

MEMORANDUM

RE: SPIDER LAKE SPRINGS CAMPGROUND-Purchase/Sale of License to Occupy and SPIDER LAKE SPRINGS HOLDINGS INC - Transfer of Share

THIS MEMORANDUM CONTAINS DETAILED INSTRUCTIONS REGARDING THE TRANSFER OF OWNERSHIP OF A SHARE IN SPIDER LAKE SPRINGS HOLDINGS INC. ("Share") AND A LICENSE TO OCCUPY A CAMPSITE AT SPIDER LAKE SPRINGS RESORT ("License").

PLEASE READ IT CAREFULLY AND ENSURE ALL INSTRUCTIONS ARE FOLLOWED.

INCOMPLETE APPLICATIONS FOR TRANSFER WILL BE RETURNED AND A RE-PROCESSING FEE WILL BE CHARGED FOR REJECTED APPLICATIONS.

Heath Law LLP (200-1808 Bowen Road, Nanaimo, BC V9S 5W4) acts as Transfer Agent for Spider Lake Springs Campground and Spider Lake Springs Holdings Inc.

Accordingly, Heath Law LLP cannot represent either a buyer or a seller of a campsite. **Please do not contact this office for an appointment to assist in the completion of forms.** If you require professional assistance you should hire a lawyer, notary public or a realtor to assist you.

Heath Law LLP does not maintain records of annual lot assessments or other charges such as Hydro. You will require this information to ensure that the Seller has no outstanding charges on the lot and to make proper adjustments. The Office Manager at Spider Lake Springs Campers Association (telephone 250-757-8181) will provide this information. All outstanding charges owed by the Seller must be paid before an application for transfer will be processed. We also recommend that the Seller ask the Campsite Office to read the Hydro meter on the date possession is to be exchanged and that the Seller pay the hydro rates to that date.

Spider Lake Springs Holdings Inc. is not a party to your transaction. The Buyer must make all necessary enquiries into the Seller's rights, interest and title to whatever interest is being sold/purchased. There are no representations or warranties other than those negotiated between the Buyer and Seller.

Buyers and Sellers should consult with their own accountant or tax advisor regarding tax implications resulting from the purchase or sale of the Share or transfer of the License.

A full Application Package accompanies this Memorandum. Application packages are available at the Campsite Office or by e-mail through the offices of Heath Law LLP. If you wish to have a package sent to you please provide your email address to corporate@nanaimolaw.com.

Your completed Application Package for registration of a Share transfer and License to Occupy a campsite will be submitted to Spider Lake Springs Holdings Inc. only when we receive it. A completed Application Package consists of the five (5) following documents (which are attached to this Memorandum) together with a Purchase & Sale Agreement signed by the Buyer(s) and Seller(s) and the payment of the required Application Processing Fee.

1. **Declaration of Allocation of Purchase Price** signed by the Buyer and Seller setting out the purchase price and the allocation of the purchase price between the License to Occupy, any RV or trailer involved in the purchase (together with any chattels) and the Site Improvements. This document should be prepared by your lawyer, notary or realtor. Please note that this form is only for the purpose of providing this office and Spider Lake Springs Holdings Inc., with information that we will in turn provide to the BC Assessment Authority. Heath Law LLP will not review your Purchase and Sale Agreement nor will we provide you with any legal opinion as to its enforceability and we will not accept any responsibility should you suffer any damage or loss arising from, through or as a consequence of a Purchase and Sale Agreement.
2. **A Share Transfer Form** to be fully completed and signed by the current owner (i.e. the Seller(s) of the Share) in the presence of a witness who must also sign. This document must be dated.
3. **A Request for Registration** to be completed and signed by the Buyer(s) of the Share. Please fill in complete legal names for each Buyer. Do not use initials or nicknames. One mailing address is to be provided for the contact person representing all Buyers. We do not record multiple addresses. Give us your phone number and email address. *Please note that no more than 3 Buyer names will be recorded.*
4. **A Members and Shareholders Agreement**. Please fill in the full legal names of all Buyers/Transferee(s) together with the full postal address of the designated contact person. This agreement must be signed on the last page by all of the Buyer(s)/Transferee(s) (the "License Holders") in the presence of a witness and dated. If there is more than one Buyer, please ensure that all Buyers sign the Agreement. *Again, please note that no more than 3 Buyers will be recognized as Licence Holders.*
5. **A Letter of Disclosure** signed by both Buyer and Seller;
 - **A Purchase & Sale Agreement** signed by both Buyer and Seller; and
 - **A Cheque or Bank Draft Payable to Heath Law LLP** for the \$750.00 Application Processing Fee (including taxes).

In addition, the following may be required if the Seller holds the originals:

6. **The Original Share Certificate**. In the event the original Share Certificate is in the Seller's possession we will require it returned with the Application Package. Note that most Share Certificates are retained by us in the Company's Share Register; however some Sellers choose to keep the original Share Certificate. If the Seller has signed out the original share certificate and lost or misplaced it, it can be replaced by the Seller(s) only, for an additional charge of \$350.00. Contact our office for the necessary forms.
7. **The Original License to Occupy** previously issued to the shareholder (Seller). This document must be returned with the Application Package. Some Licenses have been retained on file at this office. If the Seller is uncertain, have the Seller contact this office. If the Seller has been given the License to Occupy and has lost or misplaced it, it can be replaced by the Seller(s) only, for an additional charge of \$350.00. Contact our office for the necessary forms.

SPIDER LAKE SPRINGS HOLDINGS INC.

1. ALLOCATION OF PURCHASE PRICE

As a condition of transfer, and to assist the BC Assessment Authority, each of the undersigned hereby irrevocably authorize and consent to Spider Lake Springs Holdings Inc. providing BC Assessment Authority with a breakdown of the allocation of the Purchase Price of a License to Occupy and/or recreational vehicle and/or site improvements. These figures are provided to the BC Assessment Authority to assist them with estimating the appropriate level of property assessment, and the subsequent calculation of property taxes charged by the Province of British Columbia. Please complete this form and submit it with your Application Package.

If you have any questions concerning property taxes, adjustments between the Buyer and Seller, the application of GST and/or PST or capital gains taxes, please bring these matters to the attention of your own legal or tax advisor. Neither Spider Lake Holdings Inc., nor Spider Lake Springs Campers' Association, or their legal counsel, Heath Law LLP, make any representations or warranties of any kind, nor are they able to provide the Buyer and the Seller with any legal or tax advice.

Site No. _____ Purchase Price \$ _____

Year, Make, Model & Length of RV _____

1. Amount allocated to the Purchase Price of the RV \$ _____

Value of chattels (if any) \$ _____

2. List the Improvements on site and the value thereof:

a. Deck(s) \$ _____

b. Shed(s) \$ _____

c. Sleeper Unit \$ _____

d. Other Improvements \$ _____

Total Improvements \$ _____

3. Balance allocated to the Site: \$ _____

Please note that the parties are to use the current market value of the Improvements and RV/Chattels. Non arms' length transfers or transfers between related parties may be re-assessed by the BC Assessment Authority.

This document may be signed in as many counterparts as may be deemed necessary and signed electronically or otherwise, and such counterparts together shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to bear the date as set forth below.

Dated the ____ day of _____, 20 ____.

Signature of Buyer

Signature of Seller

Signature of Buyer

Signature of Seller

Signature of Buyer

Signature of Seller

SPIDER LAKE SPRINGS HOLDINGS INC.

2. SHARE TRANSFER FORM

Name(s) of Transferor (Seller): _____

Name(s) of Transferee (Buyer): _____

SHARE CERTIFICATE Number _____

CAMPSITE Number _____

1. The undersigned Transferor is the registered and beneficial owner of ONE (1) CLASS 'B' COMMON VOTING SHARE in the Capital Stock of SPIDER LAKE SPRINGS HOLDINGS INC. (the "Company") as evidenced by SHARE CERTIFICATE Number _____ (the "Share").

2. The registered owner of the above referenced Share holds an exclusive License to Occupy CAMPSITE Number _____ in the Spider Lake Springs Campground, subject to payment of all assessed fees and levies (the "Campsite").

NOW THEREFORE, in consideration of the sum of ONE (\$1.00) DOLLAR and other valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, the undersigned Transferor hereby sells and transfers unto the Transferee, the Share, which is registered in the name of the undersigned on the books of the Company, together with all rights and privileges associated therein, inclusive of the License to Occupy the Campsite.

This document may be signed in as many counterparts as may be deemed necessary and signed electronically or otherwise, and such counterparts together shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to bear the date as set forth below.

DATED this _____ day of _____ 20____.

SIGNED and DELIVERED by
The Transferor(s) in the presence of:

Witness Signature

Print Name:

Address:

Occupation:

) _____
)
) Seller's Signature

) _____
) Print Name:

) _____
) Seller's Signature

) _____
) Print Name:

) _____
) Seller's Signature

) _____
) Print Name:

SPIDER LAKE SPRINGS HOLDINGS INC.

3. REQUEST FOR REGISTRATION

Name(s) of Current Owner(s): _____

Share Certificate No: _____

Campsite No. _____

Effective the ____ day of _____, 20____, the above-noted share has been sold to me/us, and I/We, now being legal and the beneficial owner(s) thereof now desire to have the same recorded into my/our names on the books of the Company as follows:

This document may be signed in as many counterparts as may be deemed necessary and signed electronically or otherwise, and such counterparts together shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to bear the date as set forth below.

Print Name(s) of New Owner(s) in full:

SPIDER LAKE will only register a Share in the names of up to 3 people. These 3 persons must be Joint Tenants *. Shares may not be further subdivided and applications for Tenancies-in-Common will not be accepted. If there are more than 3 owners it is recommended that you consult with a lawyer and sign an agreement amongst all of the owners that is satisfactory to all owners.

1.(Contact Person) _____

2. _____ 3. _____

Buyer's (Contact person) Residential Address:

Buyer's (Contact Person) Mailing Address (if different from above):

Contact person's Telephone: _____ Cellphone number: _____

Email Address: _____

Signature(s) of New Owners(s):

1. _____

2. _____ 3. _____

Note: The parties must negotiate the closing date and the date for exchange of possession. If no dates are set out in your Purchase & Sale Agreement, Spider Lake Springs Holdings Ltd will consider the date of your Agreement of Purchase and Sale to be the effective date of transfer. Registration of the change of ownership may take several weeks.

* Joint Tenancy means that two or more people own property in equal undivided portions, with an equal right to use the whole property. When one joint tenant dies, the property is transferred to the surviving joint tenant(s).

SPIDER LAKE SPRINGS CAMPGROUNDS
4. MEMBERS AND SHAREHOLDERS AGREEMENT

BETWEEN:

SPIDER LAKE SPRINGS HOLDINGS INC.

(the "Company")

AND:

SPIDER LAKE SPRINGS CAMPERS ASSOCIATION,

(the "Association")

AND:

**ALL HOLDERS OF LICENSES TO OCCUPY A CAMPSITE
AT SPIDER LAKE SPRINGS RESORT**

AND: [Full name, occupation and address of new License Holdersⁱ]

(individual "License Holders")

WHEREAS the Company and the Association and their respective shareholders and members wish to define certain responsibilities and obligations of all those persons who are owners of an undivided 1/310 interest in the Company's lands and/or holders of a License to Occupy a campsite and/or owners of a share in the Capital stock of the Company (hereinafter referred to as the "**Owner's Interests**");

AND WHEREAS the said parties also wish to set out and enforce penalties and resolutions for failure to meet those obligations;

THIS AGREEMENT WITNESSES that the parties hereto in consideration of the mutual covenants and agreements set out hereunder, and in consideration of the rights and privileges granted to them as shareholders of the Company and members of the Association respectively, agree with each other as follows:

CONDITIONS OF MEMBERSHIP

1. Every individual or corporation who wishes to hold a voting share in the Capital Stock of the Company, Spider Lake Springs Holdings Inc., must sign this Agreement. No voting share will be issued to any individual or corporation applying to become a shareholder in the event the applicant refuses to execute and be bound by this Agreement.

2. This Agreement must be signed by every individual who wishes to be a member of Spider Lake Springs Campers Association.ⁱⁱ No membership will be issued or License to Occupy granted to any individual or corporation after the date hereof who refuses to execute and be bound by the provisions of this Agreement.

3. This Agreement may be executed in counterparts by each individual or corporation who applies for a share in the Capital Stock of the Company or Membership in the Association and will be binding upon and enforceable by such individual or corporation as ifⁱⁱⁱ it had been executed by every other party who has signed this Agreement in counterpart.

RULES AND REGULATIONS

4. Rules and Regulations regarding operation of Spider Lakes Springs Campground (hereinafter called ^{iv}the "Resort") will be determined and published from time to time by the Board of Directors of Spider Lake Springs Campers Association.

5. License Holders and their families, guests and invitees are to comply with the Rules and Regulations set by the Association at all times.

6. It^v shall be the responsibility of each License Holder to familiarize himself, his family, guests, licensees and tenants with the Rules and Regulations of the Resort and the License Holder shall be held responsible for any breach of the Rules and Regulations by any member of his family, his guests, licensees or tenants.

7. In the event of non-compliance, the Directors of the Association shall have the power to impose a fine not to exceed the amounts set out in the Rules and Regulations for each infraction of the Rules and Regulations.

8. A License Holder shall be given two weeks notice by the Board of Directors or by the Campground Manager of any complaint or infraction involving breach of the Rules and Regulations and shall remedy any such infraction within the period of two weeks from the date of delivery of such notice.

9. Any such notice shall be in writing setting out the details of the complaint or infraction, shall be signed by the Campground designated representative, and shall be delivered to the License Holder, either personally or by posting it on the exterior door of the License Holder's camping unit.

10. In the event the fine is not paid within the period specified by the Rules and Regulations; or in the event an infraction or complaint is not remedied within the two week notice period, the Board of Directors may suspend the License to Occupy of the party in default, in which case neither he nor his family, guests, licensees or tenants shall be permitted to use the facilities of the Resort, nor will they be permitted access to the Resort until such time as the penalty is paid or the complaint or infraction remedied.

11. Notwithstanding that a License to Occupy may be suspended, the owner shall remain responsible to pay all assessments utilities and taxes levied or rated with respect to the License Holder's campsite.

ASSESSMENTS

12. The Association is empowered to set and impose an annual levy on each License Holder/Campsite for the purpose of financing the costs of maintenance, repair and operation of the Resort, its lands and facilities.

13. The License Holder agrees that they^{vi} will pay the amount assessed to the Association no later than the 1st day of June in the year in which the assessment is made.

14. In the event^{vii} an assessment is^{viii} not paid in full by June 1st in the year in which it is made, the Board of Directors may^{ix} suspend the License Holder's License to Occupy until payment is made, in which case neither the License Holder nor his family, guests, licensees or tenants shall be permitted to use the facilities of the Resort, nor will they be permitted access to the Resort until such time as the assessments are in good standing.

15. In the event payment of the outstanding assessment is not made by December 31st in the year in which it is made, interest calculated at the rate^x of 7% per annum or whatever other rate of interest as may be^{xi} set by the Board of Directors from time to time, retroactive to June 1st and computed until payment is made, will be charged and will become part of the assessment arrears.

16. A License Holder who is not in good standing must pay all arrears of assessments, penalties and interest in full before his license will be reinstated to good standing.

LONG TERM ARREARS

17. In the event any License Holder is in continuous arrears with respect to the payment of Assessments levied against a campsite licensed to him, and such arrears continue for a period of three years from the date of the first default, the following remedial action will be taken by the Board of Directors of the Association.^{xii}

18. In the event the Board has not already done so, the License to Occupy of the defaulting License Holder shall be suspended and neither he nor his family, guests, licensees or tenants shall be permitted to use the facilities of the Resort, nor will they be permitted access to the Resort.

19. The Owner's Interests owned by the defaulting person will be offered for sale by the Association and will be sold for a price sufficient to pay the outstanding arrears of assessments, penalties, interest and costs of sale inclusive of commissions and legal and court costs if any.

20. In the event a defaulting License Holder's Owner's interests are sold, the Company will sell the License Holder's share in the capital stock of the Company for the price of \$1.00. The License Holder will forfeit and will have no further right in or to any interest in the Company. The Company's trust obligation to hold an undivided 1/310 interest in the Company's lands for the benefit of such License Holder will be at an end.

21. For the purposes of selling the undivided 1/310 interest in the Company's Lands, the License to Occupy and transferring any share interest held by the defaulting License Holder, the License Holder hereby irrevocably nominates and appoints the Association to be his lawful attorney for the purposes of advertising, marketing, selling, transferring or otherwise disposing of the defaulting License Holder's Owner's Interests inclusive of executing all documents necessary to give^{xiii} full legal force and effect to transfer the undivided 1/310^{xiv} interest, License to Occupy and to consent to the redemption of the License Holder's share interest in the Company. The Association will not be held responsible for any loss or damage the License Holder might incur or suffer as the result of the Association selling or otherwise disposing of the License Holder's Owner's interests or consenting to the redemption of the License Holder's share interest in the Company.

22. The License Holder agrees to and shall be responsible for the timely payment of all costs of hydro-electricity provided to his campsite. Accounts for hydro-electricity will be periodically billed to the License Holder and must be paid within 30 days of the date of invoice. Arrears in hydro billings outstanding after 30 days will be deemed to be arrears in assessments and will be treated accordingly.

23. The License^{xv} Holder agrees to and shall be responsible for any real property taxes assessed or rated against the improvements to his campsite by the Surveyor of Taxes. The License Holder agrees to indemnify and hold harmless the Company, the Association and all other License Holders from any claim loss or damage to which they or any one of them might be exposed as the result of the License Holder's failure to pay real property taxes. The Association reserves the right to pay outstanding property taxes assessed against the Lands owned by the Company on behalf of any defaulting License Holder and the amount so paid shall be considered to be arrears of assessments and shall be treated accordingly.

24. If any claim, lien or judgment is registered against any License Holder's share interest or any attempt is made by a creditor of a License Holder to seize or encumber in any way the License Holder's License to Occupy, the License Holder shall immediately pay out any such claim. The License Holder agrees to indemnify and hold harmless the Company and Association from any loss or damage that might arise out of or in conjunction with any such claim, lien or judgment. The License Holder agrees and acknowledges that the Association will not consent to the assignment or transfer of any License to Occupy to a creditor and the Company will not consent to the transfer of the License Holder's share interest to a credit or unless the creditor agrees to be bound by the terms and provisions of this agreement, in writing, prior to making application for the transfer of the License Holder's share or license and that the arrears of any such License Holder are brought into good standing.

TRANSFER OF SHARES AND LICENSES

25. A member may transfer their^{xvi} shares in the Company and License to Occupy on the following terms and conditions:

- a. The share held by the member and the License to Occupy must be transferred together and may not be separated.

- b. The Company will not consent to the transfer of the share and the Association to the License to Occupy until and unless the person transferring the interests is in good standing and all assessments, accounts and levies are paid in full by the date of closing of the transfer.
- c. All applicants who wish to have a share transferred to them will pay a transfer fee to the Company to cover the administrative costs of transfer, such fee to be set by the Board of Directors of the Company from time to time.
- d. All applicants for a transfer of shares and a License to Occupy will be required to sign this agreement by counterpart before any share will be transferred or before the party will be permitted access to the Resort.

INDEMNITY

26. All License Holders signing this Agreement agree that the Directors of both the Company and the Association will be indemnified and held harmless of and from any matter, claim, loss or damage which they may incur or suffer arising out of their carrying out their duties as Directors of either the Association or the Company.

27. The License Holder, on their^{xvii} own behalf and on behalf of their^{xviii} family and guests, accepts full responsibility for any injury, loss or damage including injury to any person whatsoever, and damage to any property owned by the License Holder, his family or guests caused by or arising out of or in connection with the License Holder's occupation or use of the License Area and/or any other Resort Facility, whether caused by the License Holder, any member of his family, his guests, or by any third party and whether by accident or the result of negligence on the part of any person whatsoever, and the License Holder, hereby waives his right to make any claim(s) against and hereby agrees to indemnify and hold harmless the Company, the Association, all Directors and Officers of the Company and the Association, and all employees of the Company and the Association, of and from any claim, loss or damage caused by or arising out of or in connection with the use of the Resort Facility, the common facilities in the Resort Area, the recreational facilities and the License Area by the License Holder, or any member of his family and his guests inclusive of any accident, claim, loss or damage which may arise out of or result from the negligence of any individual whatsoever, inclusive of any person or persons in the employ of the Company or the Association.

GENERAL

28. This Agreement shall enure^{ix} to the benefit of and shall be binding upon the parties hereto and their respective heirs, executors,^{xx} administrators,^{xxi} successors and assigns.

IN WITNESS WHEREOF THE PARTIES hereto set their respective hands this _____ day of _____, 20_____.

SIGNED AND DELIVERED by the
License Holder(s) in the presence of:

Witness Signature

Print Witness Name: _____

Address: _____

Occupation: _____

Signature of New License Holder

Print Name: _____

Signature of New License Holder

Print Name: _____

Signature of New License Holder

Print Name: _____

^{xxii}**SPIDER LAKE SPRINGS HOLDINGS INC.** ^{xxiii}
by its authorized signatory:

Authorized Signatory

^{xxiv}**SPIDER LAKE SPRINGS
CAMPERS ASSOCIATION** ^{xxv} by its
authorized signatory:

Authorized Signatory

ⁱ Added "of new License Holders"

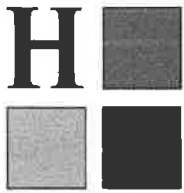
ⁱⁱ Inserted period after "Association"

ⁱⁱⁱ Un-capitalized "if"

^{iv} Removed period after "called"

^v Amended "If" to "It"

-
- vi Amended “he/she” to “they”
 - vii Removed period after “event”
 - viii Amended “as” to “is”
 - ix Un-capitalized “may”
 - x Amended “late” to “rate”
 - xi Amended “maybe” to two words
 - xii Replaced comma with period after “Association”
 - xiii Added the word “give”
 - xiv Removed space between 3 and 1
 - xv Removed colon after “License”
 - xvi Amended “his or her” to “their”
 - xvii Amended “his/her” to “their”
 - xviii Amended “his/her” to “their”
 - xix Amended “ensure” to “enure”
 - xx Inserted comma after “executors”
 - xxi Inserted comma after “administrators”
 - xxii Removed “The Corporate Seal of”
 - xxiii Replaced “was hereunto Affixed in the presence of” to “by its authorized signatory”
 - xxiv Removed “The Seal of”
 - xxv Replaced “was hereunto Affixed in the presence of” to “by its authorized signatory”



HEATH LAW LLP
BARRISTERS & SOLICITORS

SPIDER LAKE SPRINGS HOLDINGS INC.

5. LETTER OF DISCLOSURE

TO WHOM IT MAY CONCERN:

RE: Transfer of Shares in Spider Lake Springs Holdings Inc.

We confirm that this office is the Transfer Agent for Spider Lake Springs Holdings Inc. We are processing a transfer of a Share in Spider Lake Springs Holdings Inc. at your request.

We are acting as a Transfer Agent only and not as legal counsel to either the Seller or the Buyer. It is recommended that both parties obtain independent legal and tax advice.

We are making no representations, warranties or disclosures of any kind or nature whatsoever as to the interest which is being transferred. If you are uncertain as to the nature of what is being transferred, we again recommend that you retain a lawyer to advise you. Sellers should consult with their accountant or tax advisor concerning possible tax implications arising on a sale of a Share.

We are not providing any advice or comment of any kind on the nature of any contract or agreement you may have entered into related to the purchase and sale of the Share being transferred or any of the rights, privileges or benefits associated with the Share. We are proceeding solely on the basis of the request of the Seller and Buyer to transfer the Share to the Buyer.

This document may be signed in as many counterparts as may be deemed necessary and signed electronically or otherwise, and such counterparts together shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to bear the date as set forth below.

HEATH LAW LLP

The undersigned Seller and Buyer acknowledge that they have reviewed this disclosure and received a copy of it, this _____ day of _____, 20____.

Signature – Seller
Print Name: _____

Signature – Buyer
Print Name: _____

Signature – Seller
Print Name: _____

Signature – Buyer
Print Name: _____

Signature – Seller
Print Name: _____

Signature – Buyer
Print Name: _____