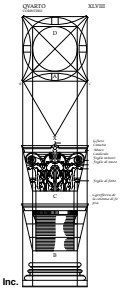
KICKING HORSE
MOUNTAIN RESORT

Master Plan

Executive Summary

March 31, 2009



Pheidias Project Managment Corporation + **Oberti Resort Design**
A Division of
Oberto Oberti Architecture and Urban Design Inc.

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I. INTRODUCTION

Kicking Horse Mountain Resort (KHMR) is planning an expansion of its existing facilities into a year-round destination resort including a signature golf course, a densification of the resort base and major improvements to the ski area.

The purpose of the expansion is to create a true destination resort and to transform the visitor demographics from a majority of day visitors, to one that would see a greater proportion of longer-term visitors. The success that KHMR has enjoyed in its initial years has shown that it is capable of attracting long-term visitors, and with appropriate planning the resort is now positioning itself to become a true destination resort.

EXHIBIT 1: Golden Eagle Express Terminal and Eagle's Eye Restaurant

The expansion is centred on an expanded ski area that will include a total of 14 ski lifts at build-out. Additionally, a number of new facilities, activities and features such as a signature golf course will help transform the resort into a true year-round attraction. The base area development will include 18,080 visitor bed units and an additional 2,009 (10%) employee housing bed units for a total of 20,089 bed units built over four phases.

The resort is located in the Purcell Mountain Range in eastern British Columbia in the Columbia

Shuswap Regional District (CSRD). It is situated on the West Bench near the Town of Golden, which is approximately 5 km to the east as the crow flies, and approximately 15 km on the existing two lane paved road. There is a single access road to the resort, and it originates from within the town of Golden. By automobile, the site is approximately three hours (260 km) west of Calgary, Alberta, and four hours (358 km) east of Kamloops, B.C.

The ski area includes 1,113 hectares (2,750 acres), although at build-out the current approved Master Plan allows a Controlled Recreation Area (CRA) of approximately 1,694 hectares (4,186 acres). The Golden Eagle Express gondola, designed to create a year round attraction and to place both the resort and the Town of Golden on the tourists' map with a scenic view point and exceptional skiing departure point is the fundamental element of the current development plan. The concept of providing year-round direct mountaintop access and opening up a whole mountain for skiing with one lift was unique for North America. It provides an experience that compares well with the more common North American experience of skiing ski pods around chairlifts.

The base of the current ski resort area is at approximately 1,250m. The lowest lift is planned at an elevation of 1,190m and the top elevation of the highest lift reaches 2,450m, the highest lift in B.C. The resort currently operates 1 gondola, 3 chair lifts and 1 magic carpet.

KHMR's ski season runs from mid-December to early April. Its skier visits have been growing steadily since its inception in 2000-2001, growing from 80,000 in the opening season to a projected 140,000 skier visits in the 2007-2008 ski season.

By way of comparison, the original Whitetooth ski area had an average of 20,000 annual skier visits.

This translates to approximately 1,000 skier visits on an average day, although peak day attendance has come near 3,000 skiers per day. KHMR is the primary attraction of the West Bench and of Golden during the winter months and is now competing for National Parks tourist traffic during the summer months.

Currently there are approximately 1,300 beds available on the mountain. Existing buildings and facilities are as follows:

- Eagle's Eye Restaurant (7,700 sq. ft.);
- New Daylodge (8,600 sq. ft.);
- Glacier Lodge & Mountaineer Lodge buildings in the Plaza;
- Palliser Lodge building;
- Whispering Pines townhomes – 7 buildings, 24 units;
- Selkirk Resort townhomes – 6 buildings, 18 units;
- Cache Close bed and breakfast subdivison – 3 B&Bs;
- Purcell Woods subdivision – 29 lots;
- Golden Ave subdivision – 15 lots;
- Columbia Valley View subdivision – 19 lots;
- Dogtooth subdivision – 16 lots;
- KHMR admin building;
- Maintenance building;
- Child care facility;
- Water Reservoir and distribution facility;
- Sewage Treatment facility;

- Propane distribution facility;
- Operations building;
- Grizzly bear habitat, and
- Various types of commercial under condo/hotel units facing the Plaza.

KHMR's new Master Plan will have an expanded CRA encompassing 2,120 hectares (5,239 acres) and will include a total of 15 ski lifts at buildout.

The expanded resort is designed with a high-density central village theme. The base area consists of clustered hotel development around a central public plaza. Hotel building heights will be three to five stories. The resort's commercial occupancies, which will typically support tourist/visitors needs, will be located on the ground floor of hotels. Smaller condo development building clusters will be located outside of and away from the central village. Similarly, ski chalet subdivisions are to be located apart from the central village.

The fundamentals of the expansion plan are:

1. To augment the summer season with a signature eighteen-hole golf course. This, combined with the additional golf course development by the Golden Golf & Country Club near the foot of the KHMR access road, will make Golden a summer golfing destination, and provide greater occupancy for the summer overnight accommodation at the resort.
2. To expand access to the mountaintop with a secondary high capacity lift system that will allow skier circulation in the bowls of the high alpine terrain, expanding the ski season and reducing crowding of the gondola.
3. To expand the ski area and the lift system to respond to the requirements of a destination resort clientele.
4. To expand the overnight accommodation to reduce the percentage of day visitors and increase the percentage of longer term visitors, particularly for mid-week utilization. This entails expanding the resort base in order to create a critical mass that is necessary for a true destination resort that will attract overnight longer-term guests and is able to sustain independent merchants and commercial activities.

The organizational concept of the resort base will continue to be a classic design and layout in the Alpine tradition, with a dense core in the base area surrounded by residential units among the trees.

This Master Plan expansion proposal has been prepared for KHMR by Pheidias Project Management Corp. of Vancouver, B.C. (Pheidias), which also prepared the original Master Plan submitted in 1997 and approved in 1999. Pheidias has continued to work on this project with a collaborative team including Oberti Resort Design, Enkon Environmental, Ecosign and several engineers in the preparation of the expanded Master Plan.

II. LOCATION: AT THE PORTAL TO THE NATIONAL PARKS

The Town of Golden is the Western portal to the National Parks. It is located between Glacier National Park and Yoho and Banff National Parks in a valley at the source of the famed Columbia River. The Columbia River Valley is a wide, sunny, largely unspoiled area running north to south and was left out of the National Park system because of historical circumstances.

Golden is 260 km from Calgary, approximately a three hour drive on the Trans Canada Highway (Highway #1). The highway from Calgary has been upgraded to a four-lane, separated freeway from Calgary to Lake Louise. The drive from Calgary through to Golden is relatively flat, with only

one mountain pass between Lake Louise and Golden. The Province of B.C. is completing a major upgrade of the highway eliminating a winding section in the Kicking Horse canyon east of Golden. With the major upgrade completed the trip from Calgary airport to Golden will take approximately two and half hours.

The Town of Golden is located at the junction of the Trans Canada Highway and Highway 95 from the south. Highway 95 connects Golden to the resort areas of Radium, Fairmont, Invermere and Panorama in the south. The Trans Canada Highway connects Golden to Glacier National Park to the west, and Golden is the major point through which all tourists pass who are visiting the National Parks system coming from Vancouver and from Western points. KHMR is approximately 14 km by road from the Town of Golden.

III. GOLDEN'S IDEAL CLIMATE

Golden has a moderate climate compared with other destinations in the region. The town sits in a protected area between the Purcell and Rocky Mountain Ranges, resulting in less temperature extremes and significantly less wind than other Rocky Mountain locations such as Canmore and Banff, Alberta.

On average, Golden has 56 days of rain per year, 37 days with snow, leaving 272 days without precipitation during the year. The daily average temperature ranges from minus 11°C in January to 17°C in July. The climate produces dry, cool conditions in the winter that are ideal for producing powder snow.

IV. SKI AREA EXPANSION

The first priority of the expansion plan is to add new capacity to the mountaintop access. A new detachable chairlift will replace the old Pioneer chairlift and will be extended to provide an easy connection to the Stairway to Heaven chairlift.

A second important development will be the creation of a better ski school area and the installation of two magic carpet lifts transporting skiers of all abilities from the daylodge to the base of the new Pioneer chair. The Catamount chair will be replaced with a detachable chair, making more convenient for both expert and beginning skiers.

A new pulse gondola will connect a new, larger, dayskier parking area with the plaza level and main lift departure points.

Additional lifts enabling ski-in ski-out for a large area of the resort will be installed. Higher capacity lifts will allow an expansion of the ski terrain to the mountain face to the south. The new Catamount detachable lift will connect with another detachable chairlift that will open a whole new territory on the southern side. On the northern side of the mountain new lifts will give access to another part of the mountain face and bring skiers into the bowl to the North of Rudi's Bowl.

In addition to groomed ski runs, KHMR is unique for its abundant off-piste terrain ranging from the crest line of the bowls to the gladed terrain of the lower elevations, providing a perpetually "renewable" mountain experience to returning skiers. This unique feature to KHMR has been augmented by the advent of new equipment that has made it easer for intermediate skiers to successfully negotiate un-groomed territory.

The new CRA less the base area totals 1,418 hectares. A relatively low skier density yields a Comfortable Carrying Capacity (CCC) of 18,080 skiers and the same CASP number of bed units for a destination resort.

EXHIBIT 2: Existing Ski Area Facilities

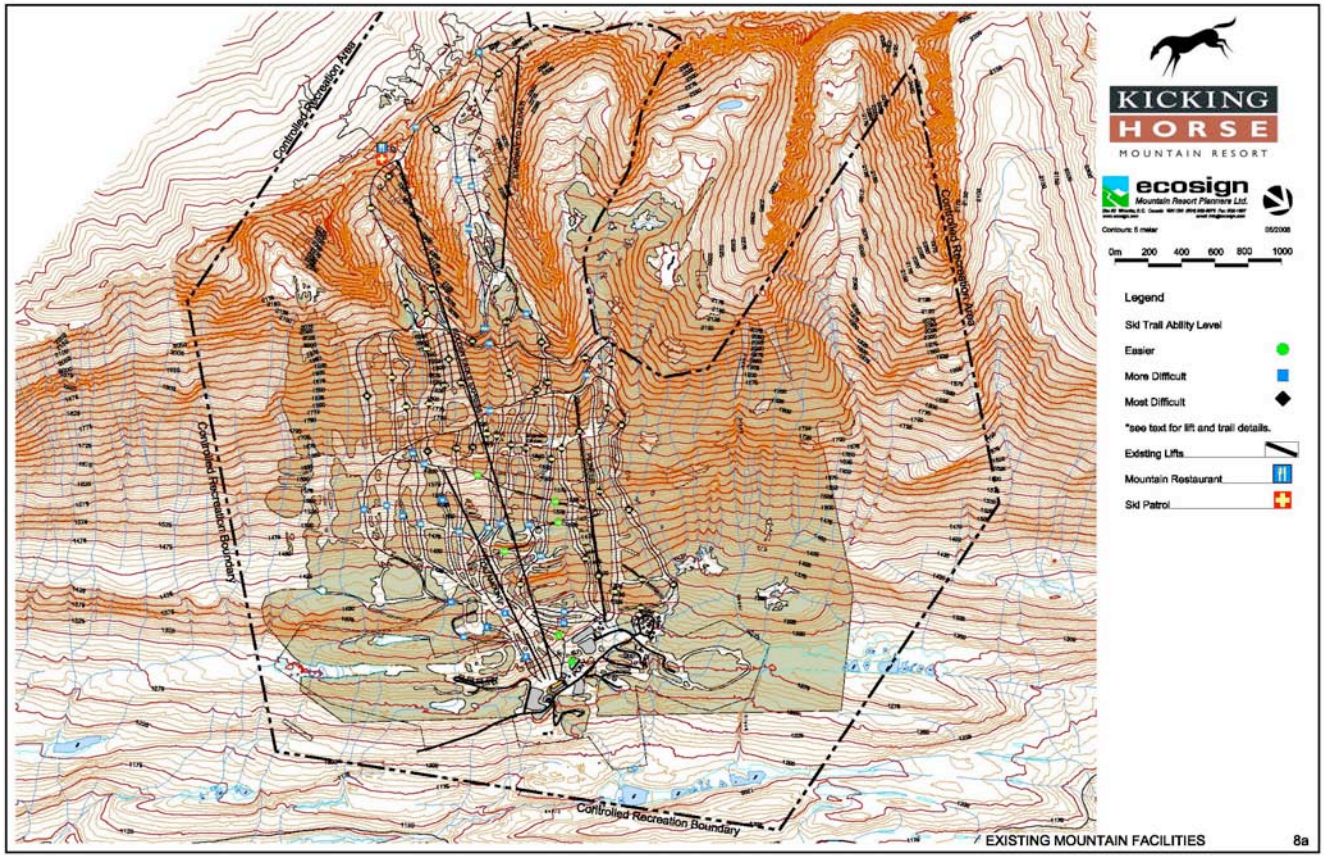
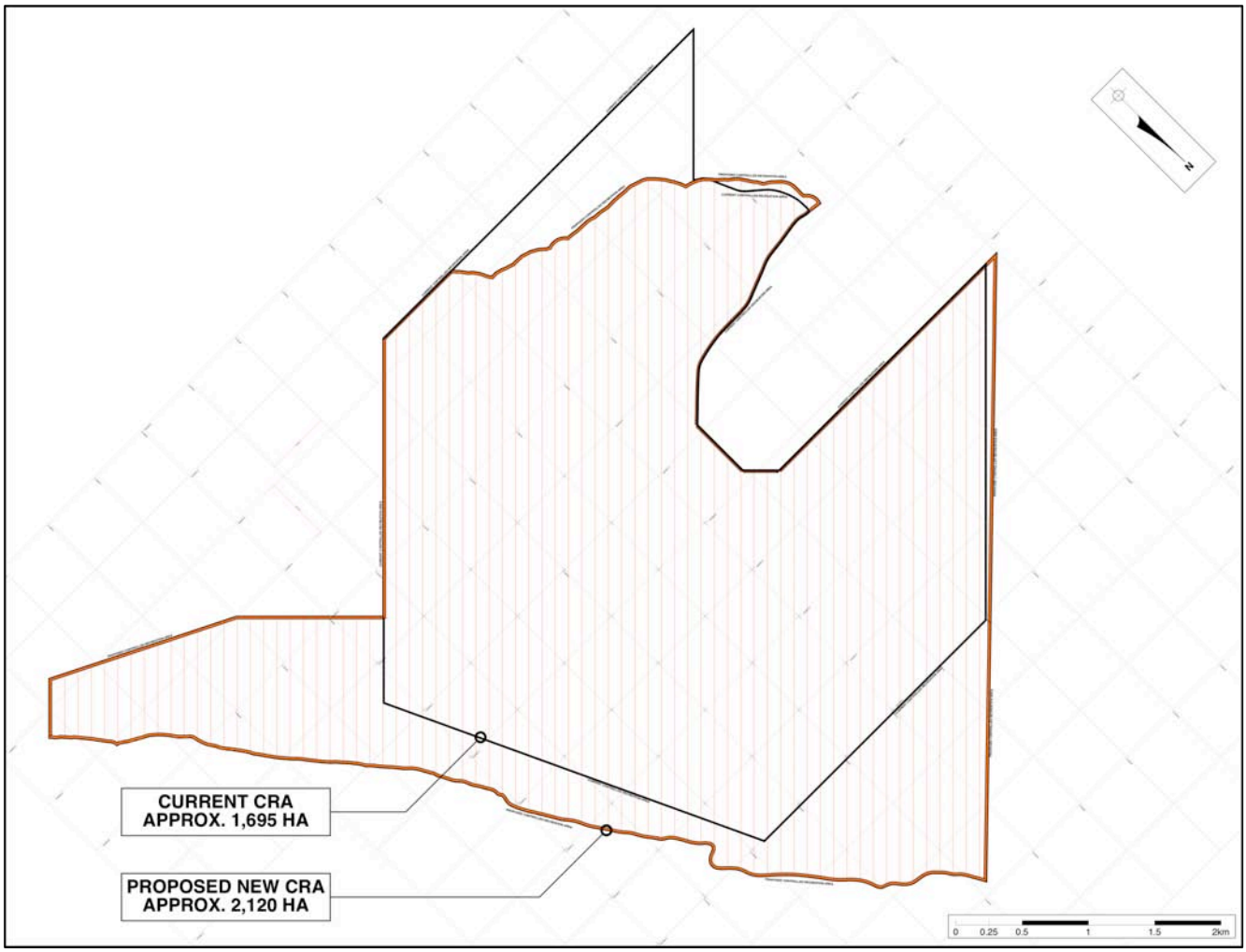


EXHIBIT 3: 1999 & 2008 CRA Comparison



I. Digital Terrain Modeling

The digital terrain model for the resort covers the proposed CRA. Following the initial analysis done by Alpentech, Ecosign provided an analysis of the expanded area providing gradations of slope and aspect by colour coding in order to do a review of the optimum layout for the ski runs. What is unique to KHMR, however, is the extent of skiable terrain that is actually utilized in its natural state or with only partial glading. This may be due in part to the large snowfall in the upper sections and in part to the improved access to un-groomed terrain made available by new ski and snowboard equipment.

II. Mountain Capacity Determination

The Commercial Alpine Skiing Policy (CASP) defines the mountain carrying capacity to occur during the winter season. CASP limits the number of visitors that comfortably fit on a winter sports site from ski trail configurations and lift utilization viewpoints.

Ideally, both summer and winter occupancy of a winter sports site would be equally high for optimal return on facility investment. Without snow cover, mountain carrying capacity will depend on more passive mountain use, centred on view rides, the development of attractive summer hiking trails and activities such as mountain biking.

CASP enumerates many factors affecting the Comfortable Carrying Capacity (CCC), such as issues of circulation, staging time to remote lifts, multiple periods of use during the day, egress time from remote areas, the need for downloading, etc. The CCC is stated by CASP to be the critical number in understanding annual capacity potential of a ski area.

The key formula defines CCC as the “supply” provided by the ski area divided by the “demand” from users. The “supply” is given by the design of a ski area, and by details of the planned ski lifts, which provides a relatively fixed number of vertical meters per day based on given equipment specifications. The “demand” is a weighted vertical demand created by ski trails per day and is subject to varying user patterns. It is noteworthy, however, that the changes seen by the industry since snowboard riding mixed with conventional skiing, and since skiing was transformed by improving technology, are not directly reflected in formulas.

During higher peak days at KHMR, the extra supply of steep powder slopes can absorb visitors when their sense of slope congestion is acute. Over-dimensioning teaching slopes can effectively separate various gliding sports and beginner snow-riders. By servicing high altitude slopes and developing relatively remote slopes, peak day congestion will be allowed to disperse. By design of a variety of spaces and lift pods, it can be expected that the margin of vertical meters by visitor day can be exceeded, and by a broad base and vertical staging, KHMR levels of use will provide good dispersal and will reduce the feeling of overcrowding on the mountain.

Alpentech and Ecosign have provided detailed reviews of the ski area plans respectively in the original Master Plan and in the expanded Master Plan.

The 2008 Master Plan proposes an expansion of the ski area and of the CRA to approximately 2,120 hectares, including an eighteen-hole golf course. Approximately 1,418 hectares will be available for the ski area above the resort base. It is estimated that

at least 65% of the potential ski area will be skiable and allow for the same quality of low density skiing currently enjoyed by the public at KHMR.

TABLE 1: Skiers at One Time (SAOT) Calculations

KICKING HORSE MOUNTAIN RESORT - MASTER PLAN 2008

SAOT FORMULA			
SAOT:	CP	=	CL x VR x LE x HO / VSD
KEY	CP	=	effective lift pod capacity
	CL	=	hourly lift capacity (skier and snow boarders/hour)
	VR	=	vertical rise of specific lift (feet)
	LE	=	lift loading efficiency = 0.9
	HO	=	hours of operation = 7
	VSD	=	vertical skied per day = 10,000 (except for beginners)(feet)

Last Update: February 5, 2009

LIFT DATA	PHASE		VERTICAL Meters	VERTICAL Feet	CCC 100	CCC Cumulative
LIFT A (2,400 p/h) CATAMOUNT - DETACHABLE QUAD CHAIR	P1	T	1,615	5,299	1,720	1,720
SAOT: CP = 2,400 x 1138.45 x 0.90 x 7 / 10,000 = 1,721		B	1,268	4,160		
		V	347	1,138		
LIFT B (1,200 p/h) GOLDEN EAGLE EXPRESS GONDOLA (8 PASSENGER)	EXISTING	T	2,340	7,677	2,670	4,390
SAOT: CP = 1,200 x 3,530 x 0.90 x 7 / 10,000 = 2,669		B	1,264	4,147		
		V	1,076	3,530		
LIFT C (1,500 p/h) STAIRWAY TO HEAVEN - QUAD CHAIR	EXISTING	T	2,450	8,038	1,210	5,600
SAOT: CP = 1,500 x 1,279.53 x 0.90 x 7 / 10,000 = 1,209		B	2,060	6,759		
		V	390	1,280		
LIFT D1 (2,400 p/h) PIONEER (LOWER SECTION) - DETACHABLE QUAD CHAIR	P1	T	1,680	5,512	1,890	7,490
SAOT: CP = 2,400 x 1253.28 x 0.90 x 7 / 10,000 = 1,895		B	1,298	4,259		
		V	382	1,253		
LIFT D2 (2,400 p/h) PIONEER (UPPER SECTION) - DETACHABLE QUAD CHAIR	P1	T	2,060	6,759	1,880	9,370
SAOT: CP = 2,400 x 1246.72 x 0.90 x 7 / 10,000 = 1,885		B	1,680	5,512		
		V	380	1,247		
LIFT E1 (1,200 p/h) BEGINNER LIFT - MAGIC CARPET	P1	T	1,285	4,216	170	9,540
SAOT: CP = 1,200 x 75 x 0.90 x 7 / 3,280 = 174		B	1,262	4,140		
		V	23	75		
LIFT E2 (1,200 p/h) BEGINNER LIFT - MAGIC CARPET	P1	T	1,299	4,262	110	9,650
SAOT: CP = 1,200 x 45.93 x 0.90 x 7 / 3,280 = 106		B	1,285	4,216		
		V	14	46		
LIFT F (1,800 p/h) CRYSTAL BOWL LIFT - DETACHABLE QUAD CHAIR	P2	T	2,285	7,497	870	10,520
SAOT: CP = 1,800 x 771.00 x 0.90 x 7 / 10,000 = 874		B	2,050	6,726		
		V	235	771		
LIFT G (2,800 p/h) CABRIOLET - DETACHABLE 8 PASSENGER PEOPLE MOVER	P2	T	1,262	4,140	0	10,520
SAOT: CP = 2,800 x 216.54 x 0.90 x 7 / 10,000 = 382		B	1,196	3,924		
		V	66	217		

KICKING HORSE MOUNTAIN RESORT - MASTER PLAN 2008

SAOT FORMULA				
SAOT:	CP	=	CL x VR x LE x HO / VSD	
KEY	CP	=	effective lift pod capacity	Last Update: February 5, 2009
	CL	=	hourly lift capacity (skier and snow boarders/hour)	
	VR	=	vertical rise of specific lift (feet)	
	LE	=	lift loading efficiency = 0.9	
	HO	=	hours of operation = 7	
	VSD	=	vertical skied per day = 10,000 (except for beginners)(feet)	

LIFT DATA	PHASE		VERTICAL Meters	VERTICAL Feet	CCC 100	CCC Cumulative
LIFT H (1,600 p/h) - QUAD CHAIR	P3	T	1,500	4,921	690	11,210
SAOT: CP = (1,600 x 688.98 x 0.90 x 7) / 10,000 = 694		B	1,290	4,232		
		V	210	689		
LIFT I (1,800 p/h) - DETACHABLE QUAD CHAIR	P3	T	1,920	6,299	2,340	13,550
SAOT: CP = (1,800 x 2,066.93 x 0.9 x 7) / 10,000 = 2,344		B	1,290	4,232		
		V	630	2,067		
LIFT J (1,800 p/h) - QUAD CHAIR	P3	T	2,276	7,467	1,750	15,300
SAOT: CP = (1,800 x 1,545.28 x 0.9 x 7) / 10,000 = 1,752		B	1,805	5,922		
		V	471	1,545		
LIFT K (1,800 p/h) - DETACHABLE QUAD CHAIR	P4	T	2,173	7,129	2,780	18,080
SAOT: CP = (1,800 x 2454.07 x 0.90 x 7) / 10,000 = 2,783		B	1,425	4,675		
		V	748	2,454		
LIFT L (1,200 p/h) - QUAD CHAIR	P4	T	1,386	4,547	0	18,080
SAOT: CP = (1,200 x 2,467.19 x 0.9 x 7) / 10,000 = 1,865		B	1,232	4,042		
		V	154	505		
LIFT M (2,800 p/h) - DETACHABLE 8 PASSENGER PEOPLE MOVER	P4	T	1,425	4,675	0	18,080
SAOT: CP = (2,800 x 2,467.19 x 0.9 x 7) / 10,000 = 4,352		B	1,177	3,862		
		V	248	814		

PROJECTED UPHILL CAPACITY BASED ON SKI LIFTS				
TOTAL SAOT:		24,706	TOTAL CCC	18,080

SCC*		10,140	Skiers / Day
Controlled Recreation Area		2,120	ha
Area of Ski Runs**		712	ha
Area of Ski Runs as a % of CRA		34%	ha
Skier Density (Number of Skiers)		25.4	per ha

* Note: See Table IV.1 "MASTER DEVELOPMENT SUMMARY" on page IV-3 of Appendix I: SKI AREA REPORT.

** Note: See Table IV.9 "TRAIL BALANCE BY SKILL CLASS, PHASE 4 - BUILD-OUT" on page IV-17 of Appendix I: SKI AREA REPORT.

While noting that the above calculations are an effective planning tool, actual mountain usage, especially as a destination resort, will need to be studied in light of occupancy rates and utilization rates. Mountain resort occupancy rates generally range in the neighbourhood of an average of 40% of the available beds. Average lift utilization rates are in the range of 35%. A destination resort planned for and operating with a CCC in the range of 18,000 will see approximately 6,500-7,000 skiers during an average high season day.

The current ski operation has approximately 130,000 to 140,000 skier visits per year, plus 30,000 to 40,000 summer visitors per year.

The ski resort will be planned to have more than sufficient capacity to meet skier demand ranging from the current 140,000 skier visits to 450,000 overnight stay plus 150,000 day skier visits at completion. Skier visits of this size would represent an approximate 40% utilization of the uphill capacity and only approximately 20% of the projected market for Alpine skiing in the National Park system.

i. Balanced Resort Capacity

Part of the destination resort concept being developed is that of offering an enhanced resort experience in order to extend the stay of tourists in the Golden region. The vision of a comprehensive mountain resort includes the development of additional opportunities and activities to attract visitors during peak seasons without overwhelming the site capacities, while giving equal attention to summer and off-season uses.

In winter, additional attractions include activities such as heli-skiing Nordic skiing, spa facilities, convention facilities, snowshoeing, snow tubing, winter ziplines, as well as attractions such as mountain top dining and dog sled rides.

Considerations for success of summer operations include: aesthetics, development of scenic hiking trails, mountain bike trails, the creation of space for summer mountain events and comprehensive services at the Eagle's Eye Restaurant. The successful Grizzly Bear mountain refuge will continue to gain attention from the National parks visitors.

The idea behind Balanced Resort Capacity (BRC) is to arrive at a balance between the amount of development and infrastructure, the number and people capacity of the activities that are available at the resort on a seasonal basis, and the environmental and physical capacities of the site.

According to the *All Season Resort Guidelines* (ASRG), "the definition of the Balanced Resort Capacity (BRC) is the optimum number of visitors that can utilize a resort's facilities per day in such a way that their recreational expectations are being met while the integrity of the site's physical and sociological environment is maintained on a year-round basis."[1]

In the case of a ski resort, the bulk of the visitor capacity results from the ski trail and ski lift component of the resort as indicated by the Comfortable Carrying Capacity (CCC). This is augmented by a number of other facilities and attractions

[1] All Season Resort Guidelines, Chapter II: Mountain Resorts, page 28.

that are listed and tabulated as suggested by the ASRG in Table 3.5, below.

This list of activities and capacities is based on what is expected at build-out over a potential 40-year time horizon. It is important to note, however, that the entire Master Plan including BRC projections and calculations is revisited every five years, therefore providing an opportunity to reassess and refine visitor assumptions over time.

TABLE 2.: Balanced Resort Capacity (BRC) Calculations

BALANCED RESORT CAPACITY			
SUMMER USE	**CCC**	**WINTER USE**	**CCC**
Golf	300	**Lift Serviced Skiing**	**18,080**
Mountain Biking (Lift Serviced)	500	Nordic Skiing	400
Mountain Biking (Non-Lift Serviced)	250	Heli-Skiing	77
Grizzly Bear Refuge / Environmental Education	750	Snowshoeing	250
Summer Zip-line	500	Snowmobiling	50
Site Seeing / Fine Dining (Eagles Eye Restaurant)	2,000	Site Seeing / Fine Dining (Eagles Eye Restaurant)	400
Hiking	250	Dog Sledding	50
Shopping	1,000	Ice Skating	150
Spa	350	Tubing	150
Heli-Hiking	150	Spa	300
River Safaris	150	Winter Zip-line	250
Canoeing	50	Sleigh Rides	150
Horseback Riding	50	Convention Retreat	250
Wetland Safaris	125	Wolf Centre	50
Paragliding / Hang-gliding	25	Rock Climbing / Climbing Wall	100
Flyfishing	50	Avalanche Training	25
Rock Climbing / Climbing Wall	100		
Convention Retreat	500		
Tennis	50		
Whitewater Rafting	100		
Wolf Centre	50		
Theoretical Total*	**7,300**		**20,732**
CCC Total Used for Calculations**			**18,080**
Additional Guest Ratio***			**1.15**
BALANCED RESORT CAPACITY	**20,792**		

*Refer to "Table 7: BRC Example" from the *All Season Resort Guidelines Volume II*.

**Until market data is available for non-ski lift activities only the ski lift CCC is being used in the BRC calculations.

***Refer to Section "II.5.6 Additional Guests" of the *All Season Resort Guidelines Volume II.*

III. What Makes Kicking Horse Mountain Resort Unique?

Unlike many North American ski hills and resorts, KHMR accesses a *true mountain range and reaches the top of the crestline of the mountain range*. It not only offers a view of the other side of the mountains, but it instills a feeling and the true experience of *skiing a whole mountain* rather than the ski pods of chairlifts. This is the essence of what has captured a unique appeal among ski enthusiasts creating a reputation that surpasses the size of the resort. This will be reinforced over time by expanded capacity and multiple accesses to the top of the wide mountain range, with the potential of achieving one of the best ski destinations on the continent, in a beautiful climate and with easy access. The design concept will strive to maximize the feeling of experiencing the mountain, its setting and its majestic size, for skiers of all calibers and for visitors who do not ski.

V. RESORT BASE DEVELOPMENT PLAN

I. Overview of the Resort Base Area

Day skiers will park in one of the day parking areas or be transported by bus. KHMR operates a bus service from Golden and from Banff. It is also anticipated that some of the hotel and heli-ski guests will arrive by bus.

KHMR has developed in phases and will continue to develop and expand from a central nucleus organized around the gondola and skier arrival plaza surrounded by shops and food and beverage outlets connected by pedestrian areas. The resort has developed and grown with the condotel units, bed and breakfast units and townhouses along the roads in the resort base.

The most remote ski lift stations will be at the two ends of Kicking Horse Mountain Resort, in the traditional style of Alpine complexes. Several lifts will also converge at the gondola base. The lifts will still be within a convenient distance from the resort's central plaza and the distance will be utilized to collect skiers from the more distant components of Kicking Horse Mountain Resort. This plan will maximize the holiday enjoyment of longer-term guests as well as of day skiers, minimizing conflict.

The design will focus on creating compulsory building envelopes and character through mandatory Design Guidelines and a mandatory building sequence determined by the design stages. In order to minimize the footprint, it is proposed that internal private roads will be kept to the smallest possible rights-of-way. It is intended that public parking will be limited to designated areas and drop off points. Public access by bus will be encouraged, by the planned use of shuttle buses.

EXHIBIT 4: Resort Village Streetscape Concept

Much of the resort will be developed under a bare land strata title concept, to avoid unsightly road regulations and waste of space. At completion, the resort will include all the necessary services, including a fire-fighters' station for a volunteer fire department, a first aid emergency station, provision for garbage collection and transfer, and the necessary commercial and convention facilities. There will be limited convention facilities in the hotels and specialized educational programs. In addition to expanded services of shops and skiers' facilities, the Resort will be the centre of a Mountain Resort Association, managing the interests of all the independent participants in the development.

Various stages within the phasing will determine resort growth according to the market viability. The planned, slow rate of growth, emanating from the development clusters to be created in linear sequence in the opposite directions from the central plaza will be more in keeping with the historical way resort development occurs naturally, and will result in a high quality of design and development. To assist this process, it is intended that all development in the area be under one overall architectural design guideline and

control system, as detailed in this Master Plan. The anticipated slow development pace will greatly increase the possibility of creating something natural and true to the spirit of the small and incremental growth of the alpine resorts and of the National Parks.

The gradual growth of the resort will also allow the identification, on a step-by-step basis, of the need for on-site staff accommodation and to plan it progressively according to the development phases. The expanded Master Plan is based on the concept that approximately 10% of the bed base should be developed for staff accommodation on site, despite the proximity of the Town of Golden, to facilitate the establishment of a nucleus of permanent on site resort staff.

TABLE 3: Development & Phasing Summary

DEVELOPMENT SUMMARY				LAST UPDATED: DECEMBER 12, 2008
EXISTING - 2008				
BLDG TYPE	**BED UNITS**	**UNITS**	**BLDGS**	**LIFTS**
HOTEL	0	0	0	A: CATAMOUNT - QUAD CHAIR
CONDO	812	213	15	B: GOLDEN EAGLE EXPRESS GONDOLA - 8 PASSENGER
BED & BREAKFAST	18	3	3	C: STAIRWAY TO HEAVEN - QUAD CHAIR
TOWNHOUSE	160	40	12	D: PIONEER - QUAD CHAIR
SINGLE FAMILY CHALETS	582	115	115	E: BEGINNER LIFT - MAGIC CARPET
SUBTOTAL	**1,572**	**371**	**145**	
EMPLOYEE HOUSING	0	0	0	
MISC/SERVICE	4	2	5	
TOTAL	**1,576**	**373**	**150**	
PHASE 1 - 2009 ~ 2018				
BLDG TYPE	**BED UNITS**	**UNITS**	**BLDGS**	**LIFTS**
HOTEL	500	260	2	A: UPGRADE CATAMOUNT TO DETACHABLE QUAD CHAIR
CONDO	2,566	742	13	D1: NEW PIONEER (LOWER)- DETACHABLE QUAD CHAIR
BED & BREAKFAST	0	0	0	D2: NEW PIONEER (UPPER) - DETACHABLE QUAD CHAIR
TOWNHOUSE	252	63	20	E1: BEGINNER LIFT (LOWER) - MAGIC CARPET
SINGLE FAMILY CHALETS	636	106	106	E2: BEGINNER LIFT (UPPER) - MAGIC CARPET
SUBTOTAL	**3,954**	**1,171**	**141**	
EMPLOYEE HOUSING	352	102	2	
MISC/SERVICE	0	0	4	
TOTAL	**4,306**	**1,273**	**147**	
PHASE 2 - 2019 ~ 2028				
BLDG TYPE	**BED UNITS**	**UNITS**	**BLDGS**	**LIFTS**
HOTEL	0	0	0	
CONDO	2,992	951	16	F: CRYSTAL BOWL LIFT - DETACHABLE QUAD CHAIR
BED & BREAKFAST	0	0	0	G: CABRIOLET - DETACHABLE 8 PASSENGER PEOPLE MOVER
TOWNHOUSE	280	70	21	
SINGLE FAMILY CHALETS	426	71	71	
SUBTOTAL	**3,698**	**1,092**	**108**	
EMPLOYEE HOUSING	568	194	2	
MISC/SERVICE	0	0	1	
TOTAL	**4,266**	**1,286**	**111**	
PHASE 3 - 2029 ~ 2038				
BLDG TYPE	**BED UNITS**	**UNITS**	**BLDGS**	**LIFTS**
HOTEL	0	0	0	
CONDO	5,006	1,611	24	H: QUAD CHAIR
BED & BREAKFAST	0	0	0	I: DETACHABLE QUAD CHAIR
TOWNHOUSE	616	154	45	J: QUAD CHAIR
SINGLE FAMILY CHALETS	432	72	72	
SUBTOTAL	**6,054**	**1,837**	**141**	
EMPLOYEE HOUSING	500	162	2	
MISC/SERVICE	0	0	0	
TOTAL	**6,554**	**1,999**	**143**	

DEVELOPMENT SUMMARY

LAST UPDATED: DECEMBER 12, 2008

PHASE 4 - 2039 ~ 2048

BLDG TYPE	BED UNITS	UNITS	BLDGS	LIFTS
HOTEL	0	0	0	
CONDO	1,096	364	5	K: DETACHABLE QUAD CHAIR
BED & BREAKFAST	0	0	0	L: QUAD CHAIR
TOWNHOUSE	712	178	53	M: DETACHABLE 8 PASSENGER PEOPLE MOVER
SINGLE FAMILY CHALETS	990	146	165	
SUBTOTAL	**2,798**	**688**	**223**	
EMPLOYEE HOUSING	589	185	3	
MISC/SERVICE	0	0	2	
TOTAL	**3,387**	**873**	**228**	

SUMMARY AT FULL BUILD OUT - 2048

BLDG TYPE	BED UNITS	UNITS	BLDGS	LIFTS
HOTEL	**500**	**260**	**2**	**BEGINNER LIFTS / MAGIC CARPETS: 2**
CONDO	**12,472**	**3,881**	**73**	**QUAD CHAIRS: 4**
BED & BREAKFAST	**18**	**3**	**3**	**DETACHABLE QUAD CHAIRS: 6**
TOWNHOUSE	**2,020**	**505**	**151**	**EIGHT PASSENGER GONDOLAS: 1**
SINGLE FAMILY CHALETS	**3,066**	**510**	**529**	**EIGHT PEOPLE MOVERS: 2**
SUBTOTAL	**18,076**	**5,159**	**758**	
EMPLOYEE HOUSING	**2,009**	**643**	**9**	
MISC/SERVICE	**4**	**2**	**12**	
TOTAL	**20,089**	**5,804**	**779**	**15**

TOTAL DEVELOPMENT BED UNITS	**18,080**
TOTAL EMPLOYEE HOUSING	**2,009**
TOTAL BED UNITS	**20,089**

II. Resort Hotel Facilities

KHMR will provide for hotels to be located in the base area near the bottom of the ski runs. They will provide accommodation for snowsports enthusiasts and visitors generally escaping to an alpine environment. It is anticipated that these initial facilities will form the nucleus of all activities. It would allow part of the heli-ski operations to be moved from the heli-plex near the Trans-Canada Highway across the Valley to the resort, providing comfortable access to the surrounding glaciers and mountains for hotel guests. A convenient helicopter landing site has been provided in the Master Plan.

The hotel facilities, like the rest of the resort base, will emphasize stone and heavy timber architecture, in the style and tradition of National Parks heritage. They will be tucked against the mountain in the forest at the base of the ski runs and will offer ski in ski out access to the mountain.

EXHIBIT 5: Resort Hotel Concept

III. Townhouses

Townhouses in small clusters are planned along road loops near the resort main density area, nestled among the trees, overlooking the resort and the Columbia Valley. Townhouse types will vary. Some units will be designed for an uphill configuration, with a garage covered by the unit, others for a downhill position, with car parking nearby. The majority of the units will be designed for four beds. The townhouses will be primarily two stories of wood frame construction, in character with the rustic mountain setting of the resort. It is expected that most of the townhouses will form part of one or more strata corporations. Their common areas may include amenities such as tennis courts, a swimming pool and outdoor skating areas. To allow flexibility of participation in the rental pool, townhouse units will be sold with an option to participate in a rental pool managed by KHMR.

IV. Condotel Units

Condotel buildings will be developed in the resort core along the pedestrian street. The buildings will have commercial space at the ground level, including retail and some office space catering to project uses as well as to educational and convention facilities. On the floors above the commercial spaces there will be residential condotel apartment units, at least in part managed through a rental pool, and in part dedicated to timeshare developments. To ensure participation in either a rental pool or time share scheme, a Section 219 Land Use Covenant can be attached to the strata title for most condotel units in the resort, providing that the condotel units in a rental pool will be managed by one of the hotel facilities named in the covenant.

The condotel units will have a variety of configurations, with interesting loft arrangements on the top floors. Height will be limited to three to four stories, allowing traditional wood frame construction. Unit sizes will vary. Larger units will be designed to qualify for four bed units, smaller apartments for two bed units. A configuration of three bed units is also possible, with a master bedroom and a second bedroom of small size, large enough only for a single bed. The average is calculated to yield three beds per condotel unit.

EXHIBIT 6: Condotel Concept

V. Single Family Chalets

Single-family chalet areas will be developed on lots along resort roads primarily toward the north and south expansion areas of the site, distributed over well treed area according to mandatory design and landscaping guidelines that will maintain the forest, concealing the houses among the trees. The houses will be of rustic architecture, in keeping with the mountain tradition of wood and stone, timber frame and log homes coming from the tradition of National Park architecture. Chalets are required to be built according to the architectural guidelines that form part of a registered building scheme filed on title, which forms the basis of evaluation for permission to develop. It is planned that the chalets be located near the ski areas to minimize impacts on the natural environment of the West Bench and provide ski-in, ski-out opportunities.

EXHIBIT 7: Single Family Chalet Concepts

VI. Design Guidelines

The design guidelines for Kicking Horse Mountain Resort, originally approved as part of the 1999 Master Plan, and updated for the 2008 Master Plan, are intended to create an identifiable and cohesive design character by utilizing a limited vocabulary of design features that reinforce the notion of a desirable mountain retreat – an escape from the more mundane solutions of urban centres.

The intent of the design guidelines is to have the resort's buildings and architectural features contribute to the overall character of the resort so that there is an identifiable resort image instead of a disparate collection of individual components that compete for attention as monuments to a particular individual or corporate taste.

The design concept for KHMR takes its inspiration from the mountain architecture

tradition of the National Parks and the heritage design tradition of the Western Canadian Mountains Ranges. It will emphasize sloping roofs, the use of wood and stone, and generally an abundant use of natural materials. The purpose of the guidelines is to identify some of the key features of the required mountain architecture style so they can be incorporated into individual compositions that are both unique and conforming. The goal is to create a warm impression of rustic and genuine residential design typical of mountain settings.

VII. Parking Calculations

The total required parking is based on the Comfortable Carrying Capacity (CCC) of the ski area of the resort. The current assumption of the Master Plan is a mountain design capacity with a CCC of 18,080 and a destination resort base that achieves the optimum development of the bench lands at the foot of the mountain. The bed unit number is derived from the calculations done following the MDA formula.

It is assumed that day visitors will make up ¼ of the CCC, amounting to 4,520 day visitors on peak days. 10% (452) are likely to arrive by bus, leaving 4,068 to arrive by car. A total of 1,519 day visitor parking spots will be provided at buildout. This amounts to an average of 2.68 visitors/car, which is within the 2.5-3.0 visitor/car range recommended by CASP.

A total of 18 bus parking spots will also be provided, equaling one third more than the 12 spots (assuming an industry standard average of 40 visitors/bus) required to service day visitors.

The Master Plan also includes more than 6,653 parking spaces provided as part of the tourist residential development, as well as an additional 89 parking spaces for administration, maintenance and emergency services. The total number of parking spaces at the resort at buildout will be 8,261 – capable of servicing over 25,000 visitors.

VIII. Year Round Recreation

KHMR has been developed as a four season, first class destination resort. Accordingly, both visitors and residents will have access to a wide variety of recreational activities throughout the year both at the resort itself and within easy reach of the resort. The addition of the golf course is an important component of this strategy for the summer season.

i. Heli-Skiing and Heli-Sightseeing

Purcell Helicopter Skiing is a successful heli-ski company established in 1973 by Rudi Gertsch and is based in Golden. The possibility of achieving an ideal integration of heli-skiing and Kicking Horse Mountain Resort, establishing a new additional departure point in the resort for the helicopters and utilizing the resort hotel facilities for overnight heli-skiing clients is one of the current objectives.

KHMR has taken into account concerns raised by Purcell Heli-Skiing regarding some initially proposed lift locations, which would have eliminated one of its most utilized bad weather ski runs, and has developed a plan that would maintain, for the foreseeable future, the upper bowl leading to Dogtooth Peak for the use of heli-skiers. This area had been proposed for chair lift access in the original Ted Farwell plan and the Brent Harley preliminary concept, but it is not indispensable to provide ample expansion and excellent additional skiing to KHMR. As well, the

original Farwell plan did not provide access to the top of the mountain, which is not skiable from the Dogtooth Crest. Access to the top provides outstanding views to the west for sightseeing visitors.

On this basis the Master Plan was developed with the endorsement of Rudi Gertsch and is still studied for the ultimate expansion concept allowing cooperation between Kicking Horse Mountain Resort and Purcell Helicopter - Skiing. It is envisioned that the new hotel facilities and a heli-ski pad in its proximity will facilitate the expansion of Purcell Helicopter Skiing with the introduction to heli-skiing from Kicking Horse Mountain Resort.

ii. Nordic Skiing

KHMR is committed to working with the Golden Nordic Skiers and to maintain and expand Nordic ski trails through the resort as a complement to Alpine snowsports. The ski trails may also be used as hiking and cycling trails in the summer. The land use plan of the resort base indicates areas where the cross-country ski trails can double as summer linear parks or hiking trails. KHMR has made a commitment to provide a staging area for cross country skiers within the resort base, and to relocate any of the cross country ski trails that are affected by resort development, at its expense, with trails that are generally equivalent. Such trails are to maintain the connection to the existing network outside the resort base and the CRA. Conflicts with downhill skiing runs will be minimized to promote greater safety and maintenance of the cross-country ski experience.

The KHMR area is well positioned to become a world class Nordic skiing venue. KHMR supports the plans and the vision of the Dawn Mountain Nordic Trails Master Plan and the expansion plans of KHMR have been developed to allow both areas of sporting activities to grow together in harmony.

iii. Snowmobiling

Golden has an established and strong reputation as an excellent venue for snowmobiling.

The Golden Guides Adventure Centre at KHMR offers guided snowmobiling from the KHMR base. Half-day or full-day tours are offered utilizing current-generation Ski-Doo snowmobiles. Tours are available through KHMR's central reservation system.

In addition, the Golden Snowmobile Trail Society maintains a number of groomed trails in the area, with a variety trails catering to the full range of beginner to advanced riders.

iv. Other Winter Activities

The winter season includes other recreational opportunities beyond Alpine, Nordic and heli-skiing. The resort includes open-air ice-skating and snow play areas, and it may serve as a staging point for backcountry skiing and winter hiking. The resort area will serve as a venue for a variety of winter training schools and residents and visitors will also be able to access the lower alpine ski trails for snow tubing.

It is intended that KHMR will become a popular venue for small business

meetings, conventions and training courses; groups that will be attracted to the site both by amenities and by recreational opportunities.

The development of half-pipes and terrain parks are important features, which will expand and improve over time and the ski area management will locate in an appropriate position on the mountain.

Small skating rinks in common areas and on hotel properties will function in summer as plaza areas and are important particularly for families with small children.

Snow tubing is a popular feature and a snow tube park is already in operation at the resort. An additional small tobogganing hill in the area between the townhouses and the resort can provide low-cost fun for families.

Sleigh rides to scenic destinations, as well as activities such as snow shoeing, and dog sledding are important additional operational details that are planned in conjunction with local operators and may utilize the resort's network of trails.

A heli-ski lodge is planned for the resort base area which will provide an additional attraction for resort visitors.

Rock climbing facilities, an avalanche training centre, convention/retreat facilities, year-round spa and swimming pools, a winter zip-line, and expanded shopping opportunities and restaurants are planned features of the new resort and are expected to draw additional visitors to the resort.

v. Sightseeing

A central feature of the Kicking Horse Mountain Resort was the construction and operation of a high quality gondola to enable sightseeing. The gondola access to the top of the mountain provides unparalleled sightseeing opportunities, second to none in North America. The Golden Eagle Express gondola is a critical component in attracting visitors to the site and in placing Golden on the regional, national and international tourism map. In addition, the expected success of the gondola sightseeing activity supports winter operations and provides visitors with exposure and access to the other recreational opportunities on the site and in the region. In these respects, the gondola is a centrepiece of the resort in its marketing strategy.

On-mountain sightseeing trails will include natural retaining walls and steps of local stone. Handrails, benches, viewpoints and signage will be installed to facilitate the enjoyment of the trails by the tourists. Trails will be surfaced with gravel or other durable material as required to identify them as permitted trails in areas of sensitive terrain to minimize the impact on sensitive alpine environments.

Walking trails will be developed with viewpoints, mapping and signage.

Interpretative/nature viewing trails will also be part of the trail experience close to the resort base. The diverse habitat (forest, wooded ridges, fens and meadows) makes the lower part of the site highly desirable for bird watching. Nordic ski trails and other available routes will be utilized for that purpose.

vi. Golf Course

Located a few minutes' drive from the Kicking Horse Mountain Resort, the Golden Golf and Country Club has been rated as one of the top golf courses in B.C. It is now expanding with a second golf course. The West Bench Feasibility Study indicated that there is physical potential for at least two more 18-hole courses, but these were not located where it is now recognized to be the optimum potential from a sustainable tourism point of view.

The current proposal for the expansion of KHMR includes an 18-hole golf course. The plan identifies the most appropriate location for the golf course. It will be developed to ensure that there are natural forested areas retained between fairways to allow for continued east-west and north-south connectivity for wildlife. Respect for the Nordic ski trails was incorporated in the design, as well as careful avoidance of riparian areas. Wetland habitat will also be integrated into the golf course plan to protect these sensitive areas. The new golf course for KHMR is designed by Tom McBroom.

vii. Mountain Biking and Other Summer Activities

The resort is an excellent location for world class mountain biking and has developed an extensive network of summer mountain bike trails and parks within its CRA. Environmentally sensitive alpine areas have been identified and mountain bike trails have been located in the most suitable locations and are clearly marked.

Mountain bike trails utilize portions of ski runs and trails, as well as the service access route where the terrain allows them to be developed without lasting alterations. The impacts are being monitored and the runs will only remain available for mountain bikes in summer if the impacts are satisfactorily mitigated.

Kicking Horse Mountain Resort works with an outfitter to offer horseback riding from the resort and area. The resort, via its "Golden Guides" also offers activities such as: whitewater rafting, sightseeing, wetland safaris, canoeing, hunting and fishing, para and hang gliding, visiting the National Parks, nature trails, and other activities. Over time, KHMR will also develop first class tennis facilities. This may include both open (summer) and covered (summer and winter) facilities.

Biking trails within the resort may also be designated on part of the cross-country ski trail system in consultation with the nordic ski society. The combination of bike and walking trails is appropriate in some scenarios but can be inappropriate if poorly implemented.

Spa facilities, convention spaces, vibrant retail spaces and a wide selection of restaurants will be will be available in the resort core area and will help attract additional visitors to the resort. These facilities will be complemented by amenities and activities such as rock climbing facilities, a summer zipline and swimming pools, including a large pool with a sandy beach feature particularly designed to entertain families with children, and with a large basin for adult swimmers.

viii. Grizzly Bear Refuge and Wolf Centre

KHMR has developed a mountain refuge for a Grizzly bear that was left

orphaned as a cub. This is not only a popular sightseeing destination, but also an opportunity to study Grizzly bear behaviour by a resident biologist.

KHMR currently offers interpretive visits to the Northern Lights Wolf Centre, which is open year-round and is located just West of Golden, about 20 minutes from KHMR. The Centre contains a pack of grey wolves living in a 1.25-acre enclosure, interacting much as they would in the wild. Daily interpretive talks lasting approximately 20 minutes are offered. KHMR is exploring the possibility of moving part or all of the Wolf Centre to the CRA.

IX. Park Dedications and Green Space

KHMR is planning to create a network of public spaces to be dedicated as park areas in accordance with park dedication requirements of the Columbia Shuswap Regional District. These spaces have been pre-planned as part of the overall concept of the Master Plan and are shown as special areas for each phase. They are an important component of the open space and trail system that will maintain a National Park quality setting of low-density development nested in green spaces at the foot of the mountain for KHMR. 11.4% of the development area will be dedicated to parks and green space, exceeding industry standards.

X. Water Supply

The current potable water supply sources for the base village are local wells, which supply approximately 1,050 m^3/day to meet resort potable water needs. The total water demand at build out is estimated to be approximately 6,500 m^3/day without conservation measures. KHMR is planning to establish a number of voluntary and mandatory water conservation measures. As a first step it is introducing project-wide water metering, starting from 2009.

The bulk of potable water will be supplied by wells. Under the initial stage of hydro-geological program, five wells were drilled. The first well was drilled to a depth of 65.5 m. Its sustained yield was preliminarily estimated at 365 m^3/day. The second well was drilled to a depth of 60 m. Its sustained yield was preliminarily estimated at 100 m^3/day. The chemical analysis indicated that the quality of water from both wells was within the Guidelines for Canadian Drinking Water Quality. Additional wells have been drilled and will continue to add water supply as required. The success of the latest drilling program indicates that groundwater will be sufficient for the majority needs of the resort, with the balance coming from surface water obtained from Holt Creek.

The proposed water distribution system will be designed to provide sufficient potable water at a maximum daily demand flow rate with a fire assumed at any one location within the development.

XI. Avalanches and Snow Safety

Most of the open slopes of the proposed ski area above elevation 1,900 m. are exposed to avalanches. The avalanches are the result of a combination of the following factors:

- Slopes with inclines greater than 30° near the upper terminals.
- Deep snow which reaches a depth of 2 m. to 2.5 m. on slopes that are not affected by the wind.
- Strong south-westerly winds during snowfalls. The wind deposits deeper snow on the

ski slopes which are on the downwind side of the mountain.

Depending on the type of surface of old snow on which new snowfalls, the new snow may remain unstable for the duration of one day to several weeks after a snowfall.

Avalanche hazard studies and mitigation plans have been on going since 1998. Chris Stethem and Associates is providing an updated report reviewing the expanded CRA.

A snow safety plan for the area will be completed by the resort operator before start of winter operations of the expanded ski area. The snow safety plan contains an inventory of the avalanche paths, a description of the equipment and operation of the avalanche control, the safety measures, and a rescue plan. The rescue plan describes the responsibilities, actions, equipment, and outside resources for situations when an avalanche accident should occur (usually outside the ski area boundary).

XII. Fire Protection

The B.C. Building Code and Fire Code will be followed in the resort development. In addition to other expanded services, the resort will create its own volunteer Fire Department and Station. A Society for the creation of the volunteer fire department has been established and KHMR has commissioned an expert report on the progressive creation of the volunteer fire department according to provincial guidelines. A Mountain Resort Association managing the interests of all the independent participants in the development will cooperate with the Society.

Because the resort is situated in a heavily forested environment, particular consideration will be given to fire prevention and protection. A variety of guidelines to reduce and control the threat of fire are to be incorporated into the design and materials used in the resort. Guidelines related to defensible space, building location, roofing, vents, siding, additional structures, sprinklers and fire protection services are outlined in the Master Plan.

VI. ENVIRONMENT

The KHMR expansion plan covers an area that is only slightly larger than the 1999 Master Plan and is entirely included in the buffer zone created for the 1999 Master Plan. The updated Environmental Impact Assessment report was prepared by ENKON Environmental Limited.

I. Sustainable Planning

The 2008 KHMR Master Plan has been conceived as a sustainable plan. This theme was established by senior KHMR staff and the design team at the start of a Master Plan envisioning process in 2007.

This Master Plan is based on the premise of controlling the resort's environmental footprint and designing the growth of the resort around environmentally ethical practices. "Green" thinking will not be an afterthought, but more of a guideline and decision-making tool for Kicking Horse Mountain Resort. Environmental, economic, and social sustainability will be at the forefront and supported from senior management and passed along to seasonal workers.

The planned growth throughout the resort is modeled to keep the development footprint tightly grouped preventing sprawl throughout the adjacent lands. By minimizing the development sprawl KHMR will help ensure that a wildlife corridor along the west bench above Golden remains intact and unaffected by any future developments. Proposed housing developments will be located against the slopes of the resort in many areas previously logged and accessible by forest service roads. The use of previously disturbed sites will again reduce the overall footprint as well as assist in keeping costs down due to current infrastructure.

Development guidelines will be implemented to all potential developers to ensure new construction is geared towards green practices and follows suitable Best Management Practices. KHMR will aim to reduce the overall power consumption by promoting the use of all energy saving appliances and products, as well as the use of propane and geothermal heating. Water conservation will become an integral component to the development of the resort. KHMR will promote the use of the most innovative appliances and techniques to reduce our demand for water. Key improvements will be the use of low flow appliances and water free washroom facilities. During construction developers will be encouraged to use local materials whenever possible through building guidelines. All landscaping throughout the development will also be controlled under building guidelines and will ensure that only local indigenous vegetation be used, with emphasis on xeriscape to reduce the need for water.

Resort golf course development will be based on many of the same premises of the development plan. To lessen the environmental impact the course will be designed amongst the tight groupings of residential development while remaining in close proximity to the mountain slopes to reduce any potential negative effects on the west bench wildlife corridor. All wetlands, marshes, and riparian zones will be mapped and following the most current best management practices will be protected during all phases of construction. To ensure course sustainability, landscaping will be designed using the xeriscape model which reduces the needs for watering.

On-mountain slope work will be designed to minimize the development impact, protect all riparian areas, and plan for immediate rehabilitation of slopes after works have ceased. To ensure the health of the Cedar Creek watershed downstream from the resort, erosion

control and sediment management will be a key component throughout the proposed development.

Reducing the demands of the resort will continue to be a focal point in all aspects of resort expansion. Recycling of goods is mandated throughout the resort with a focus on providing all the tools necessary for both staff and residents to become efficient in recycling. Through "pre-cycling" practices, KHMR will work with suppliers to limit package and shipping requirements to help reduce waste and the impact that unnecessary packaging has on the environment for all goods that are shipped.

The KHMR 2008 Master Plan has been developed with the above goals and objectives in mind. Through proper planning, the Master Plan will ensure environmental, economic, and social sustainability.

A preliminary study of the applicable LEED principles has also been made. However, a LEED point system and certification method for mountain resort projects does not exist yet. Alternative ASHRAE[2] standards will be recommended. The project will benefit from the following "green" concepts:

1. Location: the plan can be seen as a re-use of an area; it is entirely in a previously logged area, and continues and improves the transitional use from one industry (forestry) to another industry (tourism).
2. Access: KHMR utilizes an existing access and an area previously accessed by numerous forestry roads.
3. Ecological footprint: the footprint is limited by a dense design of the overnight visitors' accommodation, keeping the development area small relative to the number of guests, and the recreational area is designed toward a long term use of natural resources without significant alteration of the ecosystems.
4. Preserving the West Bench: The design keeps the overnight accommodation and the golf course in a small area along the foot of the mountain, keeping most of the West Bench intact as a wildlife corridor.
5. Preserving the natural drainage: wetlands and sensitive areas: streams, wetlands and sensitive areas are being carefully mapped and the design provides the widest recommended setbacks. Archaeological areas of interest have been mapped and excluded from infringements.
6. Local materials: use of local natural materials is emphasized through the mandatory design guidelines.
7. Preservation of natural vegetation: landscaping is controlled through the mandatory design guidelines and only use of local indigenous vegetation will be permitted.
8. Golf course ecology: Xeriscape is used for the golf course development and maintenance. The management plan included in the master plan will require monitoring the construction, use and maintenance of the golf course avoiding the use of damaging practices and pesticides.
9. Energy conservation: the project will follow Energuide for New Houses (EGNH 77) and the new mandatory B.C. Green Building Code. The requirements of the Energy Efficiency Act of 2006 will apply. KHMR will recommend application of ASHRAE 189, the green building standard that matches the intent of LEED requirements. Energy Star windows and doors and the application of energy saving and durable building

[2] American Society of Heating, Refrigerating and Air-Conditioning Engineers

practices will be encouraged in every aspect of the project. Cleaner propane heating and geothermal energy use will be encouraged by the developer.

10. Water conservation: will be encouraged, implemented and enforced through voluntary and mandatory measures and latest technology. Water recycling is being planned.
11. Sewage: treatment will be provided on site with advanced technology. Effluent recycling is being planned.
12. Waste: recycling will be made mandatory through development controls.

II. Environmental Management Plans

The Master Plan includes the following environmental management plans:

- Erosion and Sediment Control Plan;
- Construction Waste Management Plan;
- Stormwater Management Plan;
- Vegetation Debris Disposal Plan;
- Wildlife Management Plan;
- Bear Management Plan;
- Air Quality Protection Plan;
- Fertilizer and Pesticide Management Plan;
- Spill Contingency Plan;
- Golf Course Management Plan;
- Water Management Plan, and
- Vegetation Management Plan.

VII. CONCLUSION

The plan for developing a four season, destination resort – KHMR – still faces several challenges and needs the continued support of the community, government and investors. Yet the plan for this unique Resort also presents exceptional opportunities both for Golden, the Regional District and for the Province of B.C.

Why expand KHMR? There are many reasons, both in the public interest and in the best interest of the ski area and of the resort itself for its long term well being:

1. Canadian tourism trends are not positive. Canada is decreasing its tourism market share and its tourism deficit is increasing as well. In order to salvage and even grow market share, is important to generate new and improved tourism products that can compete successfully with improved U.S.A. resorts and at a global level;
2. Canadians are flocking to foreign resorts and are contributing to a growing tourism deficit, in addition to a weak growth of foreign visitations to Canadian resorts. It is necessary to attract Canadian tourists and skiers back to local destinations;
3. For B.C., the greatest opportunity to expand the tourism market share is through ski resorts. Latitude, climate and elevations make the southern interior of B.C., and particularly the Purcells, the best place in North America for ski resorts;
4. Statistical information of the last 25 years demonstrates that B.C. is in a good position to expand its skier market with destination skiers even if the American skier market is not increasing;

EXHIBIT 8: The Iconic Eagle's Eye Restaurant atop KHMR

5. Offering quality new accommodation and higher level ski experiences will be part of the necessary strategy;
6. Despite the need for snowmaking at lower elevations, KHMR can assure white Christmases to its visitors. It can also offer extended ski seasons through its high alpine areas;
7. KHMR is the highest "front country" ski area in B.C. both at the accommodation base (1,275m) and at the top (2,450m) – and will remain so even after the possible opening of the proposed boutique "backcountry" ski area, Jumbo Glacier Resort near Panorama;
8. If climate change results in future higher average temperatures in B.C., KHMR is the only "front country" ski area in B.C. that may survive the attendant challenges with relative ease due to its higher elevation and drier climate, which would minimize

precipitation in the form of rain;

9. Golden is situated in the Kootenay region of southeastern British Columbia and within the spectacular region known as Kicking Horse Country. Additionally, Golden is near six of the most stunning National Parks Canada has to offer (Banff, Glacier, Jasper, Kootenay, Mount Revelstoke and Yoho). In the past year, Golden created a tourism association entitled Tourism Golden. Tourism Golden is expected to enhance tourism for the town as well as Kicking Horse Mountain Resort;
10. KHMR is in an ideal location, along the Trans Canada Highway, near two regional airports and the Calgary International Airport, to attract visitors for longer stays;
11. The expansion is along the lines of the original plan and would not significantly alter the footprint and the environmental impact of the project. Technological progress combined with upscale development and less frequent travel to and from the resort with a larger resident bed base will allow to minimize the impacts and make KHMR a sustainable destination ski area for the long term;
12. The resort will transform itself from a primarily commuting ski population to a primarily resident ski population, and
13. Creating a more mature resort in the “front country” of B.C. is in the public interest.