentage of the loan assigned to a Shareholder will be based on the Interest on Sale set out in Schedule "A". The Shareholders Loan will be assignable but not redeemable. The Shareholders hereby agree that no demand for payment shall be made and the percentage of the Shareholders Loan will only be assigned to the transferee of the share to which the loan is attached.

3. The Company shall have at least One (1) Director (the "Director") elected annually at the annual general meeting of the Company held pursuant to the *Company Act* R.S.B.C., 1996. The Board of Directors shall then appoint the President and Secretary/Treasurer.

4. There shall attach to each share in the Company for the duration of the Company's corporate life, and (subject to the Rules) the exclusive right, in the person or entity entered on the Register of Members of the Company in respect of such share for the period during which he or she is so registered as a Shareholder, to the use, occupancy and enjoyment of his or her Lot, allotted in respect of such share as described in Schedule "A" and Schedule "B".

5. All taxes, insurance costs, costs of maintenance, improvement and operation of the Shared Property shall be met and paid to the Company in the following proportions, namely:

EXHIBIT "E"

- 3 -

(a) Unless separately billed, all taxes ("Taxes") imposed by any Government authority upon the Company in respect of the Lots or any buildings or works erected or maintained on the Lots shall be met and paid for a Shareholder as part of the Shared Costs.

(b) Each Shareholder shall pay a portion of all other costs, charges and expenses incurred by the Company for the maintenance, improvement and operation of the Shared Property ("Shared Costs").

6. A Shareholder shall be entitled to place and maintain upon his/her Lot only One (1) recreation vehicle for his/her own exclusive use and enjoyment and otherwise to improve the said Lot. Provided that before such Shareholder commences any work on a Lot or places a recreation vehicle on a Lot he/she shall refer his/her plan or plans to the Director for approval as to type of structure or vehicle, general location, layout and design and unless the Director shall be of the opinion that the proposed recreation vehicle, layout and design or some of them are likely to prove detrimental to the health or enjoyment of the Property by other Shareholders of the Company or are likely to create an objectionable nuisance, he shall approve same.

7. It shall be the duty of all Shareholders to maintain his/her Lot and any improvements thereon in a reasonable state of repair and in such manner as not to cause a fire hazard or nuisance or to interfere with the Company or any other Shareholder in the quiet enjoyment of their Lots or any other part of the said Property.

8. No Shareholder shall suffer or permit any lien or charge to be created upon the Property or any Lot by reason of any building, work or improvement done or caused to be done by him/her upon his/her Lot or any other part of the property of the Company. Should any lien or charge so be created against the Property, the Company may pay and discharge the same, and any amount so paid by the Company shall constitute a debt due by the Shareholder to the Company payable upon demand. Each Shareholder shall give to the Company such assurances or security as the Director may require against the creation of any such liens or charges.

EXHIBIT "E"

- 4 -

9. The Director shall have power to make rules and regulations from time to time to control or abate nuisances, including excessive noise, committed or liable to be committed upon the Property to insure the quiet enjoyment by the Shareholders of their Lot and the Shared Property. If any Shareholder objects to any such rule or regulation it shall be put before an extraordinary general meeting of the Company for affirmation or for disapproval. If such rule or regulation is not approved by a majority of the voting shares represented at the meeting such rule or regulation shall be deemed to be void and of no effect. Attached as Schedules "C" and "D" are the rules and regulations in effect until amended by the Director or the Shareholders at a general meeting.

10. The Director may without charge reserve or except out of any Lot or take possession or control of a portion of a Lot that may be required in the sole discretion of the Director, for the purposes of a well or other sources of drinking water, for a gas line, hydro line, or sewer line, to serve any other Lot or Lots, or for the purpose of a pipeline right of way to and from such well or other source of drinking water or for a gas line, hydro line, or sewer line to any such Shareholder or Shareholders, and the Director may make rules and regulations either general or in any particular case for sanitation and to control the location of sanitary facilities, water lines, hydro lines, sewer lines, and gas lines, at any Lot or other part of the Property of the Company and to ensure the supply of drinking water upon the said Property or to prevent nuisance or other impairment of the pleasure and enjoyment of occupiers of Lots.

11. The Director shall in each year estimate the expenditures in respect of the Property for the said year.

12. The Director shall in each and every year, levy an assessment against each Lot for Shared Costs of the Shared Property. Each assessment shall be payable from time to time as determined by the Director.

13. All assessments shall be and become a debt to the Company due and payable without notice on the 1st day of each month after the same are levied, and shall be paid to the agent of the Company or to the Treasurer of the Company, whichever shall be designated by the

EXHIBIT "E"

- 5 -

Director, and such agent or the Treasurer, as the case may be, shall give his/her receipt for all payments made. In the event that any Shareholder shall make default in the payment of any assessment or charge properly made by the Director, or of any debt which may be due by the Shareholder to the Company, and such default shall continue for a period of thirty (30) days after the same is due and payable, or in the event that a Shareholder shall continue to violate any of the reasonable rules and regulations adopted by the Director or any of his/her obligations under these Articles, or shall fail to remedy any such violation which is capable of being remedied with the time limited by the Director after notice in writing given him/her by the Director of such violation, then in such event his/her exclusive right or possession, use, occupancy and enjoyment of the Lot and the Shared Property may, by resolution of the Director be suspended and the Company may enter upon such Lot and take possession of the same together with anything located thereon or the Company may remove or impound any recreation vehicles and fixtures. Should the Company take possession, the Director may rent the Lot to any person whether or not he/she is a Shareholder of the Company, and may use the proceeds of such rental to pay all expenses incurred by them in and about the maintenance of the Lot and in payment of any monies due by the Shareholder to the Company whether by way of assessment or otherwise.

14. Upon payment by the Shareholder of any such assessment, charge or debt, or upon its satisfaction in manner herein before provided or upon agreement by the Shareholder to the satisfaction of the Director to conform with the rules and regulations of the Company, or upon remedy of his/her violation to the satisfaction of the Director as the case may be, the suspension of rights on the Shareholder herein before provided shall cease and the Shareholder shall resume his/her right in respect to the Lot attached to his/her shares, and the Company shall account to the Shareholder for any monies received by the Company in respect of any rental as aforesaid and shall pay over to the Shareholders any balance of rental received over the amount of its expenses incurred and any such assessment, charge or debt.

15. In the event such default shall continue for a period of ninety (90) days the Director shall be entitled to cancel a defaulting Shareholder's shares and make arrangements to find a replacement Shareholder. The Director shall offer the share for sale and shall after thirty (30)

EXHIBIT "E"

- 6 -

days of offering such share or subscription, except in their opinion, the best offer provided it shall be a condition precedent to the acceptance of any such offer, that the offeror shall first agree to be bound by the provisions of this Agreement. The Director shall then convey the share of the defaulting Shareholder to the purchasing Shareholder and remit the proceeds (less all monies and expenses owing as a result of the default) of such sale to the defaulting Shareholder. In acting in this manner as agent for the selling Shareholder or subscriber, the Director shall not be liable for any loss suffered by the selling Shareholder or subscriber no matter how such loss be occasioned. The Director in their sole discretion may cause the Company to purchase the shares of the defaulting Shareholder provided that the price paid is at least equal to the best bonafide offer received by them in the said thirty (30) day period.

16. a) The undersigned acknowledge that the Property less the Lots ("Remainder") will be developed further by the Owner of the Remainder and that the rules and regulations set out herein do not apply to the Remainder. All income derived from the sale of Lots and development on the Remainder shall be for the benefit of the Owner of the Remainder. No other Shareholder other than the Owner of the Remainder shall receive dividends or income of any other kind.

b) The undersigned acknowledge that all services supplied to the Lots are seasonal. It is anticipated that they will be available from April to October each year.

c) If the Property is sold the proceeds of sale would go to KR which would then hold the cash asset instead of the Property as an asset. A Shareholder's interest would be an interest in the equity of the Company which would consist of the proceeds. Each of the Shareholder's interest is indicated in the column Interest on Sale in Schedule "A". One Share represents .6666% equity in the Company as it represents .6666% of the outstanding shares of the Company. The investment would be realized by a cash distribution by the Company.

17. Wherever provision is made herein for appeal, the matter under appeal shall be determined at an extraordinary meeting.

EXHIBIT "E"

- 7 -

18. No disposition of any of the shares represented by Share Certificates 1 - 50 shall be made unless the person acquiring the interest (the "Third Party") shall have entered into this Agreement by which the Third Party shall be bound by and entitled to the benefits of the Agreement and the Regulations as they are amended from time to time.

The Director shall refuse any disposition until the Agreement is signed by the Third Party.

19. This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

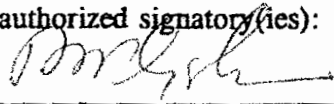
20. Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.

21. This Agreement constitutes the entire Agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto. Any schedules referred to herein are incorporated herein by reference and form part of the Agreement.

22. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and assigns.

IN WITNESS WHEREOF the parties hereto have executed these presents as of the day and year first above written.

KOOCANUSA RESORTS LTD.
by its authorized signatory(ies):



KOOCANUSA ENTERPRISES LTD.
by its authorized signatory(ies):

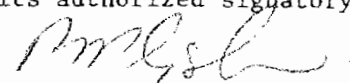


EXHIBIT "E"

SCHEDULE "A"

Lot No. and Share Certificate No.	Number of Votes and Number of Shares	Interest on Sale
1	1	.6666%
2	1	.6666%
3	1	.6666%
4	1	.6666%
5	1	.6666%
6	1	.6666%
7	1	.6666%
8	1	.6666%
9	1	.6666%
10	1	.6666%
11	1	.6666%
12	1	.6666%
13	1	.6666%
14	1	.6666%
15	1	.6666%
16	1	.6666%
17	1	.6666%
18	1	.6666%
19	1	.6666%
20	1	.6666%

EXHIBIT "E"

Lot No. and Share Certificate No.	Number of Votes and Number of Shares	Interest on Sale

21	1	.6666%
22	1	.6666%
23	1	.6666%
24	1	.6666%
25	1	.6666%
26	1	.6666%
27	1	.6666%
28	1	.6666%
29	1	.6666%
30	1	.6666%
31	1	.6666%
32	1	.6666%
33	1	.6666%
34	1	.6666%
35	1	.6666%
36	1	.6666%
37	1	.6666%
38	1	.6666%
39	1	.6666%
40	1	.6666%

EXHIBIT "E"

Lot No. and Share Certificate No.	Number of Votes and Number of Shares	Interest on Sale

41	1	.6666%
42	1	.6666%
43	1	.6666%
44	1	.6666%
45	1	.6666%
46	1	.6666%
47	1	.6666%
48	1	.6666%
49	1	.6666%
50	1	.6666%
Remainder	<u>100</u>	<u>66.67%</u>
TOTAL:	150	100.00%

EXHIBIT "E"
 SCHEDULE "B"

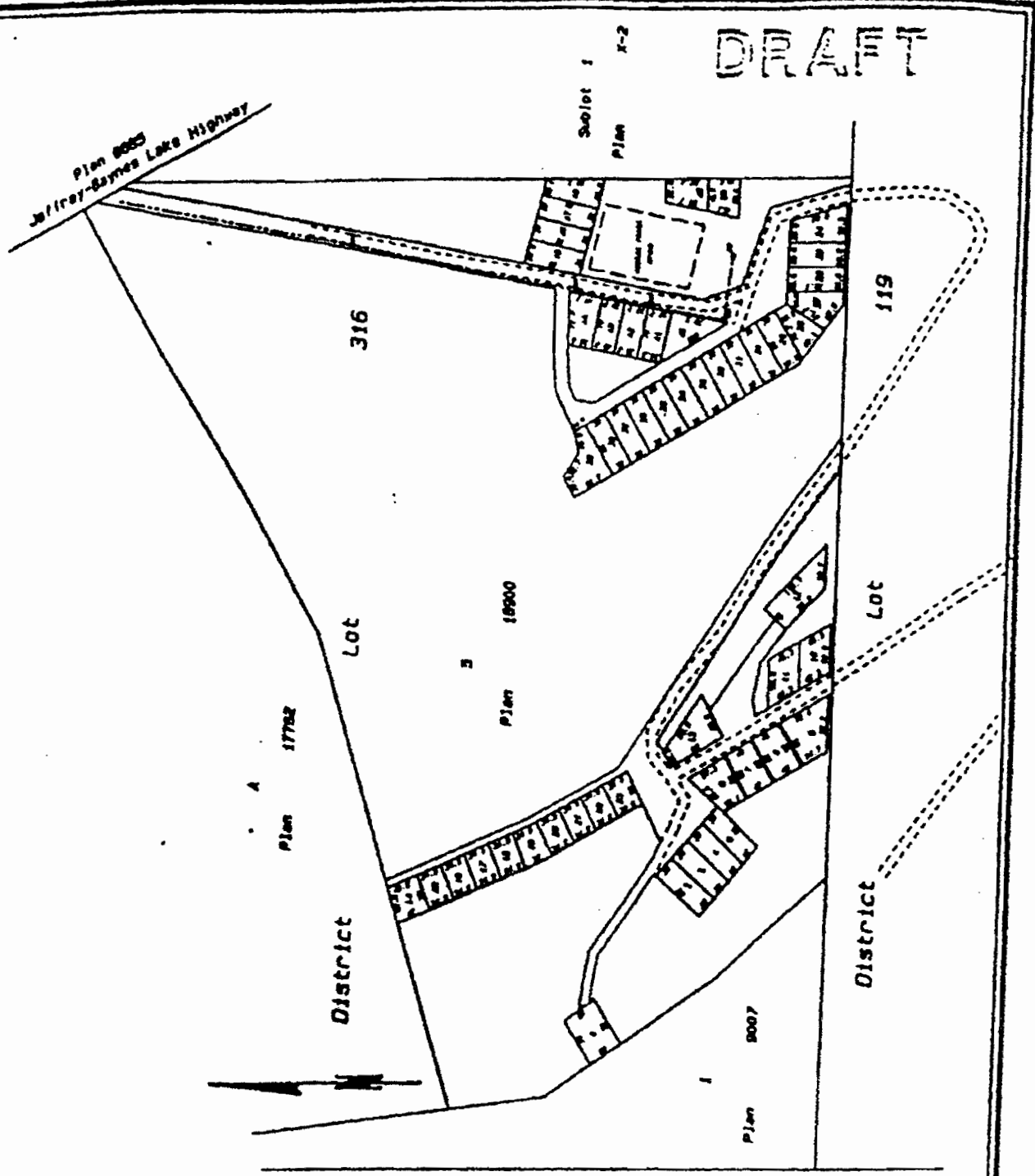
DRAFT

Plan Showing Location of Campground Leases on
 Lot 5, District Lot 316, Kootenay District, Plan 16900,
 except Part included in Plan 17782.
 Scale 1" = 100'

Legend

- Existing boundary lines
- Proposed boundary lines
- Proposed boundary lines
- Proposed boundary lines

Lot No.	Area	Plan No.
1	1.00	16900
2	1.00	16900
3	1.00	16900
4	1.00	16900
5	1.00	16900
6	1.00	16900
7	1.00	16900
8	1.00	16900
9	1.00	16900
10	1.00	16900
11	1.00	16900
12	1.00	16900
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90	1.00	16900
91	1.00	16900
92	1.00	16900
93	1.00	16900
94	1.00	16900
95	1.00	16900
96	1.00	16900
97	1.00	16900
98	1.00	16900
99	1.00	16900
100	1.00	16900



100' = 1" Scale

EXHIBIT "F"

Resolution #803/90
Application #02-L-24739

MINUTES OF THE PROVINCIAL AGRICULTURAL LAND COMMISSION

Meeting held at the B.C. Agricultural Land Commission Office, 4940 Canada Way, Burnaby, B.C. on the 5th day of September 1990.

Present:	R. Murdoch	Acting Chairperson
	H. Allison	Commissioner
	J. Collins	Commissioner
	R. King	Commissioner
	J. Malenstyn	Commissioner

An application from Arthur and Joan Wagner under Section 12(1) of the Agricultural Land Commission Act was considered for the property described as the Remainder of Lot 5, District Lot 316, Kootenay District, Plan 16900 shown in detail on plans submitted with the application.

The application requests the exclusion of the 8.0 ha parcel from the Agricultural Land Reserve (ALR). The purpose of the exclusion is to permit development of a tourist/commercial facility. The facility would include the following:

- waterslide;
- large outdoor heated swimming pool with wading and diving area;
- large outdoor children's splash pool;
- large outdoor heated jacuzzi;
- children's playground;
- picnic tables;
- an approximately 20, 000 sq. ft. mini-golf course;
- lakeside swimming;
- lakeside park with picnic and barbeque facilities, volleyball court and sanitary facilities;
- marine and boat launch;
- approximately 100 fully serviced R.V. sites with gravelled pads and paved roadways;
- an approximately 3200 sq. ft. multi-purpose structure housing an office, mens' and ladies' washrooms, change rooms, showers, laundry room, concession/snack bar, convenience store, video arcade area, adult lounge.

The subject property is currently vacant. The agricultural capability rating is 6T.

EXHIBIT "F"

Page 2

The Commission then examined the aerial photographs and appropriate maps. The surrounding land uses were identified as being:

North - vacant 8.0 ha parcel
South - Crown Land, Lake Kootenusa
East - Crown Land, highway
West - Crown Land, Lake Kootenusa.

There is no community plan or zoning bylaws in affect in this area. The Commission was then advised that there have been two previous applications involving the subject property, more specifically #'s 21-84-18160 (Wagner) and 21-87-20974 (Wagner). The contents of the earlier files were examined.

The Regional Board of East Kootenay forwarded the application with the recommendation that the request for exclusion be refused but that permission be given to develop the tourist/ commercial use within the A.R. The comments from the A.P.C. were consistent with the Regional Board's however the A.P.C. went on to suggest that the subject property be fenced prior to development to ensure safety of livestock and persons.

Finally, the Commission was advised that Commission staff (ie: Planner, Regional Research Officer) viewed this area in early June 1990.

IT WAS
MOVED BY: Commissioner J. Malenstyn
SECONDED BY: Commissioner J. Collins

THAT the application be refused but that permission be granted under Section 12(3) of the Act to develop the tourist/commercial facilities as stated in the applicant's submission subject to fencing along the north, east, and south boundaries and subject to compliance with all other legislation.

Carried

EXHIBIT "G"

Date and Time: September 3, 2010 02:30 PM Pacific Time



**Ministry
of Finance**
BC Registry Services

Mailing Address:
PO BOX 9431 Stn Prov Govt.
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard St.
Victoria BC
250 356-8626

Amalgamation Application

FORM 13
BUSINESS CORPORATIONS ACT
Section 275

FILING DETAILS: *Amalgamation Application for:*
KOOCANUSA RESORTS LTD.

Incorporation Number: **BC0889680**

Filed Date and Time: **September 3, 2010 02:29 PM Pacific Time**

Recognition Date and Time: **September 3, 2010 02:29 PM Pacific Time as a result of an Amalgamation.**

AMALGAMATION APPLICATION

The amalgamated company is to adopt, as its name, the name of the following amalgamating company: KOOCANUSA RESORTS LTD.. The Incorporation Number associated with this Company is: BC0585901.

AMALGAMATION EFFECTIVE DATE:

The amalgamation is to take effect at the time that this application is filed with the Registrar.

AMALGAMATING CORPORATION(S) INFORMATION

Name of Amalgamating Corporation(s)	Incorporation Number in BC
0771649 B.C. LTD.	BC0771649
KOOCANUSA RESORTS LTD.	BC0585901

EXHIBIT "G"

AMALGAMATION STATEMENT

This amalgamation has been effected without court approval. A copy of all of the required affidavits under section 277(1) have been obtained and the affidavit obtained from each amalgamating company has been deposited in that company's records office.

NOTICE OF ARTICLES

Name of Company:

KOOCANUSA RESORTS LTD.

REGISTERED OFFICE INFORMATION

Mailing Address:

MAJIC, PURDY LAW CORPORATION
P.O. BOX 369
592-2ND AVENUE
FERNIE BC V0B 1M0
CANADA

Delivery Address:

MAJIC, PURDY LAW CORPORATION
P.O. BOX 369
592-2ND AVENUE
FERNIE BC V0B 1M0
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:

MAJIC, PURDY LAW CORPORATION
P.O. BOX 369
592-2ND AVENUE
FERNIE BC V0B 1M0
CANADA

Delivery Address:

MAJIC, PURDY LAW CORPORATION
P.O. BOX 369
592-2ND AVENUE
FERNIE BC V0B 1M0
CANADA

EXHIBIT "G"

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:

Gallant, Dave

Mailing Address:

35 WILSON STREET
OKOTOKS AB T1S 1G2
CANADA

Delivery Address:

35 WILSON STREET
OKOTOKS AB T1S 1G2
CANADA

Last Name, First Name, Middle Name:

Scales, Doug

Mailing Address:

36 TUDOR CRES.
LETHBRIDGE AB T1K 5C8
CANADA

Delivery Address:

36 TUDOR CRES.
LETHBRIDGE AB T1K 5C8
CANADA

Last Name, First Name, Middle Name:

Henning, Pat

Mailing Address:

148 HIDDEN CIRCLE N.W.
CALGARY AB T3A 5G8
CANADA

Delivery Address:

148 HIDDEN CIRCLE N.W.
CALGARY AB T3A 5G8
CANADA

Last Name, First Name, Middle Name:

Simpson, Robert G

Mailing Address:

280 WATERSTONE CRES.
AIRDRIE AB T4B 2G1
CANADA

Delivery Address:

280 WATERSTONE CRES.
AIRDRIE AB T4B 2G1
CANADA

Last Name, First Name, Middle Name:

Kuresh, Debbie

Mailing Address:

246 APPLEGLLEN PLACE S.E.
CALGARY AB T2A 7V7
CANADA

Delivery Address:

246 APPLEGLLEN PLACE S.E.
CALGARY AB T2A 7V7
CANADA

Last Name, First Name, Middle Name:

Bowman, Dale

Mailing Address:

109 RIDGEMONT CRESCENT
FERNIE BC V0B 1M2
CANADA

Delivery Address:

109 RIDGEMONT CRESCENT
FERNIE BC V0B 1M2
CANADA

AUTHORIZED SHARE STRUCTURE

EXHIBIT "G"

1. 150

Common Shares

Without Par Value

Without Special Rights or
Restrictions attached

EXHIBIT "G"

PROVINCE OF BRITISH COLUMBIA

INDEX TO

ARTICLES

OF

Incorporation #0585901

KOOCANUSA RESORTS LTD.

(Name of Company)

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EXHIBIT "G"

PROVINCE OF BRITISH COLUMBIA

ARTICLES

Incorporation #0585901

KOOCANUSA RESORTS LTD.

(Name of Company)

PART 1. - INTERPRETATION

- 1.1 In these articles, unless the context otherwise requires,
"directors" means the directors of the Company for the time being;
"*Company Act*" means the *Company Act* of the Province of British Columbia from time to time in force and all amendments to it;
"register" means the register of members to be kept pursuant to the *Company Act*;
"registered address" of a member means his address as recorded in the register;
"registered address" of a director means his address as recorded in the Company's register of directors to be kept pursuant to the *Company Act*.
- 1.1 Words importing the singular include the plural and vice versa; and words importing a male person include a female person and a corporation.
- 1.3 The definitions in the *Company Act* on the date these articles become effective shall, with the necessary changes and so far as are applicable, apply to these articles.

PART 2. - SHARES

- 2.1 Every share certificate issued by the Company shall be in such form as the directors approve and shall comply with the *Company Act*.
- 2.2 If any share certificate is worn out or defaced, then, on production of that certificate to the directors, they may order the same to be cancelled and may issue a new certificate in place of that certificate; and if any share certificate is lost or destroyed, then, on proof of the loss or destruction to the satisfaction of the directors, on paying the Company the fee prescribed in Article 18.1, and on giving such indemnity as the directors deem adequate, a new certificate in place of the lost or destroyed certificate shall be issued to the party entitled to it.
- 2.3 A share certificate registered in the names of 2 or more persons shall be delivered to the person first named on the register.

PART 3. - TRANSFER OF SHARES

- 3.1 The instrument of transfer of any share shall be in writing in the following form or in any usual or common form or any other form that the directors may approve:

I/We, _____, in consideration of \$ _____ paid to me/us by
of _____ (the "transferee"), hereby transfer to the transferee
[number and class, if any] shares in [name of company] to hold unto the
transferee, his personal representatives and assignees, subject to the several
conditions on which I/we held the same at the time of the execution of this
assignment; and the transferee, by acceptance of this assignment, agrees to take
those shares subject to those conditions.

Signed _____ [month, day] 19 ____ .

[Signature of Transferor(s)]

Witness to the signature
of the Transferor(s):

EXHIBIT "G"

- 2 -

If the directors so require, each instrument of transfer shall be in respect of only one class of shares.

3.2 Every instrument of transfer shall be executed by the transferor and left at the registered office of the Company or of its transfer agent or registrar for registration, together with the share certificate for the shares to be transferred and such other evidence, if any, as the directors or the transfer agent or registrar may require to prove the title of the transferor or his right to transfer the shares. All instruments of transfer which are registered shall be retained by the company or its transfer agent or registrar, but any instrument of transfer that the directors decline to register shall be returned to the person depositing the same, together with the share certificate which accompanied the same when tendered for registration. The transferor shall remain the holder of the share until the name of the transferee is entered on the register in respect of that share.

3.3 The signature of the registered owner of any shares or of his duly authorized attorney on the form of transfer constitutes an authority to the company to register the shares specified in the form of transfer in the name of the person named in that form as transferee or, if no person is so named, then in any name designated in writing by the person depositing the share certificate and the form of transfer with the Company or its agents.

3.4 Neither the Company nor any director, officer or agent is bound to inquire into the title of the transferee of those shares to be transferred or is liable to the registered or any intermediate owner of those shares, for registering the transfer.

PART 4. - TRANSMISSION OF SHARES

4.1 In case of the death of a member the legal personal representative of the deceased shall be the only person recognized by the Company as having any title to or interest in the shares registered in the name of the deceased. Before recognizing any legal personal representative, the directors may require him to produce the original or a court certified or authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title of the shares is claimed to vest.

4.2 Any person who becomes entitled to a share as a result of the death or bankruptcy of any member on producing the evidence required by section 64 of the *Company Act*, or who becomes entitled to a share as a result of an order of a court of competent jurisdiction or a statute, on producing such evidence as the directors think sufficient that he is so entitled, may be registered as holder of the share or may transfer the share.

PART 5. - ALTERATION OF CAPITAL AND SHARES

5.1 Except as otherwise provided by conditions imposed at the time of creation of any new shares or by these articles, any addition to the authorized capital resulting from the creation of new shares shall be subject to the provisions of these articles.

PART 6. - BORROWING POWERS

6.1 The Company shall not be empowered to borrow any money except as authorized by a Special Resolution of the Company.

PART 7. - GENERAL MEETINGS

7.1 The general meetings of the Company shall be held at such time and place, in accordance with the *Company Act*, as the directors appoint.

7.2 Every general meeting, other than an annual general meeting, shall be called an extraordinary general meeting.

7.3 The directors may, whenever they think fit, convene an extraordinary general meeting.

EXHIBIT "G"

- 3 -

7.4 Notice of a general meeting shall specify the place, the day and the hour of meeting, and, in case of special business, the general nature of that business. The accidental omission to give notice of any meeting to, or the nonreceipt of any notice by, any of the members entitled to receive notice shall not invalidate any proceedings at that meeting.

7.5 If any special business includes the presenting, considering, approving, ratifying or authorizing the execution of any document, then the portion of any notice relating to that document is sufficient if it states that copy of the document or proposed document is or will be available for inspection by members at an office of the Company in the Province of British Columbia or at one or more designated places in the Province during business hours on any specified or unspecified working day or days prior to the date of the meeting and at the meeting.

PART 8. - PROCEEDINGS AT GENERAL MEETINGS

8.1 The following business at a general meeting shall be deemed to be special business:

- (a) all business at an extraordinary general meeting;
- (b) all business that is transacted at an annual general meeting, with the exception of the consideration of the financial statement and the report of the directors and auditors, the election of directors, the appointment of the auditors and such other business as, under these articles, ought to be transacted at an annual general meeting, or any business which is brought under consideration by the report of the directors issued with the notice convening the meeting.

8.2 No business, other than the election of a chairman and the adjournment or termination of the meeting, shall be conducted at any general meeting at any time when a quorum is not present. If at any time during a general meeting there ceases to be a quorum present, any business then in progress shall be suspended until there is a quorum present or until the meeting is adjourned or terminated, as the case may be.

8.3 If within a half an hour from the time appointed for a general meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be terminated, but in any other case, it shall stand adjourned to the same day in the next week, at the same time and place, and if, at the adjourned meeting, a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

8.4 Subject to Article 8.5, the president of the Company, or in his absence, one of the directors present, shall preside as chairman of every general meeting.

8.5 If at any general meeting there is no president or director present within 15 minutes after the time appointed for holding the meeting or if the president and all the directors present are unwilling to act as chairman, the members present shall choose some one of their number to be chairman.

8.6 The chairman of a general meeting may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 10 days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. Except as aforesaid, it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned general meeting.

8.7 No resolution proposed at a meeting need be seconded, and the chairman of any meeting is entitled to move or propose a resolution.

8.8 In case of an equality of votes the chairman shall not, either on a show of hands or on a poll, have a casting or second vote in addition to the vote or votes to which he may be entitled as a member.

8.9 In the case of any dispute as to the admission or rejection of a vote, the chairman shall determine the same, and his determination made in good faith is final and conclusive.

8.10 A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he

EXHIBIT "G"

- 4 -

uses in the same way.

8.11 Subject to the provisions of Article 8.12, if a poll is duly demanded, it shall be taken in such manner and at such time, within 7 days after the date of the meeting, and place as the chairman of the meeting directs. The result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded. A demand for a poll may be withdrawn.

8.12 A poll demanded on a question of adjournment shall be taken at the meeting without adjournment.

8.13 The demand for a poll shall not, unless the chairman so rules, prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

PART 9. - VOTES OF MEMBERS

9.1 Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person has one vote, and on a poll every member, present in person or by proxy, has one vote for each share he holds.

9.2 Any person who is not registered as a member, but is entitled to vote at any general meeting in respect of a share, may vote the share in the same manner as if he were a member; but, unless the directors have previously admitted his right to vote at that meeting in respect of the share, he shall satisfy the directors of his right to vote the share before the time for holding the meeting, or adjourned meeting, as the case may be, at which he proposes to vote.

9.3 Where there are joint members registered in respect of any share, any one of the joint members may vote at any meeting, either personally or by proxy, in respect of the share as if he were solely entitled to it. If more than one of the joint members is present at any meeting, personally or by proxy, the joint member present whose name stands first on the register in respect of the share shall alone be entitled to vote in respect of that share. Several executors or administrators of a deceased member in whose sole name any share stands shall, for the purpose of this article, be deemed joint members.

9.4 Subject to section 159 of the *Company Act*, a corporation which is a member may vote by its duly authorized representative who is entitled to speak and vote either in person or by proxy, and in all other respects exercise the rights of a member, and that representative shall be reckoned as a member for all purposes in connection with any meeting of the Company.

9.5 A member for whom a committee has been duly appointed may vote, whether on a show of hands or on a poll, by his committee, and that committee may appoint a proxyholder.

9.6 Unless the directors otherwise determine, the instrument appointing a proxyholder and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of it shall be deposited at a place specified for that purpose in the notice convening the meeting not less than 48 hours before the time for holding the meeting at which the proxyholder proposes to vote, or shall be deposited with the chairman of the meeting prior to the commencement of the meeting.

9.7 A vote given in accordance with the terms of an instrument of proxy is valid notwithstanding the previous death or incapability of the member or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided no intimation in writing of the death, incapability, revocation or transfer has been received at the registered office of the Company or by the chairman of the meeting or adjourned meeting before the vote is given.

9.8 Unless, in the circumstances, the *Company Act* requires any other form of proxy, an instrument appointing a proxyholder, whether for a specified meeting or otherwise, shall be in the form following, or in any other form that the directors shall approve:

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quorum necessary for the transaction of business and unless so fixed the quorum shall be a majority of the directors then in office. The president of the Company shall be chairman of all meetings of the directors; but if at any meeting the president is not present within 30 minutes after the time appointed for holding the meeting, the directors present may choose some one of their number to be chairman at that meeting. A director may at any time, and the secretary, on the request of a director, shall convene a meeting of the directors.

12.2 The directors, or any committee of directors, may take any action required or permitted to be taken by them and may exercise all or any of the authorities, powers and discretions for the time being vested in or exercisable by them by resolution either passed at a meeting at which a quorum is present or consented to in writing under section 125 of the *Company Act*.

12.3 The directors may delegate any, but not all, of their powers to committees consisting of such director or directors as they think fit. Any committee so formed in the exercise of the powers so delegated shall conform to any rules that may from time to time be imposed on it by the directors, and shall report every act or thing done in exercise of those powers to the earliest meeting of the directors to be held next after it has been done.

12.4 A committee may elect a chairman of its meetings; if no chairman is elected, or if at any meeting the chairman is not present within 30 minutes after the time appointed for holding the meeting, the directors present who are members of the committee may choose one of their number to be chairman of the meeting.

12.5 The members of a committee may meet and adjourn as they think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes the chairman shall have a second or casting vote.

12.6 For the first meeting of the directors to be held immediately following the appointment or election of a director or directors at an annual or other general meeting of shareholders, or for a meeting of the directors at which a director is appointed to fill a vacancy in the directors, it is not necessary to give notice of the meeting to the newly elected or appointed director or directors for the meeting to be duly constituted, provided that a quorum of the directors is present.

12.7 Any director of the Company who may be absent temporarily from the Province of British Columbia may file, at the registered office of the Company, a waiver of notice which may be by letter, telegram, telex or cable, of any meeting of the directors and may, at any time, withdraw the waiver, and until the waiver is withdrawn, no notice of meetings of directors shall be sent to that director; and any and all meetings of the directors of the Company, notice of which has not been given to that director, shall, provided a quorum of the directors is present, be valid and effective.

12.8 Questions arising at any meeting of the directors shall be decided by a majority of votes. In case of an equality of votes the chairman has a second or casting vote.

12.9 No resolution proposed at a meeting of directors need be seconded, and the chairman of any meeting is entitled to move or propose a resolution.

PART 13. - OFFICERS

13.1 All appointments of officers shall be made at such remuneration, whether by way of salary, fee, commission, participation in profits or otherwise as the directors think fit.

PART 14. - EXECUTION OF INSTRUMENTS

14.1 The directors may provide a common seal for the Company and for its use and they shall have power from time to time to destroy the same and substitute a new seal in place of the seal destroyed.

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14.2 Subject to the provisions of the *Company Act*, the directors may provide for use in any other province, state, territory or country an official seal, which shall be a facsimile of the common seal of the Company, with the addition on its face of the name of the province, state, territory or country where it is to be used.

PART 15. - DIVIDENDS

15.1 The directors may declare dividends and fix the date of record and the date for payment of them.

15.2 Subject to the terms of shares with special rights or restrictions, all dividends shall be declared according to the number of shares held.

15.3 Dividends may be declared to be payable out of the profits of the Company. No dividend shall bear interest against the Company.

15.4 A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of paid up shares, bonds, debentures or other debt obligations of the Company, or in any one or more of those ways, and, where any difficulty arises in regard to the distribution, the directors may settle the same as they think expedient, and in particular may fix the value for distribution of specific assets, and may determine that cash payments shall be made to a member on the basis of the value so fixed in place of fractional shares, bonds, debentures or other debt obligations in order to adjust the rights of all parties, and may vest any of those specific assets in trustees on such trusts for the persons entitled as may seem expedient to the directors.

15.5 Any dividend or other money payable in cash in respect of a share may be paid by cheque sent through the post to the member in a prepaid letter, envelope or wrapper addressed to the member at his registered address, or in the case of joint members, to the registered address of the joint member who is the first named on the register, or to such person and to such address as the member or joint members, as the case may be, in writing direct. Any one of two or more joint members may give effectual receipts for any dividend or other money payable or assets distributable in respect of a share held by them.

15.6 No notice of the declaration of a dividend need to be given to any member.

15.7 The directors may, before declaring any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profits of the Company may be properly applied, and pending that application may, at the like discretion, either be employed in the business of the Company or be invested in such investments, other than shares of the Company, as the directors may from time to time think fit.

PART 16. - ACCOUNTS

16.1 The directors shall cause records and books of accounts to be kept as necessary to record properly the financial affairs and conditions of the Company and to comply with the provisions of statutes applicable to the Company.

PART 17. - NOTICES

17.1 A notice may be given to any member or director, either personally or by sending it by post to him in a prepaid letter, envelope or wrapper addressed to the member or director at his registered address.

17.2 A notice may be given by the Company to joint members in respect of a share registered in their names by giving the notice to the joint member first named in the register of members in respect of that share.

EXHIBIT "G"



File Number: 585901

KOOCANUSA RESORTS LTD.

**I hereby certify that the documents attached hereto are copies of
documents filed with the Registrar of Companies on May 25, 1999**



**JOHN S. POWELL
Registrar of Companies**

EXHIBIT "G"

PROVINCE OF BRITISH COLUMBIA

COMPANY ACT

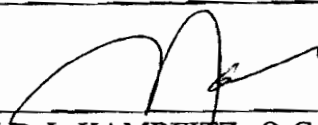
MEMORANDUM

I wish to be formed into a Company with limited liability under the *Company Act* in pursuance of this Memorandum.

1. The name of the Company is "KOOCANUSA RESORTS LTD."
2. The authorized capital of the Company consists of One Hundred Fifty (150) Common Shares without par value.
3. I agree to take the number of shares in the Company set opposite my name.

FULL NAME(S), RESIDENT ADDRESS(ES),
CITIZENSHIP, AND OCCUPATION(S) OF
SUBSCRIBER(S)

NUMBER AND KIND AND CLASS
OF SHARES TAKEN BY
SUBSCRIBER(S)



GERALD J. KAMBEITZ, Q.C.
17, 617 - 27th Avenue South
Cranbrook, British Columbia V1C 6L1
Solicitor - Canadian

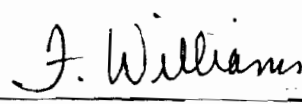
ONE (1) COMMON SHARE
WITHOUT PAR VALUE

TOTAL SHARES TAKEN:

ONE (1) COMMON SHARE
WITHOUT PAR VALUE

DATED the 21st day of May, 1999.

WITNESS TO THE ABOVE SIGNATURE(S):



FRANKIE S. WILLIAMS, SECRETARY
201 - 907 BAKER STREET
CRANBROOK B.C. V1C 1A4