

which have not been so interrupted or shall deliver such notice in order to ensure prompt receipt thereof.

5.05 Time shall be of the essence hereof.

5.06 Should there be a disagreement or a dispute between the parties hereto with respect to this agreement or the interpretation thereof, the same shall be referred to a single arbitrator pursuant to the *Commercial Arbitration Act* of British Columbia and the determination of such arbitrator shall be final and binding upon the parties hereto.

5.07 This agreement shall ensure to the benefit of and be binding upon the Shareholders and the Company and their respective personal representatives, successors and permitted assigns.

5.08 This agreement has been compiled by the law firm of Jawl & Bundon under the instructions of the directors and officers of the Company. The parties acknowledge that Jawl & Bundon does not act for any of the shareholders of the Company, each of whom is responsible for obtaining his or her own independent legal advice.

IN WITNESS WHEREOF the parties hereto have executed this agreement the [date]

The Company)
by its authorized signatories:)
)
_____)
Authorized signatory)
)
_____)
Authorized signatory)

"Seal"

SIGNED SEALED AND DELIVERED)
in the presence of:)
)
_____)
Name)
_____)
Address)
_____)
Occupation)

[name of shareholder]

SIGNED SEALED AND DELIVERED)
in the presence of:)
)
_____)
Name)
_____)

[name of shareholder]

Address)
_____)
Occupation)

SIGNED SEALED AND DELIVERED)
in the presence of:)

)
_____)

Name)

[name of shareholder]

Address)

Occupation)

Etc, etc, etc

SCHEDULE A

To that Shareholders Agreement between [names] and the Company dated for reference [date]

DEFINITIONS

In this agreement, the following words and phrases, unless there is something in the context inconsistent therewith, will have the following meanings:

1. "Act" means the *Company Act* for for the Province of British Columbia, RSBC 1979, c.59, as may be amended.
2. "Articles" means the articles of the Company filed at the office of the Registrar of Companies for the Province of British Columbia as may be amended from time to time.
3. "Secretary" means at the relevant time the secretary of the Company.
4. "Shareholders" means [names], and such other persons who become a party to this agreement pursuant to the provisions of this agreement, or their respective successors or permitted assigns and "Shareholder" means any one of them.
5. "Shares" means at the relevant time the shares in the capital of the Company issued and outstanding.
6. "Special Resolution" has the meaning assigned thereto by the Company Act of British Columbia, being (in part) a resolution passed by a majority of not less than 3/4 of the votes cast by those members of a company who vote in person or by proxy at a general meeting of the company.

Form 1
(Section 5)

COMPANY ACT

MEMORANDUM

WE 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

ECO INITIATIVES INC.

2. The authorized capital of the company consists of

80,000 CLASS A COMMON VOTING SHARES
N/PV
(NO PAR VALUE)

3. WE agree to take the number and kind of shares in the company set opposite OUR name.

Full Name(s), Resident Address(es)
and Occupation(s) of Subscriber(s)

Number and Kind of Shares
taken by Subscriber(s)

RONALD M. BAZAR (BUSINESSMAN) Ronald M. Bazar	155 MARY POINT RD. MAUSOODS LANDING, BC V0P1K0	500 CLASS A COMMON VOTING SHARES N/PV
BILL P. FRIEDEL (WOOD MANUFACTURER) Bill P. Friedel	BOX 155, 155 TIBER BAY ROAD MAUSOODS LANDING, BC V0P1K0	500 CLASS A COMMON VOTING SHARES N/PV
ANDY MORTIFEE (PLAINTIFF/COMPLAINT) Andy Mortifee	BOX 128, 128 TIBER BAY ROAD MAUSOODS LANDING, BC V0P1K0	500 CLASS A COMMON VOTING SHARES N/PV
RONALD G. WOLDA (TROPICAL AGRICULTURIST) Ronald G. Wolda	BOX 161, 161 TIBER BAY ROAD MAUSOODS LANDING, BC V0P1K0	500 CLASS A COMMON VOTING SHARES N/PV

Total Shares Taken:

2,000

Dated the 4 day of JULY, 2002

“COMPANY ACT” ARTICLES OF

PART 1 — INTERPRETATION

1.1

In these Articles, unless the context otherwise requires:

- (a) “Board of Directors” or “Board” means the directors of the Company for the time being;
- (b) “casual vacancy” shall mean any vacancy occurring in the Board of Directors of the Company save and except for a vacancy occurring at an annual general meeting of the Company;
- (c) “Company Act” means the Company Act of the Province of British Columbia from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (d) “directors” means the directors of the Company for the time being;
- (e) “month” means calendar month;
- (f) “ordinary resolution” has the meaning assigned thereto by the Company Act;
- (g) “register” means the register of members to be kept pursuant to the Company Act;
- (h) “registered address” of a member shall be his address as recorded in the register;
- (i) “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;
- (j) “reporting company” has the meaning assigned thereto by the Company Act;
- (k) “seal” means the common seal of the Company, if the Company has one;
- (l) “special resolution” has the meaning assigned thereto by the Company Act.

1.2

Expressions referring to writing shall be construed as including references to printing, lithography, typewriting, photography and other modes of representing or reproducing words in a visible form.

1.3

Words importing the singular include the plural and vice versa; and words importing a male person include a female person and a corporation.

1.4

The definitions in the Company Act shall, with the necessary changes and so far as applicable, apply to these Articles.

1.5

The regulations contained in Table A in the First Schedule to the Company Act shall not apply to the Company.

PART 2 — SHARES AND SHARE CERTIFICATES

2.1

The authorized capital of the Company shall consist of shares of a class or classes, which may be divided into one or more series, as described in the Memorandum of the Company and shall be evidenced or represented in the form of a certificate, and each class of shares shall have a distinct form of certificate.

2.2

Every share certificate issued by the Company shall be in such form as the directors approve and shall comply with the Company Act.

2.3

Every member is entitled, without charge, to one certificate representing the share or shares of each class held by him or upon paying a sum not exceeding the amount permitted by the Company Act, as the directors may from time to time determine, several certificates each for one or more of those shares; provided that, in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders or to his duly authorized agent shall be sufficient delivery to all; and provided further that the Company shall not be bound to issue certificates representing redeemable shares, if such shares are to be redeemed within one month of the date on which they were allotted. Any share certificate may be sent through the post by registered pre-paid mail to the member entitled thereto at his registered address, and the Company shall not be liable for any loss occasioned to the member owing to any such share certificate so sent being lost in the post or stolen.

2.4

Certificates shall be available for delivery by the Company within one month after the allotment of and payment in full for any of its shares, or within one month after the delivery to the Company of an instrument of transfer, unless the conditions of the share otherwise provide, or where the Company has issued shares with a special right to convert attached thereto, within one month after receipt by the Company of the share certificate for the share to be converted properly tendered for conversion.

2.5

If a share certificate:

- (a) is worn out or defaced, the directors may, upon production to them of that certificate and upon such other terms if any, as they may think fit, order the certificate to be cancelled and may issue a new certificate in lieu thereof;
- (b) is lost, stolen or destroyed, then upon proof thereof to the satisfaction of the directors and upon such indemnity, if any, as the directors deem adequate being given, a new share certificate in place thereof shall be issued to the person entitled to the lost, stolen or destroyed certificate, or
- (c) represents more than one share and the registered owner thereof surrenders it to the Company with a written request that the Company issue registered in his name two or more certificates each representing a specified number of shares and in the aggregate representing the same number of shares as the certificate so surrendered, the Company shall cancel the certificate so surrendered and issue in place thereof certificates in accordance with the request.

A sum, not exceeding that permitted by the Company Act, as the directors may from time to time fix, shall be paid to the Company for each certificate issued under this Article.

2.6

Except as required by law or statute or these Articles, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

2.7

Every share certificate shall be signed manually by at least one officer or director of the Company, or by or on behalf of a registrar, branch registrar, transfer agent or branch transfer agent of the Company and any additional signatures may be printed or otherwise mechanically reproduced and a certificate signed in either of those fashions shall be as valid as if signed manually, notwithstanding that any person whose signature is so printed or mechanically reproduced on a share certificate has ceased to hold the office that he is stated on such certificate to hold at the date of the issue of a share certificate.

2.8

The certificates of shares registered in the name of two or more persons shall be delivered to the person first named on the register.

PART 3 — ISSUE OF SHARES

3.1

The Company may commence business forthwith upon its incorporation notwithstanding that any part of the capital of the Company may remain unallotted or unsubscribed.

3.2

Subject to the Company Act and any provision contained in a resolution passed at a general meeting authorizing any alteration of the capital of the Company, the unissued shares of the Company together with any shares of the Company purchased or redeemed by the Company and not cancelled shall be under the control of the directors who may, subject to the rights of the holders of the shares of the Company for the time being, issue, allot, sell, grant options on, or otherwise dispose of such shares to such persons, including directors, and upon such terms and conditions, and at such price or for such consideration, as the directors, in their absolute discretion, may determine.

3.3

While the Company is not a reporting company and if the directors are so required by the Company Act, they shall, before allotting any shares of the Company, first offer such shares pro rata to the members in the following manner:

- (a) if the shares are not divided into classes the directors shall make such offer pro rata to the members;
- (b) if there are classes of shares, the directors shall make such offer pro rata to the members holding all shares of the class proposed to be allotted and if any shares remain, the directors shall then offer the remaining shares pro rata to the other members;
- (c) any such offer shall be made by notice specifying the number of shares offered and limiting a time for acceptance which shall not be less than seven days;
- (d) after the expiration of the time for acceptance or on receipt of written confirmation from the person to whom the offer is made that he declines to accept the offer, and if there are no other members holding shares who should first receive an offer, the directors may for three months thereafter offer the shares to such persons and in such manner as they think most beneficial to the Company; but the offer to those persons shall not be at a price less than, or on terms more favorable than, the offer to the members; and
- (e) the directors shall not be required to make such an offer to a member who has waived in writing his right to receive such offer and, while the Company is a reporting company, such pro rata offering need not be made.

3.4

The Company may at any time, subject to the Company Act, pay a commission or allow a discount to any person in consideration of his subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares of the Company, which commission or discount, except where the Company is a specially limited company, shall not, in the aggregate exceed twenty-five percent (25%) of the subscription price. Where the Company is a specially limited company, such discount or commission shall not exceed ninety-five percent (95%) of the subscription price or the par value, whichever is the greater. The company may also pay such brokerage as may be lawful.

3.5

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.6

Except as provided for by the Company Act, no share may be issued until it is fully paid by the receipt by the Company of the full consideration therefor in cash, property or past services actually performed for the Company. The document evidencing indebtedness of the person to whom the shares are allotted is not property for the purpose of this Article. The value of property and services for the purpose of this Article shall be the fair market value thereof as determined by the directors by resolution.

3.7

The directors may determine the price or consideration at or for which shares without par value may be issued.

3.8

The Company may, subject to the Company Act, issue share purchase warrants upon such terms and conditions as the directors shall determine, which share purchase warrants may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other security issued or created by the Company from time to time.

PART 4 — SHARE TRANSFERS

4.1

Subject to the restrictions, if any, set forth in these Articles, (see Part 24), any member may transfer his shares by instrument in writing executed by or on behalf of such member and delivered to the Company or its transfer agent. The instrument of transfer of any share of the Company shall be in the form, if any, on the back of the Company's form of share certificates, and in any form which the directors may approve. If the directors so require, each instrument of transfer shall be in respect of only one class of share.

4.2

Every instrument of transfer shall be executed by the transferor and left at the registered office of the Company or at the office 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 where the transfer is registered shall be retained by the Company or its transfer agent or registrar and any instrument of transfer, where the transfer is not registered, 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.

4.3

The signature of the registered owner of any shares, or of his duly authorized attorney, upon the instrument of transfer constitutes an authority to the Company to register the shares specified in the instrument of transfer in the name of the person named in that instrument of transfer 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 instrument of transfer with the Company or its agents.

4.4

The Company, and its directors, officers and agents are not bound to enquire into any title of the transferee of any shares to be transferred, and are not liable to the registered or any intermediate owner of those shares, for registering the transfer.

4.5

There shall be paid to the Company in respect of the registration of any transfer a sum, not exceeding that permitted by the Company Act, as the Directors deem fit.

4.6

The Company may appoint one or more trust Companies as its transfer agent or registrar for the purpose of issuing, countersigning, registering, transferring and certifying the shares and share certificates of the Company and the Company may cause to be kept one or more branch registers of members at such places within or without British Columbia. The directors may from time to time by resolution, regulations or otherwise make such provisions as they think fit respecting the keeping of such registers or branch registers.

PART 5 — TRANSMISSION OF SHARES

5.1

In case of the death of a member, not being one of several joint holders, the representative as set out in the Company Act of the deceased shall be the only person recognized by the Company as having any title to the shares registered in the name of such member, and in the case of death of any one or more of the joint registered holders

of any share, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to or interest in such share, but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share that had been jointly held by him with other persons.

5.2

A member's guardian, committee, trustee, curator, tutor, personal representative or Trustee in bankruptcy who becomes entitled to a share as a result of the death or bankruptcy of any member shall, upon production to the registered office of the Company of such documents as may be required by the Company Act be registered as holder of the share to which he is so entitled.

5.3

Any person who becomes entitled to a share by operation of statute or as a result of an order of a court of competent jurisdiction, shall, upon production of such evidence as is required by the Company Act, be registered as holder of such share.

PART 6 — ALTERATION OF CAPITAL

6.1

The Company may, by ordinary resolution filed with the Registrar, amend its memorandum to increase the share capital of the Company by:

- (a) creating shares with par value or shares without par value, or both;
- (b) increasing the number of shares with par value or shares without par value, or both;
- (c) increasing the par value of a class of shares with par value, if no shares of that class are issued.

6.2

The directors may, by resolution, increase the consideration at or for which shares without nominal or par value may be issued.

6.3

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.

6.4

Unless these Articles elsewhere specifically otherwise provide, the provisions of these Articles relating to general meetings shall apply, with the necessary changes and so far as they are applicable, to a class meeting of members holding a particular class of shares. A quorum for a class meeting of members shall be one person holding shares of that class present in person at the commencement of the meeting and representing in person or by proxy not less than one-third of the class of shares affected, and one person, if he is a quorum, may constitute a class meeting.

PART 7 — PURCHASE OF SHARES

7.1

Subject to the special rights and restrictions attached to any class of shares, the Company may, by a resolution of the directors and in compliance with the Company Act, purchase any of its shares at the price and upon the terms specified in such resolution or redeem any class or series of its shares in accordance with the special rights and restrictions attaching thereto. No such purchase or redemption shall be made if the Company is insolvent at the time of the proposed purchase or redemption or if the proposed purchase or redemption would render the Company insolvent. Unless the shares are to be purchased through a stock exchange or unless the Company is purchasing the shares from dissenting members pursuant to the requirements of the Company Act, the Company shall make its offer to purchase pro rata to every member who holds shares of the class to be purchased, unless the purchase is of such a nature that the Company Act exempts such purchase from the requirement of making the offer to purchase pro rata to every member who holds shares of the class or series to be purchased.

7.2

If the company proposes at its option to redeem some but not all of the shares of any class or series, the directors may, subject to the special rights and restrictions attached to such class or series, decide the manner in which the shares to be redeemed shall be selected.

7.3

Subject to the provisions of the Company Act, any shares purchased or redeemed by the Company may be sold or issued by it, but, while such shares are held by the Company, it shall not exercise any vote in respect of these shares and no dividend shall be paid thereon.

PART 8 — BORROWING POWERS

8.1

The directors may from time to time at their discretion authorize the Company to borrow any sum of money for the purposes of the Company and may raise or secure the repayment of that sum in such manner and upon such terms and conditions, in all respects, as they think fit, and in particular, and without limiting the generality of the foregoing, by the issue of bonds or debentures, or any mortgage or charge, whether specific or floating, or other security on the undertaking or the whole or any part of the property of the Company, both present and future.

8.2

The directors may make any debentures, bonds or other debt obligations issued by the Company by their terms, assignable free from any equities between the Company and the person to whom they may be issued, or any other person who lawfully acquires the same by assignment, purchase, or otherwise, howsoever.

8.3

The directors may authorize the issue of any debentures, bonds or other debt obligations of the Company at a discount, premium or otherwise, and with special or other rights or privileges as to redemption, surrender, drawings, allotment of or conversion into or exchange for shares, attending at general meetings of the Company and otherwise as the directors may determine at or before the time of issue.

8.4

The Company shall keep or cause to be kept in accordance with the Company Act:

- (a) a register of its debentures and debt obligations, and
- (b) a register of the holders of its bonds, debentures and other debt obligations,

and subject to the provisions, the Company Act may keep or cause to be kept one or more branch registers of the holders of its bonds, debentures, or other debt obligations within or without the Province of British Columbia as the directors may from time to time determine and the directors may by resolution, regulations or otherwise make such provisions as they think fit respecting the keeping of such branch registers.

8.5

If the directors so authorize, or if any instrument under which any bonds, debentures or other debt obligations of the Company are issued so provides, any bonds, debentures and other debt obligations of the Company, instead of being manually signed by the directors or officers authorized in that behalf, may have the facsimile signatures of such directors or officers printed or otherwise mechanically reproduced thereon and in either case, shall be as valid as if signed manually, but no such bond, debenture or other debt obligation shall be issued unless it is manually signed, counter-signed or certified by or on behalf of a trust company or other transfer agent or registrar duly authorized by the directors or the instrument under which such bonds, debentures or other debt obligations are issued so to do. Notwithstanding that any persons whose facsimile signature is so used shall have ceased to hold the office that he is stated on such bond, debenture or other debt obligation to hold at the date of the actual issue thereof, the bond, debenture or other debt obligation shall be valid and binding on the Company.

8.6

Unless the conditions of issue of a debenture otherwise provide, the Company shall, within one month after the allotment of and payment for any debenture, have available for delivery the debenture so allotted and paid for. The Company shall, within one month after the delivery to it of an instrument of transfer of a debenture, have available for delivery the debenture transferred. If the directors of the Company refuse to register a transfer of a debenture, a notice of such refusal shall be sent to the prospective transferee within one month after the date on which the instrument of transfer was delivered to the Company.

PART 9 — GENERAL MEETINGS

9.1

Subject to Article 9.2 and to the Company Act, the first annual general meeting shall be held within 15 months from the date of incorporation and thereafter an annual general meeting shall be held once in every calendar year at such time, not being more than 13 months after the holding of the past preceding annual general meeting, and place as the directors shall appoint. In default of the meeting being so held, the meeting shall be held in the month next following and may be called by any two members in the same manner as nearly as possible as that in which meetings are to be called by the directors.

9.2

If the Company is not a reporting company and if all members entitled to attend and vote at the annual general meeting of the Company consent in writing each year to the business required to be transacted at the annual general meeting, that business shall be as valid as if transacted at an annual general meeting duly convened and held and, it is not necessary for the Company to hold an annual general meeting that year.

9.3

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

9.4

The directors may, whenever they think fit, and they shall, promptly on the receipt of a requisition of a member or members of the Company representing not less than one-twentieth of such of the issued shares in the capital of the Company as at the date of the requisition carry the right of voting in all circumstances at general meetings, call an extraordinary general meeting of the Company.

9.5

Any such requisition, and the meeting to be called pursuant thereto, shall comply with the provisions of the Company Act.

9.6

Not less than 21 days' notice of any general meeting specifying the time and place of meeting and in case of special business, the general nature of that business shall be given in the manner mentioned in Article 21, or in such other manner, if any, as may be prescribed by ordinary resolution whether previous notice thereof has been given or not, to any person as may by law or under these Articles or other regulations of the Company entitled to receive such notice from the Company. But the accidental omission to give notice of any meeting to, or the non-receipt of any such notice by, any of such persons shall not invalidate any proceedings at that meeting.

9.7

All the members of the Company entitled to attend at a general meeting may, by unanimous consent in writing given before, during or after the meeting, or, if they are present at the meeting by a unanimous vote, waive or reduce the period of notice of such meeting, and an entry in the minute book of such waiver or reduction shall be sufficient evidence of the due convening of the meeting. The directors may, for the purpose of determining members entitled to notice of, or to vote at, any general meeting or class meeting fix in advance a date as the record date, which date shall not be more than 49 days before the date of the meeting. Where no such record date is fixed, it shall be deemed to be the date on which the notice calling the general meeting or class meeting is mailed for the purpose of determining those members entitled to notice and to vote at such meeting.