

EXHIBIT "12"

FORM J – RENTAL DISCLOSURE STATEMENT

(Section 139)

**Re: Strand Lakeside Resort and Village, 7343 Okanagan Landing Road, Vernon,
British Columbia
PID 026-127-393, Lot 1, Section 30, Township 9 and District Lot 62, Osoyoos
Division Yale District Plan KAP76949**

1. The development described above includes 104 residential strata lots.
2. Not applicable.
3. There are 104 strata lots. The owner developer reserves the right to rent any number of residential strata lots in the development for the purposes of the administration of the development and the marketing and sale of the residential strata lots.
4. There is a bylaw of the strata corporation that restricts the rental of strata lots, the text of which is attached hereto as Schedule "A" and forms part of this statement.

Dated this ____ day of November, 2005.

SL RESORT MANAGEMENT CORP.

Per: _____
Name:
Authorized Signatory

Schedule "A"

Terms of Rental Restrictions in Bylaws of the Strata Corporation

"Long Term Rentals" means the rental of a strata lot for a period of 30 days or greater;

"Overnight Rentals" means the rental of a strata lot for a period of less than 7 days;

"Residential Occupancy" means a strata lot use designation pursuant to City of Vernon Zoning Bylaw #5000 and pursuant to a Section 219 Covenant registered against some or all of the strata lots which indicates that the strata lot so designated is subject to rental and use restrictions as set forth in Section 4(h) hereof;

"Short Term Rentals" means the rental of a strata lot for a period of 7 days or more but less than 30 days; and

"Tourist Accommodation" means a strata lot use designation pursuant to City of Vernon Zoning Bylaw #5000 and pursuant to a Section 219 Covenant registered against some or all of the strata lots which indicates that the strata lot so designated is subject to rental and use restrictions as set forth in Section 4(g) hereof.

An owner of a strata lot designated as Tourist Accommodation may rent or lease his or her strata lot to the public for Overnight Rentals, Short Term Rentals and Long Term Rentals provided the owner and all tenants comply with these bylaws and the owner:

- (i) must make his or her strata lot available to the public for Short Term Rentals for a minimum of 185 days per year; and
- (ii) may not occupy his or her strata lot from more than 180 days per year.

No more of the strata lots in the Project shall be designated as Tourist Accommodation than is permitted under the zoning requirements of the City of Vernon which currently require 70% of the strata lots to be designated as Tourist Accommodation. The strata corporation shall provide the City of Vernon with such records and other information as may be required for the City of Vernon to verify compliance with this restriction.

An owner of a strata lot designated as Residential Occupancy may rent or lease his or her strata lot to the public for Long Term Rentals provided the owner and all tenants comply with these bylaws. The owner or tenant may not rent or lease his or her strata lot for Overnight Rentals or Short Term Rentals. Notwithstanding the foregoing, an owner of a strata lot designated as Residential Occupancy may exchange time periods of use of his or her strata lot as part of an exchange program such as are common for time share exchanges for use by members of such a program from time to time. Not more strata lots in the Project can be designated as Residential Occupancy than is permitted under local zoning regulations. Current restricts limit the number of strata lots in the Project that can

be designated as Residential Occupancy to 30% of the strata lots. The strata corporation shall provide the City of Vernon with such records and other information as may be required for the City of Vernon to verify compliance with this restriction.

All Short Term Rentals and Overnight Rentals must be handled by a Rental Manager approved by the strata corporation. In order to be approved, the Rental Manager must be properly licensed.