Cana Teca Phase I Limited Partnership
Annual General Meeting
May 27, 1999

Minutes from the Chairman’s Agenda

David Roland Takes the Chair

Mr. David Roland acting as Chairman opens the meeting by welcoming unitholders and their proxies to the 1998 AGM.

Appointment of Secretary

The Chairman asks Alan McCulloch to act as Secretary of the meeting and,

Appointment of Scrutineer

Stephanie Lee, the Partnership’s accountant, to act as scrutineer.

Notice of Meeting

The Chairman confirms the Partnership’s receipt of a Statutory Declaration as to the due mailing of the Notice of Meeting, Proxy and other documents relating to this meeting to each unitholder of the Partnership. The Chairman directs that the Statutory Declaration, together with copies of the documents, be kept by the Secretary with the other records of the meeting.

Quorum

The scrutineer declares that with 37.6% of the units represented, there is a quorum present. Mr. Roland reads the scrutineer’s remarks and adopts the report declaring that the attendance to be as therein set out.

Commencement

The Chairman declares that the 1998 Annual General Meeting of Cana Teca Phase I Limited Partnership is regularly called and properly constituted for the transaction of business.

Financial Statements and Report of Accountant Thereon

Mr Roland advises that copies of the financial statements as well as the General Partner’s report are available for those that did not receive a mailed copy. After review by the attendees, the Chairman asks if there is any who will move that the Partnership’s financial statements for the fiscal year ended in December 31, 1998 be taken as read and approved and adopted.

Mr. Kris Kalstad MOVES that the financial statements ending December 31, 1998 be taken as read and be approved and adopted.

Mr. Michael Martirossian SECONDS and the motion is CARRIED.

The Chairman the asks that a motion to pass an extraordinary resolution be adopted to accept the Resignation of the General Partner, Ganadera Montecele S.A., a company incorporated in Costa
Rica and extra-provincially registered in British Columbia and to elect Ganadera Holdings Inc., a company incorporated in the Province of British Columbia as the new General Partner.

Dan Pasacreta MOVES to pass the motion Lorne Ekroth SECONDS the motion.

The Chairman explains that the primary reason for introducing a new BC holding corporation to act as the Partnership’s General Partner is to ease the accounting burden and to facilitate better tax reporting.

The Chairman then asks that the motion to adopt the Extraordinary Resolution be passed and the motion is CARRIED by a majority.

Chairman’s Remarks

The Chairman discusses in some detail the Revenue Canada Audit and summarized that after a 16 month process the Partnership was found to have conducted itself in 100% compliance of the Tax Act and all deductions were allowed.

The discussion then moves on to the general state of the plantation itself. The Chairman discusses La Niña effect in 1998 and that it has had a compensatory effect for the two droughts that the plantation previously endured. He mentions the introduction of cattle on the property and its beneficial effect on reducing weed control cost while causing negligible damage to the trees.

He discusses in broad terms some of the data provided by the Cana Teca Forester, Alvaro Solano. And the fact that in the test areas of the plantation, tree height and diameter at breast height (dbh) are equal or exceed the government’s teak growth data, Government studies upon which the Company’s financial projection were based. Cornelia Bodo asks about when the plantation will produce revenue and the Chairman replies that there may be a small commercial harvest in 2001/2002. In terms of marketing and marketability of plantation teak the Chairman speaks at some at length about an Albertan company that is milling plantation teak and exporting strip flooring to its customer, Windsor Plywood. The Chairman explains that our plantation is, on average, only about 4 years old.

A mail in question as to the time of the AGM’s was received. The Chairman would like to confirm that he has many requests for meetings to be conducted in the interior of B.C. where the majority of the investors reside. Several requests to have AGM’s conducted in eastern Canada and in Costa Rica have also been received. Unless there is a very special or specific need, the Chairman has elected to hold the AGM during business hours similar to the vast majority of public companies and other limited partnerships. It vastly reduces the fees of lawyers and accountants required to attend and the overtime pay of attending staff.

Adjournment: The Chairman asks that, if there is no further business, a motion be made that the meeting be adjourned.

Mr. Jim Welsh MOVES that the meeting adjourn.

Mr. Anderschuck SECONDS the motion.

The motion is CARRIED and the meeting is adjourned.

Witnessed by:

Alan Pearce McCulloch
Secretary