

RETURN TO:

Westbank Indian Band
515 Highway 97 South
Kelowna, B.C. V1Z 3J2

APPLICATION FOR REGISTRATION INDIAN LANDS

The undersigned hereby requests that the instrument, the particulars of which are set out below, be entered, pursuant to the Indian Act, in the appropriate Register of the Indian Land Registry.

Log No.: _____ Log Date: _____ Regional File No.: _____

NAMES OF PARTIES TO INSTRUMENT

Grantor

Surname	Given Names	No.
<u>HER MAJESTY</u>	_____	_____
_____	_____	_____
_____	_____	_____

Grantee

Surname	Given Names	No.
<u>SUN VILLAGE HOLDINGS LTD.</u>	_____	_____
_____	_____	_____
_____	_____	_____

Instrument Type LEASE (or Code) _____

Instrument Date JULY 1ST, 1992

Purpose RESIDENTIAL (or Code) _____

LAND DESCRIPTION

Province: BRITISH COLUMBIA Band Name: WESTBANK INDIAN BAND

Reserve Name: TSINSTIKEPTUM INDIAN RESERVE NO. 9

Parcel LOT 220, PLAN 75214 CLSR (NEW PIN)

Parcel Identification Number (PIN) FORMERLY PARTS OF: LOT 13-3-2, PLAN 2140 RSBC - PIN: 901005669
LOT 13-4, PLAN 59081 CLSR - PIN: 900020727

List of Supporting Documentation LOT 13-5, PLAN 59091 CLSR - PIN: 900020735

LOT 13-6-1, PLAN 2379R RSBC - PIN: 900020743

LOT 15, PLAN 55316 - PIN: 900020768

Signature of Applicant LYLE BREWER Telephone No. of Applicant (604) 769-5666 Date 16 JUN 93

Signature of Applicant _____ Telephone No. of Applicant _____ Date _____

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Signature of Applicant _____ Telephone No. of Applicant _____ Date _____

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Signature of Applicant _____ Telephone No. of Applicant _____ Date _____

Signature of Applicant _____ Telephone No. of Applicant _____ Date _____

Signature of Applicant _____ Telephone No. of Applicant _____ Date _____

NOTE: PORTION OF LOT 15 AFFECTED IS NOW SHOWN AS LOTS 15-2-2 AND 15-5-3 ON PLAN 2379R RSBC (ALLOTTED TO MARY ANNE ELLIOTT BY RESOLUTIONS DATED MAY 4, 1993)

ACCEPTANCE

This Application for Registration has been accepted and the instrument has been entered in the appropriate Register. This instrument

is been registered under number: 214590 Date: 1993/July/09 Hour 8:47 a.m.

[Signature]
Registrar

LEASE

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA

OF THE FIRST PART

AND:

SUN VILLAGE HOLDINGS LTD.

OF THE SECOND PART

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CANADA

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

THIS INDENTURE OF LEASE made in quadruplicate and dated the 23rd day of November, 1992, but effective as of the 1st day of July, 1992.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA, as represented by the Minister of Indian Affairs and Northern Development

("Her Majesty")

OF THE FIRST PART

AND:

SUN VILLAGE HOLDINGS LTD., (Incorporation Number 371867) a British Columbia company, having its registered and records office at 1574 A Harvey Avenue, in the City of Kelowna, in the Province of British Columbia V1Y 6G2

(the "Lessee")

OF THE SECOND PART

WHEREAS:

- A. The lands leased under this lease are part of Tsinstikeptum Indian Reserve No. 9 (the "Reserve") which is set apart by Her Majesty for the use and benefit of the Westbank Band of Indians;
- B. The lands are in the lawful possession of Mary Anne Eli, a member of the Westbank Indian Band, and she has made written application to the Minister for the lands to be leased for her benefit as hereinafter set forth in Schedule "B";
- C. The Council of the Band has approved and consented to this lease, including all the terms and conditions herein set forth by Resolution dated the 23rd day of November, 1992;
- D. The Minister is authorized to grant this lease pursuant to Article 58(3) of the Indian Act;
- E. The Lessee has applied to lease the lands.

NOW THEREFORE THIS INDENTURE OF LEASE WITNESSES that in consideration of the sum of TEN DOLLARS (\$10.00) now paid by the Lessee to Her Majesty (the receipt whereof is hereby acknowledged) and in further consideration of the rents, covenants and agreements reserved and contained in this lease, the parties covenant and agree as follows:

1.00 Definitions

"Approved Mortgagees"

means all mortgagees to whose mortgages the Minister has consented,

"Band"

means the Westbank Band of Indians, or any successor to the Band pursuant to a federal statute,

"Band Council"

means the Council of the Band within the meaning of the Indian Act, or any successor to the Band Council pursuant to a federal statute,

"Bank of Canada Review"

means that publication that is published by the Bank of Canada on a monthly basis and named the "Bank of Canada Review" or any similar publication that is published by the Bank of Canada on at least a monthly basis as a replacement for the Bank of Canada Review and in which chartered banks rate or rates on prime business loans (i.e., the per annum interest rate that is charged by Canadian chartered banks to their most credit worthy commercial borrowers) from time to time in effect on the last Wednesday of the month or upon another day or days of substitution for the last Wednesday of the month are published,

"Cost of Living"

means that increase in the Consumer Price Index as determined by Statistics Canada for the Okanagan Valley, British Columbia and failing the availability of such statistic for the area, such statistic as determined by Statistics Canada for the Province of British Columbia for each year commencing the lease date,

"Federal Court Act"

means the Federal Court Act, R.S.C. 1985 c.F-7, and regulations made thereunder, all as amended or replaced from time to time, and any reference to an Article of this Act shall include that Article as amended or replaced from time to time,

"Improvements"

means all buildings, structures, works, facilities, services, landscaping and other improvements by whomsoever made and which are at any time and from time to time situate on, under or above the lands including all equipment, machinery, apparatus and fixtures forming part of or attached to the improvements and all alterations, removals, additions to, replacements and substitutions of the improvements,

"Indian Act"

means the Indian Act, R.S.C. 1985, c.I-5 as amended, and regulations made thereunder all as amended or replaced from time to time, and any reference to an Article of this Act shall include that Article as amended or replaced from time to time,

"Initial Term"

means that period of time during the term of the Lease commencing on the 1st day of July, 1992 and expiring on or before the 30th day of September, 1993,

"Lands"

means those lands situate, lying and being in the Tsinstikeptum Indian Reserve No. 9 in the Province of British Columbia and more particularly known and described as:

Lot 220, Tsinstikeptum Indian Reserve No. 9, Province of British Columbia shown on the plan of survey number 75214 deposited in the Canadian Lands Survey Records at Ottawa, Ontario

"Lands Subdivision"

means subdividing the lands or part thereof into subdivided lands by way of filing of a CLSR plan.

"Lands Subdivision Plan"

means a CLSR plan for any part of the lands establishing subdivided lands,

"Lease"

means this indenture of lease,

"Leasehold"

means all right, title and interest that the Lessee has pursuant to the lease,

"Lease Date"

means the date on which the term commences,

"Lease Year"

means a twelve (12) month period commencing on the 1st day of July in one (1) calendar year and ending on the 30th day of June in the immediately succeeding calendar year,

"Lots"

means subdivided lands that have been established as separate lots by way of a Canada Land Survey Plan,

"Mineral Works"

means the right to prospect and drill for and to work minerals in accordance with Section 3.01,

"Minerals"

means ore of metal and every natural substance that can be mined and that:

- (a) occurs in fragments or particles lying on or above or adjacent to the bedrock source from which it is derived, and commonly described as talus, or
- (b) is in the place or position in which it was originally formed or deposited, as distinguished from loose, fragmentary or broken rock or float which by decomposition or erosion of rock, is found in wash, loose earth, gravel or sand, and includes coal, petroleum and all other hydro carbons, regardless of gravity and howsoever and wheresoever recovered, natural gas, building and construction stone, limestone, dolomite, marble, shale, clay, sand and gravel,

"Minister"

means the Minister of Indian Affairs and Northern Development or his authorized representatives,

"Mortgage"

means either a mortgage by way of either sub-lease or assignment granted by either the Lessee or a sub-lessee to a financial institution,

"Party"

means a party to this lease and "Parties" means both of them,

- "Person"
includes any natural person, partnership, association or corporation,
- "Premises"
means the lands and the improvements and every reference in this lease to the premises includes a reference to every part of the premises,
- "Prime Rate"
means for any particular calendar month, the chartered banks rate on prime interest loans (i.e., the per annum interest rate that is charged by Canadian chartered banks to their most credit worthy borrowers) in effect upon the last Wednesday of the month as the rate is ascertained and published for the month in the Bank of Canada Review, or if more than one such rate is published for the last Wednesday of the month, the average of all such rates or if another day or other days are substituted for the last Wednesday of the month in the Bank of Canada Review, the rate or the average of all rates published for the days or days substituted for the last Wednesday of the month,
- "Purchaser"
means any natural person, partnership, association or corporation that acquires the right to occupy a lot by way of either assignment of lease or sub-lease,
- "Rent"
means the rent described in Article 6.00 hereof and other amounts which by the terms of this lease shall be payable as rent by the Lessee to Her Majesty,
- "Reserve"
means the Tsinstikeptum Indian Reserve No. 9 of the Band,
- "Sub-lease"
means a lease agreement granted by the Lessee to a purchaser for the use and enjoyment of a lot,
- "Sub-leasehold Interest"
means all right, title and interest that a sub-lessee has pursuant to a sub-lease,

"Sub-lessee"

means a purchaser who has entered into a sub-lease with the Lessee for the use and enjoyment of a lot and any improvements constructed thereon and complies with the requirements of this lease with respect to sub-leasing,

"Sub-lessee Premises"

means the lot and improvements owned and occupied by the sub-lessee;

"Subdivide"

means dividing the lands into lots by a land subdivision plan,

"Subdivided Lands"

means that part of the lands subdivided into Lots and established by the filing of a CLSR plan,

"Subdividing"

means Subdivide,

"Term"

means that period of time commencing on the 1st day of July, 1992 and expiring the 30th day of June, 2091.

2.00 The Demise

2.01 The Minister, on behalf of Her Majesty, pursuant to Section 58(3) of the Indian Act, hereby leases to the Lessee the premises, excepting and reserving unto Her Majesty all minerals upon or under the lands, TO HAVE AND TO HOLD the premises unto the Lessee for the term, yielding and paying rent as hereinafter provided, and subject to the terms, conditions, provisos, exceptions and reservations contained in this lease and the prior termination in the events herein set forth.

3.00 Lessee's Obligations During the Initial Term

3.01 Prior to the expiration of the initial term, the Lessee shall have completed environmental assessment of the lands pursuant to the Canadian Environmental Protection Act and the Environmental Assessment and Review Process Guidelines Order (SOR/84-467), 1984, or its successors legislation and any regulation made thereunder.

4.00 Lessee's Right to Terminate During the Initial Term

4.01 The Lessee may upon giving thirty (30) days' written notice to the Minister in the manner prescribed in section 57.00 herein terminate this lease during the initial term effective upon the expiration of thirty (30) day notice period subject to the following conditions:

- (a) The Lessee must be current with all rent payments due up to and including the expiration of the thirty (30) day notice period;
- (b) The notice of termination is given not later than thirty (30) days prior to the expiration of the Initial term;
- (c) The Lessee will continue to be liable for any damage caused to the lands or any other breach of any of the terms of this lease during the Initial term prior to termination hereunder;
- (d) The Lessee shall, at the Lessee's expense, restore the Lands to its original condition at the commencement of the Lease.

4.02 Upon expiration of the notice aforesaid received by the Minister and subject to the conditions aforesaid, this lease shall determine absolutely with no further obligation by the Lessee to pay rent or to perform the covenants herein contained.

5.00 Minerals

5.01 The Lessee will allow Her Majesty, Her officials, employees, agents, lessees and licensees to retain the right to enter on the premises to prospect and drill for and to work minerals subject to notice being provided to the Lessee.

5.02 Any compensation to be paid for interference with this lease pursuant to Section 5.01 will be determined by the Minister who will provide the Lessee with notice of the compensation to be paid, such notice to be provided to the Lessee at least fourteen (14) days prior to the entering on the premises to prospect and drill for and to work minerals.

5.03 If the Lessee disagrees with the compensation as determined by the Minister pursuant to section 5.02, then it may at its expense within sixty (60) days from the Minister giving the Lessee notice of compensation refer the matter to the Federal Court for a new determination of compensation pursuant to section 17 of the Federal Court Act. If the Lessee fails to refer the matter to the Federal Court within the specified time then the compensation will be deemed to be that set out in the Minister's notice.

6.00 Rent

6.01 The Lessee will pay as rent the following amount in the manner hereinafter

provided.

6.01.1 The rent for the initial term shall be Ninety-two Dollars (\$92.00) payable in advance on or before July 1, 1992.

6.01.2 The sum of One Hundred Ninety-two Thousand Three Hundred Eighty-five Dollars and Eighty-eight Cents (\$192,385.88) shall be paid by the Lessee to Her Majesty in advance on the 30th day of December, 1999.

7.00 Payment of Rent

7.01 The lessee will pay all rents payable hereunder without deduction, abatement or set-off whatsoever and without any demand for rent being made.

7.02 All rents under this lease will be paid by cheque or bank draft in favour of the Receiver General for Canada at the office of the Minister designated in Article 57.00 of this lease, or, if permitted or required in writing by the Minister, by cheque or bank draft in favour of such other person or at such place as may from time to time be designated by the Minister. In order to constitute due payment of rent any cheque or bank draft tendered in payment must be paid upon presentment at a chartered bank, credit union or trust company in British Columbia at any time within a reasonable time period being not less than thirty (30) days.

8.00 Scope of Lessee's Covenants

8.01 All agreements, terms, conditions, provisos, duties and obligations to be performed or observed by the Lessee under this lease shall be deemed to be Lessee's covenants and all the Lessee's covenants in this lease are made with Her Majesty for the Lessee and for its successors and assigns.

9.00 Subdivision

The Lessee shall have the option to subdivide the lands into lots by way of Lands Subdivision Plan to facilitate the Lessee's desire to sub-lease the lots to purchasers.

10.00 Assignment

10.01 Except as provided in Article 12.00, the Lessee shall not assign the whole or any part of this lease without the prior written consent of the Minister, which consent may not be unreasonably withheld.

10.02 Consent to any assignment shall not be construed as consent to any other assignment.

10.03 Without limiting section 10.01, the Lessee will obtain from any proposed assignee of the whole or any part of this lease a written agreement, under seal and in a form approved by the Minister, whereby the Assignee covenants and agrees with Her Majesty that upon the Minister's consent to the assignment it will observe and perform all of the covenants and agreements to be observed or performed by the Lessee under this lease, and the Lessee will deliver the agreement to the Minister prior to obtaining the Minister's consent to the assignment.

11.00 Subletting

11.01 Except as provided in Article 12.00 and provided the Lessee is not in default under this lease, the Lessee shall not sublet or part with possession of the whole or any part of the premises without the prior written consent of the Minister, which consent may not be unreasonably withheld.

11.02 Each sub-lease consented to pursuant to section 11.01 must include the following provisions:

- (a) No sub-lease will be for a period which will extend beyond one day before the expiration of the term of this lease;
- (b) No sub-lease will release or impair the continuing obligations of the Lessee hereunder, or discharge the Lessee of or from any liability, whether past, present, or future under this lease, and the Lessee will continue fully liable hereunder;
- (c) Each sub-lease will be expressly subject and subordinate to this lease and to the rights of Her Majesty hereunder and will terminate upon the termination of this lease;
- (d) Each sub-lessee has agreed in writing to comply with and be bound by all applicable terms, covenants, conditions, provisos and agreements of this lease and that in the event of conflict between the provisions of this lease and the sub-lease, the provisions of this lease will govern;

11.03 All sub-leases issued under this lease must be submitted for registration in accordance with Article 13.00 in the Indian Lands Registry.

12.00 Mortgage

12.01 Notwithstanding anything or any other provision in this lease the Lessee shall not

mortgage the whole or any part of the interest of the Lessee in this lease by any means without the prior written consent of the Minister, which consent shall not be unreasonably withheld.

12.02 Notwithstanding anything else in this lease, any mortgage by the Lessee of the whole or any part of the interest of the lease and any consent of the Minister to such a mortgage shall be subject to the following conditions:

- (a) If the mortgagee takes possession of the premises or acquires the Lessee's equity of redemption then the mortgagee shall covenant and agree under seal with Her Majesty to perform and observe all the Lessee's covenants and agreements under the lease until the lease is duly assigned to an assignee with the Minister's consent and the assignee covenants and agrees as provided in sub-section 12.02(c);
- (b) The mortgagee will not cause or permit any assignment of the leasehold interest pursuant to the exercise of the mortgagee's remedies under its mortgage or at law without the prior written consent of the Minister which consent shall not be unreasonably withheld;
- (c) The mortgagee will cause any assignee of the leasehold interest under an assignment referred to in sub-section 12.02(b) to covenant and agree under seal with Her Majesty to perform and observe all the Lessee's covenants and agreements under the lease;
- (d) The mortgagee will provide that the proceeds of all insurance policies with respect to the Premises will be used solely for rebuilding or repairing the loss or damage to the premises.

12.03 If any of the conditions in section 12.02 are not observed or performed then consent to the mortgage will be deemed not to have been given and a failure to observe or perform a covenant of this lease as referred to in Article 41.00 will be deemed to have occurred.

12.04 Subject to section 12.02 and 12.03, consent by the Minister to any mortgage shall be deemed to include consent to the right of the mortgagee to exercise any power of sale or any other remedy with respect to the leasehold interest under the mortgage not inconsistent with the provisions of this lease.

12.05 Any mortgage granted by a purchaser of a sub-lease shall be subject to the following conditions:

- (a) If the mortgagee takes possession of the sub-lease premises or acquires the sub-lessee's equity of redemption, the mortgagee shall provide written notice to Her Majesty;
- (b) If the mortgagee after taking possession of the sub-lessee premises or acquires the

sub-lessee's equity of redemption, the mortgagee will not cause or permit any assignment of the leasehold interest pursuant to the exercise of the mortgagee's remedies under its mortgage or at law without the prior written consent of the Minister, which consent shall not be unreasonably withheld.

13.00 Consent and Registration

13.01 The Lessee will provide the Minister with four copies of every document with respect to a disposition of the leasehold referred to in Articles 10, 11 or 12 as requiring the Minister's consent. These copies will be originally executed copies and must be in a form acceptable for registration by the Registrar of the Indian Lands or anyone in any successor office or anyone duly authorized to act for the Registrar.

13.02 The Minister's consent to any disposition of the leasehold will not constitute any assurance to anyone that the disposition will be registered by the Registrar for Indian Lands or relieve the Lessee from the obligation to provide the form of document required for registration.

13.03 Neither the granting of this lease nor anything contained in it will be construed as an agreement or assurance by the Minister that this lease or any assignment, sublease, mortgage or other disposition of the leasehold can or may be registered in the Provincial Land Title or Registry Office.

14.00 Utilities

14.01 The Lessee is responsible for providing at its expense all services and facilities required by it for use of the premises.

14.02 Without limiting the generality of the foregoing, the Lessee will pay for all water, gas, telephone, light, power, heat, air conditioning, sewer and garbage disposal service and facilities for use of the Premises.

14.03 No interruption of any service or facility provided to the premises which is not caused by Her Majesty, Her officials, employees or agents will be deemed to be a disturbance of the Lessee's enjoyment of the premises or render Her Majesty liable for injury to or in damages to the Lessee or relieve the Parties from their obligations under this lease.

15.00 Taxes

15.01 Subject to the provisions of section 15.02, but without limiting the generality of Article 16.00, the Lessee will pay by the due date in each and every year during the term all taxes, trade licences, rates, levies, duties and assessments of any kind lawfully imposed by any

competent authority, whether in respect of the premises, fixtures, machinery, equipment or business relating to the premises or in respect of occupation of the premises by anyone.

15.02 Without relieving or modifying the obligation of the Lessee to comply with Section 15.01, the Lessee may at its expense, contest or appeal the validity or amount of any tax, trade licence, rate, levy, duty or assessment PROVIDED that the Lessee commences any proceedings to contest or appeal the validity or amount forthwith and continues with the proceedings with all due diligence.

15.03 The Lessee will upon request by the Minister and within thirty (30) days after the date taxes, trade licences, rates, levies, duties or assessments are due provide the Minister with official receipts of the competent authority or other proof satisfactory to the Minister evidencing payment.

16.00 Compliance with Laws

16.01 The Lessee will at its expense observe and perform all of its obligations and all matters and things necessary or expedient to be observed or performed by it by virtue of any applicable law, statute, by-law, ordinance, regulation or lawful requirement of the federal, provincial or municipal government or authority, the Band Council or any public utility company lawfully acting under statutory power.

16.02 If any statutory notice is given lawfully requiring the execution of works by the Lessee at the premises during the term, and

- (a) if notice is served upon the Lessee, the Lessee will forthwith forward it to, or a copy of it to the Minister and will (unless a certificate of exemption is obtained from the respective statutory authority) forthwith, at its expense, execute such works as are necessary to comply with the notice, or
- (b) if the notice is served upon the Minister, the Minister will forthwith forward it or a copy of it to the Lessee and thereupon the Lessee will, forthwith, at its expense, execute such works as are necessary to comply with the notice, and
- (c) the Lessee will forthwith upon completion of the works required by statutory notice, provide evidence satisfactory to the Minister of compliance with the terms of the statutory notice, including any certificates of inspection issued in respect of the works.

16.03 If the Lessee contests the validity of any requirements set out in section 16.01, proceedings relating thereto must be commenced before the expiration of 60 days after the Lessee has first been notified of any breach of such requirements.

16.04 The Lessee will indemnify and save harmless Her Majesty from all loss, damage, costs, and expenses suffered by Her Majesty by reason of the Lessee undertaking such

proceeding and the Lessee will conduct such proceedings with all due diligence.

17.00 Use of Premises

17.01 During the initial term the Lessee may enter upon and have free and uninterrupted access to the Lands subject to:

- (a) There shall be no improvements whatsoever constructed upon the Lands without the consent of the Minister first obtained in writing;
- (b) The Lessee, its employees or agents shall not disturb the soil, trees or shrubs on the Lands except as is required to conduct surveys, complete the development plan and environmental assessment report required by this Lease.
- (c) Shall not remove, alter or destroy any improvement existing on the Lands as at the 1st day of July 1992.

17.02 During the term the Lessee may firstly, subdivide the Lands by CLSR survey into lots of a size and configuration as shall be set out in a development plan to be submitted by the Lessee to Her Majesty and approved as hereinafter provided and in accordance with the provisions set out in Schedule "A" attached hereto, and secondly, construct and develop either on the Lands, lots or any part thereof, single family apartment complexes, single-family residences, multi-family residences, portable residential homes, mobile home parks, business premises to service the neighbourhood areas for either sub-lease to purchasers or tenants at such rates and pursuant to such terms and conditions as shall be determined by the Lessee in its sole discretion.

18.00 Nuisance

18.01 The Lessee will not cause, permit or suffer any nuisance at the premises.

18.02 Without limiting section 18.01, the lessee will, upon written notice from the Minister, abate any nuisance arising directly or indirectly out of the use or occupation of the premises by the Lessee or someone else. Written notice under this Article will be deemed to be an order of the Minister for the purposes of Article 37.00.

18.03 The normal carrying on at any time by the Lessee of the uses permitted by section 17.02 to the standards required of it under the provisions of this lease will not be considered to be a nuisance for the purpose of this Article.

19.00 Waste

19.01 Except as permitted by section 19.02, the Lessee will not cause, permit or suffer the commission of any waste of the premises.

19.02 Except as required by construction and installations expressly permitted by this

lease, and except as permitted in writing by the Minister, the Lessee will not cause, permit or suffer the removal from the lands of any sand, gravel, marl, topsoil, or other material constituting part of the premises.

20.00 Rubbish

20.01 Without limiting Article 18.00, the Lessee will not cause, permit or suffer any rubbish or debris to be placed or left at the premises except as is reasonably necessary in accordance with the uses permitted by section 17.02 or as permitted in writing by the Minister.

21.00 Environmental Standards

21.01 Without limiting the generality of Article 16.00 the Lessee will at all time conduct all business or activities on the Lands in compliance with all applicable environmental laws, statutes, by-laws, ordinances, regulations, notices, orders, or lawful requirements of the federal, provincial, municipal government or authority, the Band Council or other lawful authority.

21.02 Without limiting the generality of Article 16.00 and notwithstanding section 21.01 the Lessee will ensure that all sub-lessees conduct environmental assessments compatible with the Environmental Assessment and Review Process Guidelines Order (SOR/84-467) 1984, or its successor legislation and any regulation made thereunder, and compatible with all applicable federal policies and procedures, as amended or replaced including all such amendments made subsequent to the effective date of this Lease.

21.03 The Lessee will design, construct, operate, maintain and decommission the Works in accordance with all specifications mitigative measures, and environmental protection measures described in the Environmental Impact Statement which specifications, mitigative measures and environmental protection measures become conditions which form part of this Lease.

21.04 If the Lessee at the expiration of the initial term has not either completed an environmental assessment of the Lands pursuant to the Canadian Environmental Protection Act and the "Guidelines" as provided in this Lease or such environmental assessment so completed indicates that the development on the Lands cannot proceed, this Lease will automatically terminate at the expiration of the initial term.

22.00 No Contaminants

22.01 Without limiting the generality of Article 16.00 no contaminants or toxic substances as defined under the Canadian Environmental Protection Act as amended or replaced from time to time or as defined under the equivalent provincial legislation, as amended or replaced, will be used, emitted, discharged or stored on the Lands or any adjacent land by the Lessee, its employees or sub-lessees except in strict compliance with all applicable laws, statutes, by-laws, ordinances, regulations, notices, orders, or lawful requirements of the federal, provincial, municipal government or authority, the Band Council or other lawful authority.

23.00 No Residual/Adverse Impact

23.01 At all times there will be no residual adverse environmental impacts as a result of the use of the Lands or the activities of the Lessee, its officers, directors, invitees, agents, employees, and sub-lessees.

24.00 Mitigation of Environmental Impacts

24.01 The Lessee will notify the Minister pursuant to Article 57.00 of any detrimental environmental impacts immediately upon discovery by the Lessee. Should the operations and activities of the Lessee, its officers, directors, invitees, agents, employees and sub-lessees contribute to any detrimental environmental impacts for which the Minister considers remedial action is necessary, in accordance with regulations and standards established by applicable Federal and Provincial Legislation, the Lessee hereby agrees to undertake immediately and pay the costs of such remedial action.

24.02 The Lessee will implement the appropriate technology, design or repair to mitigate anticipated or actual adverse environmental impacts attributable to the Lessee's use of the Lands immediately following discovery or notice thereof by the Lessee. Further, the Lessee will permit the Minister's representatives to enter onto the Lands at all times to inspect and monitor the Lessee's activities and to ensure that the Lessee has mitigated any anticipated or actual adverse impacts on the environment to the satisfaction of the Minister.

25.00 Alterations and Additions

25.01 Except as provided in Articles 26.00, 27.00 and 35.00 the Lessee will not alter, remove, add to, replace or make substitution for the Premises without having received the written consent of the Minister which consent may not be arbitrarily withheld.

25.02 The Lessee will at its expense complete or cause to be completed all alteration, removals, additions, replacements and substitutions in accordance with the provisions of Article 28.00.

26.00 New Improvements

26.01 Except as provided under this Article and Articles 17.00, 27.00 and 35.00, the Lessee will not construct any new buildings, structures or other improvements on, under or above the Lands.

26.02 The Lessee shall submit complete and detailed plans and specifications for any improvements that it will construct for either purchasers or sub-lessees in accordance with the permitted uses referred to in Article 17.00 including the following plans and specifications and all other documents as may be reasonably required by the Minister to enable him to determine conveniently whether or not the proposed construction of improvements will comply with the provisions of Article 28.00 all of which plans, specifications and other documents shall be hereinafter collectively called the "Development Plan".

Subject to the provisions hereinbefore set out, the following plans and specifications shall be provided to Her Majesty by the Lessee:

Site All site plans drawn to scale, including any as constructed plans where available, showing the following required features with appropriate dimensions:

- (a) Boundary lines with dimensions and acreage;
- (b) Natural and artificial features of subject property and adjacent property, including improvements (buildings, easements, railway lines, pipelines, watercourses, culverts, ditches, etc.);
- (c) "North" arrow;
- (d) Title block including drawing scale, date, developer's name and address, reference numbers;

Roads (a) Location, dimension and size;
(b) Construction specifications.

Buildings (a) Location, dimension and size (number of units, number of storeys, floor area, number of rooms) of all proposed buildings and accessory facilities;
(b) Dimensions of front yard, side yards, rear yard;
(c) Construction specifications.

Sanitary Disposal

- (a) Location and size of on-site sanitary sewer connections;
- (b) Construction specifications.

Water Supply

- (a) Location and size of existing and/or proposed water mains;
- (b) Construction specifications.

26.03 Unless and to the extent the Minister otherwise agrees in writing, the development plan shall be prepared by a professional architect or engineer licensed to practice as an architect or engineer in British Columbia.

26.04 The Minister may approve the development plan as submitted, or may require amendments or revisions to the development plan to ensure compliance with the provisions of Article 28.00. Such amendment or revision must be completed within thirty (30) days of the date of notice in writing of such requirement being received by the Lessee and the development plan as amended or revised must be re-submitted to the Minister for approval.

26.05 No approval or failure to approve by the Minister of the development plan will be construed as an assumption of responsibility in any way by the Minister for the development plan or any work completed in accordance with the development plan.

26.06 Upon receipt of the Minister's approval of all aspects of the development plan the Lessee will promptly carry out such work as provided in the development plan and of which the Minister approved. Once the Lessee has commenced the work it will proceed with all due diligence to completion.

26.07 Without limiting the generality of the foregoing, the Lessee will develop the Premises in accordance with the development plan as approved and the provisions of Article 28.00.

26.08 Upon completion of each stage of construction of an improvement on the lands, lots or part thereof, commencing with the construction of foundations and including the lockup stage, the rough completion stage and the final completion stage, the Lessee will provide the Minister with a certificate prepared by an engineer licensed to practice as an engineer in British Columbia, certifying that the work has been completed in accordance with the standards set forth in Article 28.00 herein.

26.09 If the Lessee fails to complete the development of the Premises in accordance with the development plan, the Minister may, on 30 days written notice to the Lessee, terminate the lease with respect to that portion of the Premises where on the development plan has not been carried through to completion without any apportionment or rebate of the rent paid, and everything herein contained and the estate or term with respect to that portion of the Premises will absolutely cease, determine and be void without reentry, or any other act or any suit or legal proceedings to be brought or taken, provided the Minister will nevertheless be entitled to recover from the Lessee the rent then accrued or accruing, and moreover that any right of action by Her Majesty against the Lessee in respect of any antecedent breach of any of the covenants, provisions, stipulations or conditions contained in this lease will not be thereby prejudiced.

27.00 Repair of Premises

27.01.1 Subject to sub-section 27.02 the Lessee will at all times during the term at its expense, repair, renew and maintain all improvements which it either occupies for its own use or sub-leases pursuant to a month to month tenancy in a good and tenantable condition in every respect as would a careful owner and occupier excepting reasonable wear and tear only as is not inconsistent with the foregoing.

27.01.2 Without limiting section 27.01.1, the maintenance of the electrical, heating, ventilating, air conditioner, water and sewer systems will include all inspections, cleaning, oiling and adjustments and all replacements of bulbs, ballasts and filters.

27.01.3 Without limiting section 27.01.1, the maintenance of any and all lawns and gardens constituting part of the premises will include all cutting, pruning, cultivating, weeding, fertilizing and watering in order to keep the lawns and gardens in a neat, tidy and healthy condition.

27.01.4 The rent will not abate whether the damaged improvements are rendered partially or wholly unfit for the purpose of the Lease.

27.02 With respect to improvements constructed on the lands, lots or any part thereof which are sub-leased by the Lessee to purchasers whereby the term of the lease is in excess of one (1) month, the Lessee shall set out as a provision of such sub-leases that the sub-lessees will substantially repair, renew and maintain all improvements in a good and tenantable condition and in every respect as would a careful owner and occupation excepting reasonable wear and tear only as is not in consistent with the foregoing.

27.03 The Lessee will complete all repair and renewal under this Article in accordance with the provisions of article 28.00.

27.04 Whenever repair or renewal pursuant to this Article requires substantial altering, removing, adding to or replacing or making substitution for the premises, the lessee will not undertake the work without having received the written consent of the Minister, which consent will not be unreasonably withheld.

28.00 Construction Requirements

28.01 Without limiting Article 16.00, all construction and other work on the premises will be carried out and completed to a standard and quality at least as high as those of any improvements which are being repaired, restored, renewed, replaced or substituted and in accordance with the standards set out in Schedule "A" to this lease, as those standards may be amended or replaced from time to time. If there is a conflict among any of the standards in Schedule "A" or if they cover the same subject matter then the highest standard will apply and if any standard is inapplicable for any reason the remaining standards will continue to apply in full force and effect.

28.02.1 Whenever construction or other work under this lease requires the Minister's consent, the Minister may as a prerequisite to deciding whether or not to consent require that the lessee provide him with complete and detailed plans and specifications of the work, including all documents as will enable the Minister to determine conveniently whether the work will comply with the provisions of this Article.

28.02.2 Unless and to the extent the Minister otherwise agrees in writing all such plans and specifications shall be prepared by a professional architect or engineer licensed to practice as an architect or engineer in British Columbia.

28.02.3 If the Minister requires plans and specifications pursuant to section 28.02.1 then the Lessee will carry out only such work as provided in the plans and specifications and to which the Minister has consented. Once the Lessee has commenced the work it will proceed with all due diligence to completion.

28.02.4 No consent or failure to consent by the Minister to plans and specifications referred to in section 28.02.1 or to the work will be construed as an assumption of responsibility in any way, by the Minister for those plans or specifications or any work completed in accordance with them.

29.00 Signs

29.01 The Lessee will not at any time during the term affix or exhibit upon the Premises any sign or other advertising device except with the prior written consent of the Minister and except where necessary for carrying out the purpose permitted by Article 17.00.

29.02 The Minister from time to time at all times during the Term may have any sign at the Premises examined, and the Lessee will repair, strengthen, or remove the sign upon notice from the Ministry, and if the Lessee fails to comply with the notice to repair or strengthen the sign, the Minister may, but will not be obligated to, repair or strengthen the sign or remove the sign and the costs, charges, and expenses of doing so will be forthwith paid by the Lessee as additional rent.

29.03 The giving of notice or the undertaking or repairs, strengthening or removal of any sign by the Minister under this article will not be deemed an acknowledgement or admission of any liability or responsibility on the part of her Majesty.

29.94 No consent by the Minister to any sign will be construed as an assumption of responsibility in any way by the Minister for that sign.

30.00 Liability Insurance

30.01 The Lessee will forthwith effect and maintain at its expense with one or more companies satisfactory to the Minister, comprehensive general liability insurance (the "Liability Insurance") in the joint names of the Lessee and Her Majesty against claims for personal injury, death or property damage or loss occurring at or about the premises.

30.02 The liability insurance will provide protection to the limit of not less than Two Million Dollars (\$2,000,000.00) in respect of any one occurrence or to such other reasonable limit as the Minister may notify the Lessee in writing from time to time. If the Lessee disagrees with the Minister's determination of a reasonable limit it may at its own expense within sixty (60) days after the notice refer the matter to the Federal Court of Canada under section 19 of the Federal Court Act for a new determination of a reasonable limit. Until the Court makes a new determination, the Lessee will insure to the limit provided in the Minister's notice.

31.00 Property Insurance

31.01 The Lessee will forthwith effect and maintain at its expense with one or more companies, property insurance (the "Property Insurance") in the joint names of the Lessee and Her Majesty, insuring those improvements which are either occupied by the Lessee or which the Lessee sub-leases on a month to month basis against loss or damage by fire and other perils under customary supplementary coverage.

31.02 The Lessee shall have inserted in any sub-lease that has a term greater than one month, a provision that the sub-lessee shall effect and maintain at its expense, with one or more companies, property insurance in the joint names of the sub-lessee, the lessee, and Her Majesty,

insuring those improvements which are occupied by the sub-lessee against loss or damage by fire and other perils under customary supplementary coverage.

31.03.1 The property insurance aforesaid will insure all improvements for one hundred percent (100%) of their full replacement cost.

31.03.2 Notwithstanding the foregoing, if an insurance policy required under this lease contains a co-insurance provision then the lessee will at all times maintain sufficient insurance to prevent Her Majesty and the Lessee from being co-insurers.

32.00 Insurance Provisions

32.01 Every insurance policy required under this lease will to the extent that it is obtainable contain an agreement by the insurer that it will not cancel or substantially alter the policy without first giving each of the insureds at least thirty (30) days prior written notice.

32.02 The liability insurance will contain a provision for cross liability between Her Majesty and the lessee and the property insurance will contain a waiver of subrogation so that the insurance will protect Her Majesty and the Lessee as if they were fully insured under separate policies.

33.00 Insurance Validation

33.01 The Lessee will not do, permit or suffer anything to be done at the premises which might cause any policy of insurance required by this lease to be invalidated or cancelled, and the Lessee will either comply forthwith with every notice in writing from the Minister or any insurer requiring the execution of works or discontinuance of any use of the premises in order to avoid invalidation or cancellation of any insurance or will pay an increased premium to obtain the appropriate insurance to cover any activity which initially resulted in the policy of insurance being invalidated or cancelled.

33.02 The Lessee releases Her Majesty from all liability for loss or damage caused by any of the perils against which it has covered to insure, even though the loss or damage may arise out of the negligence of Her Majesty, Her Official, employee or agent.

33.03 The Lessee will deliver certificates of the insurers evidencing every policy of insurance that is required by this lease to the Minister immediately after the insurance is effected and will deliver a certificate of renewal or other evidence satisfactory to the Minister that the insurance has been renewed or replaced to the Minister at least ten (10) days before the expiry of any policy of insurance in force.

33.04 The Lessee will, upon written request from the Minister, deliver a certified copy of every insurance policy requested by the Minister.

34.00 Indemnity

34.01 The Lessee will indemnify and save harmless Her Majesty against and from all loss, costs and expense arising out of or related to any breach of a Lessee's covenant and all claims, demands, actions, suits and other proceedings for personal injury, death or property damage or loss arising out of or related to any act, or omission of the Lessee, its officials, employees or agents or any act or omission of a sublessee under this lease, its officials, employees or agents.

34.02 Notwithstanding section 34.01, the Lessee's covenant to indemnify and save harmless will not apply to any claim, demand, loss, cost, damage, action, suit or other proceeding to the extent that same is occasioned or contributed to by either the negligence or willful act or omission of Her Majesty, Her officials, employees or agents or as a result of the breach of any term or provision of this lease by Her Majesty, Her officials, employees or agents.

35.00 Replacement on Destruction

35.01 If during the term any improvements (in this Article called the "Damaged Improvements") are damaged or destroyed by fire or any other cause so as to render either the premises or the sub-lessee premises or any part thereof unfit for the purposes of the Lessee or any sub-lessee as provided in Article 17.00 the provisions of this Article will have effect.

35.02 The Lessee may in its discretion determine whether or not to restore and repair the damaged improvements PROVIDED that it notifies the Minister of its decision in that regard within sixty (60) days of the damage or destruction occurring and PROVIDED further that notice to the Minister of the Lessee's decision not to restore or repair will not be considered valid or effective unless it includes the written consent of all mortgagees to whose mortgages the Minister has consented.

35.03.1 If the Lessee determines to restore or repair the damaged improvements or if it fails to give the Minister notice as provided in section 35.02 then it will provide the Minister with complete and detailed plans and specifications of the proposed restoration or repair together with an estimate of the full cost of the restoration or repair and will restore or repair the damaged improvements to the same as or better condition than that which existed immediately prior to the damage or destruction without allowance for deterioration and will carry out the work with diligence and dispatch. Without limiting the generality of the foregoing, the Lessee will at its expense complete all restoration and repair in accordance with the provisions of Article 28.

35.03.2 The plans and specifications and the cost estimate referred to in section 35.03.1 will be prepared and signed by an architect or engineer licensed to practise in British Columbia.

35.03.3 Without limiting the foregoing, the Lessee will at its expense complete all restoration and repair in accordance with the provisions of Article 28.00.

35.04 If the Lessee notifies the Minister pursuant to sub-section 35.02 that it has determined not to restore or repair the Damaged Improvements, then:

- (a) except as otherwise expressly provided in this Lease, this Lease will cease,

determine and be void from the date the Minister is notified pursuant to section 35.02 of the Lessee's determination not to restore and repair the Damaged Improvements, and the Minister may re-enter the Premises and possess and enjoy them as if this Lease had not been made;

- (b) notwithstanding anything to the contrary contained in this lease the insurance proceeds will be applied firstly, to restoration of the Lands provided aforesaid, secondly to payment of any mortgage of lease registered against the Lands as provided in this Lease and thirdly, to Her Majesty.

35.05 The rent will not abate whether the damaged improvements are rendered partly or wholly unfit for the purpose of the lease.

PROVIDED that Her Majesty will be entitled to recover from the Lessee the rent then accrued or accruing up to the date the Minister is notified pursuant to sub-section 35.02 of the Lessee's determination not to restore and repair the Damaged Improvements, and enforce any right of action against the Lessee in respect of any antecedent breach of any of the Lessee's covenants, including a right of action under Article 35.

36.00 Insurance Proceeds

36.01 If the Lessee has determined to restore or repair or has failed to give notice as provided in section 35.02 and if the Minister has consented in writing to the payment of insurance proceeds to the Lessee then the proceeds shall be paid to the Lessee in trust to apply to the costs of restoration or repair of the premises. The cost of the repairs or restoration shall be borne by the Lessee whether or not it exceeds the insurance proceeds.

36.01.1 If the Lessee has determined to restore or repair or has failed to give notice as provided in section 35.02 and if the Minister has required in writing that insurance proceeds to be paid to a trustee then the proceeds shall be paid to the trustee, appointed by the Minister, to hold on behalf of Her Majesty, the Lessee and any leasehold mortgagees to whose mortgages the Minister has consented and to be applied in accordance with the provisions of this Article. The Lessee will do all things necessary or convenient to facilitate this payment.

36.01.2 Work in progress shall be paid for instalments as progress payments out of the insurance proceeds, provided that the trustee at all times shall retain sufficient of the insurance proceeds to pay for the estimated cost of the restoration or repair remaining to be completed and any trustee fees and costs remaining to be paid at the date the payment is made. The Lessee shall pay and be responsible for the cost of the restoration or repair and the fees and costs of any trustee in excess of the insurance proceeds.

36.01.3 Any progress payments to be made under this Article by the trustee to the Lessee shall not be made without the submission of a statement, certified by an architect or engineer for the Lessee stating the estimated amount required to complete the restoration or repair at the date of the certificate, the amount claimed by individual contractors at that date, the amount owing on work already done, and the amount of any payments made at the date of the certificate for work already done, and verifying the standard and quality of the work already done.

36.02 Before any contract is entered into by the Lessee for the carrying out of any

restoration or repair work pursuant to article 34.00, copies of the estimates for the work and the contracts for the completion of the work shall be submitted by the Lessee to the Minister, the leasehold mortgagees to whose mortgages the Minister has consented and any trustee appointed pursuant to section 36.01.1.

36.03 If this lease expires or is otherwise terminated for whatever cause, insurance proceeds then remaining with the trustee after payment of any trustee's fees and costs shall be paid to Her Majesty for Her Majesty's use and benefit.

36.04 The Lessee will pay and be responsible for the cost of the restoration or repair and fees and costs of any trustee in excess of the insurance proceeds.

37.00 Removal of Buildings, Fixtures and Chattels

37.01 At any time during the term or within one hundred twenty days (120) after the expiration or sooner termination of this lease, the Lessee may, if not in default hereunder, at the Lessee's own expense remove from the lands all the Lessee's moveable goods, chattels and trade fixtures and all buildings and improvements placed on the premises by the Lessee PROVIDING the following conditions are met:

- (a) The Lessee has not earlier than ninety days (90) and not later than sixty days (60) before the expiration or earlier termination of this lease, given to the Minister written notice of its intention to remove the buildings, fixtures and improvements; and
- (b) The Lessee completes the work of removal not later than one hundred twenty days (120) after expiry or the termination date of the term;
- (c) The Lessee has given to the Minister performance bonds in such amount as the Minister may require to cover the cost of removal of the tenant's fixtures and improvements placed on the premises by the Lessee and to enable the Minister to complete removal and restore the premises to a neat, clean and tidy state.

Provided that and notwithstanding the above, the Lessee may, if not in default hereunder, at the Lessee's own expense, remove from the Lands or any Lots created therefrom at any time during the term of this Lease, portable residential housing units.

37.02 Subject to section 37.03, the Lessee shall upon the expiration or earlier termination of this lease, or upon removal of buildings, fixtures and improvements pursuant to section 37.01, whichever is later, leave the premises in good and substantial repair and condition and free of all debris to the reasonable satisfaction of the Minister.

37.03 Upon written demand by the Minister given on or before the ninetieth day after the expiration or earlier termination of this lease, the Lessee will at the Lessee's own expense immediately upon the expiration or earlier termination of this lease or upon demand being given, whichever is later, remove from the premises all buildings and other improvements constituting part of the premises including without limiting the generality of the foregoing, all the Lessee's moveable goods, chattels and trade fixtures, or such of them as the Minister may require to be

removed from the premises and leave the remainder of the premises in good substantial repair and condition and free from all debris to the reasonable satisfaction of the Minister.

38.00 Quiet Enjoyment

38.01 The Lessee by paying the rent and observing and performing the covenants in this lease may peaceably and quietly possess, hold and enjoy the premises during the term without any interruption or disturbance by Her Majesty.

39.00 Forfeiture

39.01.1 If the Lessee:

- (a) fails to pay any rent or any other sum required to be paid by the lessee when due under this lease, or
 - (b) Fails to perform or observe any other covenant of this lease,
- then the Minister may give the Lessee notice of the default.

39.01.2 If the Minister gives the Lessee notice of default under section 39.01.1 and either:

- (a) the default is a default mentioned in subsection 39.01.1(a) or is reasonably capable of being cured with in thirty (30) days after the notice is given and the Lessee fails to cure the default within thirty (30) days; or
- (b) the default is not a default mentioned in subsection 37.01.1(a) and is not reasonably capable of being cured within thirty (30) days after the notice is given and the Lessee fails to commence to cure the default promptly upon receipt of the notice and to proceed to cure it with all due diligence to completion;

then the Minister may by notice to the Lessee subject to section 37.03 and 37.04 declare the term ended.

39.02.1 If the Minister declares the term ended as provided in section 37.01.2, then except as otherwise expressly provided in this lease, this lease and everything contained in it and the term will thereupon absolutely cease, determine and be void without re-entry or any other act or legal proceedings, and the Minister may re-enter the premises and possess and enjoy it as if the lease had not been made.

39.02.2 Notwithstanding a declaration by the Minister that the term has ended, Her Majesty will be entitled to recover from the Lessee the rent then accrued or accruing, and enforce any right of action against the Lessee in respect of any antecedent breach of any of the Lessee's covenants including a right of action under Article 34.00.

39.03 No notice to the Lessee under subsection 39.01.1, will be either valid or will the

notice period commence for any purpose unless and until a copy of such notice is also given to any leasehold mortgagee to whose mortgage the Minister has consented under this lease, and who has provided the Minister in writing with an address in British Columbia to which the Minister may mail and deliver copies of notices. The copy of such notice may be given to the leasehold mortgagee at the address specified by the mortgagee and otherwise on the same terms and conditions as applicable to notices referred to in Article 57.00. The mortgagee may change its address from time to time by notice to the Minister in the same manner as notices are provided to the Minister under Article 57.00.

39.04 Any curing of a default either by a mortgagee of the Lessee's interest or of a sub-lessee's interest will be construed as curing default by the Lessee.

39.05 If any disagreement arises as to whether the curing of any default is promptly commenced or is proceeded with due diligence, the question may be referred to the Federal Court in accordance with Article 56.00 of this lease.

40.00 Insolvency

40.01 If the Lessee becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or if it is a corporation and proceedings are begun to wind it up then any monies due and payable shall immediately become due and payable.

41.00 Performance of Covenants

41.01 All agreements, terms, conditions, provisos, duties and obligations to be performed or observed by the Lessee under this Lease will be deemed to be the Lessee's covenants and all of the Lessee's covenants in this Lease are made with Her Majesty for the Lessee and for its successors and assigns.

41.02 If the Lessee fails to perform any Lessee's covenant, then without limiting any other remedy of the Minister under this lease the Minister may order the Lessee in writing to perform the covenant, and if the Lessee does not perform it within thirty (30) days of such order the Minister may but will not be obligated to do whatever is reasonably necessary to perform it. The Lessee will pay to Her Majesty as additional rent any reasonable cost or expense incurred by the Minister in performing the covenant forthwith upon demand by the Minister.

41.03 The Lessee will provide the Minister, his officials, employees, agents, contractors, and sub-contractors, with and without vehicles and equipment, convenient access to the premises at all reasonable times for the purpose of viewing the Premises and otherwise determining that the Lessee's covenants are being duly observed and performed.

41.04 The Lessee will also provide the Minister, his officials, employees, agents, contractors and subcontractors with and without vehicles and equipment all necessary access to the premises for the purpose of performing the Lessee's covenants pursuant to section 41.01.

42.00 Distress

42.01 Her Majesty will be entitled to levy distress against the chattels and trade fixtures of the Lessee and the Minister on behalf of Her Majesty may use such force as he deems necessary for that purpose and for gaining admittance to the premises without being liable for any action or for any loss or damage occasioned by the distress or the use of force.

43.00 Right of the Minister to Relet

43.01 If the Lessee is in default of the provisions of this lease, the Minister shall have the right, at his option, to enter the premises as the agent of the Lessee either by force or otherwise without being liable for any action or for any loss or damage occasioned by the entry or the use of force and to relet the premises as the agent and at the risk of the Lessee, and to receive the rent for any reletting.

43.02 Rent for any reletting under section 43.02 may be applied by the Minister to any expenses incurred by him in the re-entry of the premises and in the reletting and to any other monies owing to Her Majesty under this lease in such proportions and in such order of priority as the Minister may decide.

43.03 The Minister will not be construed as re-entering the premises as agent of the Lessee if prior to the re-entry the Minister has declared the term ended.

43.04 Notwithstanding a re-entry by the Minister, Her Majesty will be entitled to recover from the Lessee the rent then accrued or accruing and enforce any right of action against the Lessee in respect of any antecedent breach of any of the covenants of this lease.

44.00 Change in Control of Lessee

44.01 If the Lessee is one or more corporations, and if by the sale or other disposition of the securities of the corporation, or of any one of the corporations if more than one, the control or the beneficial ownership of fifty (50%) percent or more of the voting shares of any class of shares of such corporation is changed at any time or over any period of time after the execution of this lease without the consent of the Minister in writing first sought and obtained which consent shall not unreasonably be withheld, the Minister may, within sixty (60) days of becoming aware of the change in control or ownership, cancel this lease by giving the Lessee sixty (60) days prior notice of the ending of the term.

44.02 If the Minister declares the term ended as provided in section 44.01 then the provisions of sections 39.03 and 39.04 will apply.

45.00 Payments by Her Majesty Regarded as Rent

45.01 If at any time before or after the expiration of earlier termination of the term Her Majesty suffers or incurs any damage, loss or expense by reason of any failure of the Lessee to perform or observe any of the Lessee's covenants or makes any payment for which the Lessee

is liable under this lease, or if Her Majesty is compelled or elects to incur any expense including legal fees in instituting, prosecuting or defending any action or proceeding instituted by reason of any default of the Lessee under this lease (including any action or proceeding against the Lessee) then in every such case the amount of damage, loss, expense or payment (including legal fees of Her Majesty on a solicitor-client basis), together with interest as provided in Article 46.00, will be paid by the Lessee to Her Majesty forthwith on demand by the Minister.

45.02 The amount of any damage, loss, expense or payment referred to in section 45.01 will be added to the rent due under the lease, be due and payable as rent and be recoverable in the manner provided by law for the recovery of rent in arrears.

46.00 Arrears to Bear Interest

46.01 If the rent or any other sum owing by the Lessee to Her Majesty under this lease is not paid within thirty (30) days from the date on which it is due then it will bear interest at the prime rate in effect from time to time plus four percent (4%) per annum from the date the rent or the sum is due until the date of the payment by the Lessee, but this stipulation for interest shall not prejudice or affect any other remedies of Her Majesty under this lease or otherwise, or be construed to relieve the Lessee from any default in making the rent payment at the time and in the manner specified in this lease.

47.00 Remedies Cumulative

47.01 All rights and remedies of Her Majesty are cumulative and are in addition to and do not exclude any other right or remedy provided in this lease or otherwise allowed by law.

47.02 All rights and remedies of Her Majesty may be exercised concurrently.

48.00 Surrender of Possession

48.01 Subject to Articles 37.00 and 39.00, when the term expires or otherwise ends, the Lessee will peaceably surrender the premises to Her Majesty maintained and repaired as provided in Article 27.00.

49.00 Holding Over

49.01 If the Lessee continues in possession of the premises after the term expires by effluxion of time, its status notwithstanding any payment of rent will be that of a tenant from month to month. The Lessee will not be construed as being in possession of the premises solely by its exercise of rights under Article 37.00.

49.02 The Lessee will, during the continuance of the month to month tenancy referred to in section 49.01, pay as rent in advance on the first day of each month the following:

- (a) If the Minister has consented in writing to the month to month tenancy, an
-

amount equal to 1/12th of the annual rent payable for the last year of the expired term; or

- (b) If the Minister has not consented in writing to the month to month tenancy, an amount equal to 1/6th of the annual rent payable for the last month of the expired term.

49.03 The month to month tenancy referred to in section 49.01 will be subject to all the terms and conditions of this lease except as modified by sections 49.01 and 49.02 and except as they are inapplicable to the tenancy from month to month.

50.00 Net Lease

50.01 This lease is to be a completely carefree net lease for Her Majesty and notwithstanding anything in this lease to the contrary Her Majesty is not to be responsible during the term for any costs, charges, expenses or outlays of any nature in respect of the premises.

51.00 No Warranties

51.01 No representations, warranties or conditions have been made to the Lessee in respect of the premises by Her Majesty, Her Officials, employees and agents.

51.02 The Lessee is fully familiar with the premises and every part and aspect of the premises and without limiting the generality of the foregoing the Lessee acknowledges that it has carried out a full inspection of the premises and takes the premises as is in reliance of its own inspection and not relying on any representations or warranties of Her Majesty, Her officials, employees or agents.

52.00 Corporate Authority

52.01 If the Lessee is one or more corporations, the Lessee warrants and represents to the Minister that:

- (a) the Lessee has the corporate authority pursuant to its Memorandum and Articles to enter into this lease and to perform all the covenants and agreements contained herein; and
- (b) the Lessee is a company duly incorporated under the laws of the Province of British Columbia, is not a reporting company and is a valid and subsisting company in good standing with respect to the filing of the annual reports at the office of the Registrar of Companies of British Columbia.

53.00 Headings

53.01 All headings in this lease have been inserted as a matter of convenience and for

reference only and in no way define, limit, enlarge, modify or explain the scope or meaning of the lease or any of its provisions.

53.02 Any reference in this lease to an article, Article, paragraph or clause shall mean an article, section, sub-section or clause of this lease unless otherwise expressly provided.

53.03 Any reference in this lease to Lessee's covenants will be deemed to include all terms and conditions to be performed or observed by the Lessee under this lease.

54.00 Amendments

54.01 This lease constitutes the entire agreement between the Parties with respect to the subject matter of this lease and no modification, or waiver of any provision of the lease will be inferred from anything done or omitted by either of the Parties except by an express waiver in writing duly executed by the respective Party.

54.02 No condoning, excusing or overlooking by Her Majesty of any default by the Lessee at any time or times in performing or observing any of the Lessee's covenants will operate as a waiver of or otherwise affect the rights of Her Majesty in respect of any continuing or subsequent default and no waiver of these rights will be inferred from anything done or omitted by Her Majesty except by an express waiver in writing.

55.00 Governing Law

55.01 This lease will be governed by and construed in accordance with the laws of Canada and otherwise in accordance with the laws of the Province of British Columbia, which laws as the case may be will be deemed to be the proper law of this lease.

56.00 Dispute Resolution

56.01 Where this lease provides that any question may or shall be referred to the Federal Court of Canada for a determination then the decision of the Federal Court of Canada subject to an appeal on a question of law or mixed fact and law to an appellate court will be considered final and binding upon the Parties.

56.02 If upon a reference to it, the Federal Court refuses jurisdiction or otherwise fails to determine the question or if neither of the Parties refers the matter to the Federal court within sixty (60) days of either Party sending a notice to the other requesting it to do so then the question may be referred by either Party to any other court of competent jurisdiction and the Parties may exercise any other right or remedy they may have under this lease or otherwise.

57.00 Notice

57.01 All notices, demands, requests, elections, consents or other communications that may be or are required to be given pursuant to this lease will be in writing and will be validly

given:

- (a) if delivered by hand to the representative indicated in this article of the Party to whom notice is being given;
- (b) if enclosed in an envelope and mailed by prepaid double registered mail in Canada to such representative at the address given in this article.

57.02 The address of each Party for the purposes of this article is as follows:

To Her Majesty:

c/o Westbank Band of Indians
301 - 515 S. Highway 97
Kelowna, B.C. V1Z 3J2

To the Lessee:

1574 A Harvey Avenue
Kelowna, British Columbia
V1Y 6G2

57.03 Either party may change its address for the purposes of this Article by giving notice of the change to the other Party in the manner provided in this Article.

57.04 For the purposes of this Article, the representative of the Minister will be the Westbank Band of Indians or anyone duly authorized to act in his place, and the representative of the Lessee will be the president, secretary or a director of the Lessee if the Lessee is a corporation or will be the Lessee if the Lessee is a natural person or persons or will be a partner of the Lessee if the Lessee is a partnership.

57.05 Notices, demands, requests, elections, consents or other communications given pursuant to this Article will be deemed to be given and received:

- (a) if delivered by hand, on the day of delivery, and
- (b) if mailed by pre-paid double registered mail:
 - (i) ninety-six (96) hours from the time of mailing if mailed within British Columbia and if during that ninety-six (96) hour period there is no strike of the mails or other postal disruption, or
 - (ii) at the time of actual receipt if mailed outside of British Columbia or if during the ninety-six (96) hour period after mailing there is a strike of the mails or other postal disruption.

58.00 Time of the Essence

58.01 Time is of the essence in this lease and each of its terms and conditions.

59.00 Severability

59.01 If any part of this lease is declared or held invalid for any reason, the invalidity of that part will not affect the validity of the remainder which will continue in full force and effect and be construed as if this lease had been executed without the invalid portion. The intention of the Parties is that this lease would have been executed without reference to any portion which may, for any reason, be declared or held invalid.

60.00 Plurality and Gender

60.01 This lease shall enure to the benefit of and be binding upon the heirs, executors, administrators, successors, assigns and other legal representatives, as the case may be, of each of the Parties. Every reference in this lease to any Party shall include the heirs, executors, administrators, successors, assigns and other legal representatives of the Party.

60.02 Reference to a Party shall be read as if all required changes in the singular and plural and all grammatical changes rendered necessary by gender had been made.

60.03 If a Party is comprised of more than one Person then all covenants and agreements of that Party shall be deemed joint and several.

61.00 No Share to Members of Parliament

61.01 No member of the House of Commons or the Senate, will be admitted to any share or part of this lease or to any benefit to arise from this lease.

62.00 Not a Joint Venture


62.01 Nothing in this lease will be construed as making the Band or the Band Council an agent, partner or joint venturer with Her Majesty or the Lessee nor as creating any relationship between the Parties other than the relationship of Lessor and Lessee.

63.00 Indian Act Applies

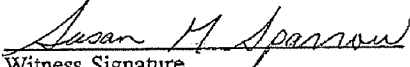
63.01 This lease is subject to the Indian Act.

IN WITNESS WHEREOF, the duly authorized representative of the Minister of Indian Affairs and Northern Development on behalf of Her Majesty the Queen in right of Canada, has hereunto set his hand and seal and the Lessee has caused its common seal to be affixed in the presence of its duly authorized officer as of the day, month and year first above written.

Signed, Sealed and Delivered)
on behalf of Her Majesty the Queen)
in right of Canada as represented)
by the Minister of Indian Affairs)
and Northern Development in the)
presence of:)



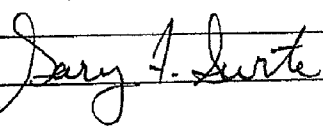
for the Minister of Indian Affairs
and Northern Development



Witness Signature)

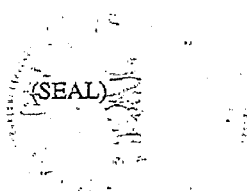

_____)

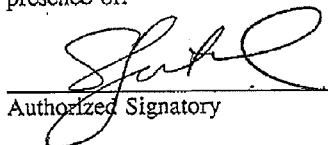
Address)


_____)

Occupation)

The Corporate Seal of SUN VILLAGE)
HOLDINGS)
LTD.)
was hereunto affixed in the)
presence of:)





Authorized Signatory)

Schedule "A"

Waterworks

Indian and Northern Affairs Canada ("INAC"), Design Guidelines and Waterworks in B.C., 1986

Wastewater Works

INAC, Design Guidelines for Wastewater Systems in B.C. Region, 1987

Solid Waste

INAC, Solid Waste Collection and Disposal, DRM 10-7/42, October, 1984

Central Mortgage and Housing Corporation, Septic Tank Standards

Environment Canada, Environmental Protection Services, Code of Good Practice for Handling Solid Wastes at Federal Establishments

Department of Lands and Forests and Water Resources, Pollution Control Objectives for Municipal Type Waste Discharges in British Columbia, September, 1975

B.C. Ministry of Environment, Pollution Control Guidelines for Open Burning on Municipal Refuse Sites, April, 1984

Roads and Drainage

INAC, Transportation Planning, DRM 10-7/60, September, 1984

INAC, Road Re-Engineering and Design, DRM 10-7/61

INAC, Road Construction, DRM 10-7/62

Building and Fire Safety

National Building Code of Canada and Supplement 1985

National Fire Code of Canada and Supplement 1980

INAC, Fire Protection, DRM 10-7/26

INAC, Environmental Assessment Guidelines, DRM 10-7/33

Canadian National Research Council ("CNRC") Measures for Energy Conservation in New Buildings, 1983

CNRC, Canadian Plumbing Code, 1985

SCHEDULE "B"
APPLICATION AND RELEASE

The undersigned, Mary Anne Eli, Band Member No. 27, member of the Westbank Band, of Tsinstikeptum Indian Reserve No. 9, in the Province of British Columbia (hereinafter called the "Locatee"), does hereby declare that she is lawfully in possession of the following lands situate, lying and being in Tsinstikeptum Indian Reserve No. 9, in the Province of British Columbia, and more particularly known and described as:

The whole of Lot 220 in Tsinstikeptum Indian Reserve Indian Reserve No. 9, Province of British Columbia, as shown on Plan of Survey No. 75214 deposited in the Canada Lands Surveys Records at Ottawa, Ontario.

(hereinafter called the "Lands")

The Locatee does hereby apply to Her Majesty the Queen in Right of Canada, as represented by the Council of the Westbank Band (hereinafter called "Her Majesty"), for the Lands to be leased for her benefit pursuant to Section 58 (3) of the Indian Act to Sun Village Holdings Ltd. for a term of ninety-nine (99) years from July 1st, 1992 pursuant to the terms and conditions contained in the form of lease attached hereto (hereinafter called the "Lease").

The Locatee does hereby declare that she has been advised by Her Majesty to obtain independent legal advice from her own solicitor prior to signing this application, declaration, consent and release (hereinafter called the "Application and Release") and further declares that she has obtained independent legal advice from her own solicitor, Douglas W. Welder, of Kelowna, B.C., before signing this Application and Release as certified in Appendix I to this Schedule "B".

The Locatee does hereby declare that she has read and understood all the terms and conditions of the Lease and the Application and Release. In particular, the Locatee understands that:

- a. there is no requirement for the Lessee to provide either performance or labour and material payment bonds in respect of the construction of improvements by the Lessee pursuant to the Lease,
- b. there is no requirement for the Lessee to use the proceeds of any insurance policies to restore or repair improvements in the event that they are damaged or destroyed by fire or any other cause so as to render them unfit for the purposes of the Lessee or any sublessee,

SCHEDULE "B"
APPLICATION AND RELEASE

- c. the improvements constructed on the Lands by the Lessee do not automatically revert to the Locatee at the expiration of the Lease, and
- d. the rent payable under the Lease has been determined without appraisal and may not reflect current market value for the Lands leased on the terms and conditions contained in the Lease and based on a potentially fully serviced site suitable for development to a variety of residential uses ranging from high density single family (6 to 7 lots per acre) to medium to high density multi-family (i.e. up to 30 lots per acre).

The Locatee does hereby declare that she understands the consequences of the Lessee having no obligation to provide performance or labour and materials payment bonding.

The Locatee further agrees, for and in consideration of the payment of the sum of ONE DOLLAR (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, to release and forever discharge, and by these presents does for herself, her heirs, executors, administrators, successors and assigns, remise, release and forever DISCHARGE Her Majesty, the Westbank Band and the Council of the Westbank Band, their successors, employees and assigns, of and from any and all actions, causes of action, claims and demands, suits, debts, duties, sums of money whatsoever or wheresoever, whether at law or in equity and whether known or unknown suspected or unsuspected which the Locatee or her heirs, executors, administrators, successors and assigns have or hereafter can, shall or may have with respect to, or which has resulted from the issuing of the Lease:

- a. without a requirement that the Company provide either performance or labour and material payment bonds in respect of the construction of improvements by the Lessee pursuant to the Lease,
- b. without a requirement that the Lessee use the proceeds of any insurance policies to restore or repair improvements in the event that they are damaged or destroyed by fire or any other cause so as to render them unfit for the purposes of the Lessee or any sublessee,
- c. without a provision that the improvements constructed on the Lands by the Lessee automatically revert to the Locatee at the expiration of the Lease, and

SCHEDULE "B"
APPLICATION AND RELEASE

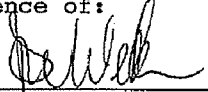
- d. that provides for a rent payable that was determined without appraisal and that may be less than the current market value of the Lands leased on the terms and conditions contained in the Lease and based on a potentially fully serviced site suitable for development to a variety of residential uses ranging from high density single family (6 to 7 lots per acre) to medium to high density multi-family (i.e. up to 30 lots per acre).

The Locatee further declares that in making this release and agreement it is understood and agreed that she relies wholly on her own judgment, belief and knowledge of the nature of this contract and has not been influenced to any extent whatsoever in executing this Application and Release by any representations or statements regarding the Application and Release, the Lease and the rights of the parties hereto or any other representations or statements made by Her Majesty or the Westbank Band or the Council of the Westbank Band that is hereby released or by any person or persons representing any of them.

The Locatee hereby requests the Council of the Westbank Band to approve the issuing of the Lease by resolution.

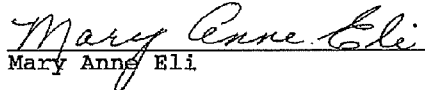
IN WITNESS WHEREOF the Locatee has hereunto set her hand and seal at Kelowna in the Province of British Columbia, this 29th day of June, 1993.

SIGNED, SEALED AND DELIVERED
by the Locatee in the
presence of:


Signature

DOUGLAS W. WELDER
Name (Please Print)
BARRISTER & SOLICITOR

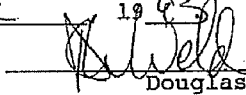
200 506 LEON AVENUE
Address
KELOWNA, B.C. V1Y 6J6


Mary Anne Eli

SCHEDULE "B" - APPENDIX I
CERTIFICATE OF INDEPENDENT LEGAL ADVICE

I, Douglas W. Welder, Barrister and Solicitor, of Kelowna, British Columbia, hereby declare that I have been consulted by Mary Anne Eli as to the liability which she would incur by signing an Application and Release between herself, Her Majesty the Queen in right of Canada, the Westbank Band of Indians and the Council of the Westbank Band of Indians in respect of a lease to Sun Village Holdings Ltd. for a term of ninety-nine (99) years from July 1st, 1992 and that I have advised her fully as to the effect of the said Application and Release and the manner in which such Application and Release could be enforced; and that she understood the nature and effect of and the liability which would arise from her signature on the said Application and Release; and I hereby further declare that I have given this advice to Mary Anne Eli as solicitor for her and in her interest only, and without regard to or consideration for the interests of Sun Village Holdings Ltd. or any of its shareholders and that I have never given any legal advice to Sun Village Holdings Ltd. or any of its shareholders in connection with this matter.

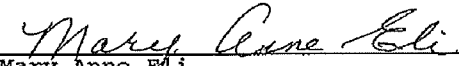
Dated at Kelowna, in the Province of British Columbia, this 29th day of June, 1993



Douglas W. Welder

The Locatee hereby acknowledges and declares that all the statements made in the foregoing Certificate are true and correct, that neither Sun Village Holdings Ltd., any of its shareholders or its solicitor(s) has used any compulsion or made any threat or exercised any undue influence to induce me to sign the Application and Release mentioned in the said Certificate, and that Douglas W. Welder, in advising her as stated therein, was consulted by her as her personal solicitor and in her own interest only.

Dated at Kelowna, in the Province of British Columbia, this 29th day of June, 1993.




Mary Anne Eli

PROOF OF EXECUTION BY CORPORATION

I CERTIFY that on the 20 day of April, 1993, at the City of Kelowna, in the Province of British Columbia, ~~Shirley Fritsch~~ ^{Shirley Fritsch}, who is personally known to me, appeared before me and acknowledged to me that he is the authorized signatory of SUN VILLAGE HOLDINGS LTD., and that he is the person who subscribed his name and affixed the seal of the corporation to the instrument, that he was authorized to subscribe his name and affix the seal to it (and that the corporation existed at the date the instrument was executed by the corporation.)

IN TESTIMONY of which I set my hand and seal of office at Kelowna, in the Province of British Columbia, this 20 day of April, 1993.


A Commissioner for taking Affidavits within
British Columbia

RICHARD L. WAGEMAN
BARRISTER & SOLICITOR
2nd Fl. - 1674 Bertram Street
Kelowna, B.C. V1Y 9G4
Tel: (604) 763-3343 Fax: (604) 763-9524

* Where the person making the acknowledgement is personally known to the officer taking it, strike out these words in brackets.

AFFIDAVIT OF WITNESS

I, Susan M. Sparrow, of Richmond, in the Province of British Columbia, make oath and say:

1. I was present and saw the within instrument duly executed by Chief Robert Louie, Gerard Swite and Larry Derrickson, all of whom are members of the Council of the Westbank Band.
2. I know the said Chief Robert Louie, Gerard Swite and Larry Derrickson and I believe that they are of the full age of majority for the Province of British Columbia.
3. I am the subscribing witness to the instrument and I am of the full age of majority for the Province of British Columbia.
4. I verily believe that each person whose signature I witnessed is the party of the same name referred to in the instrument.

SWORN before me at
Tsinstikeptum Indian Reserve
No. 10 in the Province of
British Columbia, this 30th
day of June, 1993

A Notary Public in and for
the Province of British
Columbia or a Commissioner
for taking Oaths. (Indicate
under what authority and
when Commission expires)



Witness



Lynn P. Vanderburg
Commissioner For Taking
Affidavits for British Columbia

Expires March 31, 1996



WESTBANK INDIAN COUNCIL

SUITE 301-515 HIGHWAY 97 SOUTH, KELOWNA, B.C. V1Z 3J2 - TELEPHONE 769-6666 - FAX 769-4377

BAND COUNCIL RESOLUTION

CHRONOLOGICAL NUMBER: _____

The undersigned Chief and Councillors of the Westbank Band do hereby certify that the following is a resolution that was duly moved, seconded and approved by a majority of the Council at a duly convened meeting held at the Administration Offices of the Band at 515 Highway 97 South, Tsinstikeptum Indian Reserve No. 10, on the 23rd day of November, 1993.

WHEREAS:

A. Mary Anne Eli, Band No. 27, member of the Westbank Indian Band is in lawful possession of lands within Tsinstikeptum Indian Reserve No. 9 as follows:

The whole of Lot 220 in Tsinstikeptum Indian Reserve No. 9, Province of British Columbia, as shown on Plan of Survey No. 75214 deposited in the Canada Lands Surveys Records at Ottawa, Ontario.

(hereinafter called the "Lands")

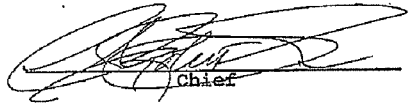
B. Mary Anne Eli has applied to Her Majesty the Queen in Right of Canada, as represented by the Council of the Westbank Band (hereinafter called "Her Majesty"), for the Lands to be leased on her behalf pursuant to Section 58(3) of the Indian Act to Sun Village Holdings Ltd., for a term of ninety-nine (99) years pursuant to the terms and conditions contained in the form of lease attached hereto (hereinafter called the "Lease").

C. Mary Anne Eli has requested the Council of the Westbank Band to approve the issuing of the Lease by resolution.

NOW THEREFORE BE IT RESOLVED THAT consent to the leasing of the Lands to Sun Village Holdings Ltd., is hereby given, and;

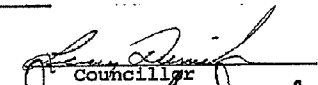
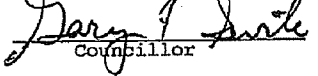
THAT, pursuant to Order in Council P.C. 1989-998 dated May 25th, 1989, which Order in Council was made pursuant to Section 60 of the Indian Act we do hereby agree, on behalf of Her Majesty to lease the Lands for the benefit of Mary Anne Eli on the terms and conditions set out in the Lease.

A quorum of the Westbank Band Council consists of three members.


Chief

Councillor

Councillor


Councillor

Councillor



Indian and Northern Affairs Canada / Affaires indiennes et du Nord Canada

JUN 25 1993

Your file / Votre référence

Our file / Notre référence

Westbank Indian Council
Suite 301-515 Highway 97 South
Kelowna, BC V1Z 3J2

Attention: Lyle Brewer
Lands Administration Officer

Dear Sir:

Sun Village Holdings Ltd.
Phases 2 to 6 - Pre-audits
Tsinstikeptum Indian Reserve No. 9

Thank you for your faxed letter of June 23, 1993 on the above noted matter. The changes made to subparagraph d. on page iii of the Application and Release form, making that sub paragraph identical to the earlier subparagraph d. on page ii are acceptable.

This is to advise you that the final pre-audit review as per your faxes dated June 16 and 23, 1993 for the above leases has been completed and the leases are approved for execution. Please have the signed leases submitted to the Indian Land Registry for registration along with the original of this letter.

Yours sincerely,

for Graham Swan
Director
Lands Directorate

Canada

THIS AGREEMENT made the day of April, 1993.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA

OF THE FIRST PART

AND:

SUN VILLAGE HOLDINGS LTD.

OF THE SECOND PART

COMMERCIAL LEASE

RLW/jlb
File: #14024-003

WAGEMAN BAILEY
Barristers & Solicitors
2nd Floor, 1674 Bertram Street
Kelowna, British Columbia
V1Y 9G4
Telephone: (604)763-3343
Fax: (604)763-9524

Receipt Stamp <p style="text-align: center;">06 July 1993.</p>	Registration Stamp <p style="text-align: center;">2083</p> <p style="text-align: center;"> <u>214590</u> <u>1993/July/09</u> <u>8:47</u> Registration No. Date Time </p>
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Indian Land Registry
REGISTRATION CONTROL SHEET Sec. 53 and/or 60 Bands Westbank

Region _____ Instrument type 14

COMPUTER REGISTRATION INFORMATION (For computerized reserves only.)

LOG # P2233 LOG DATE _____ R.I.P. No _____

INSTRUMENT NAME Lease CODE _____

RESERVE NAME Tsimstikeptum # 9 CODE 7420

PURPOSE NAME RESIDENTIAL CODE _____

TERM 99 FROM 01 July 1992 TO 30 June 2091

RETIRE PIN: YES _____ NO

CP REQUIRED YES _____ NO

PIN(s)	LEGAL DESCRIPTION/LAND AFFECTED
<u>90005669</u>	<u>Lot 13-3-2 RSBC 2140</u>
<u>900020727</u>	<u>Lot 13-4 CLSR 59091</u>
<u>900020735</u>	<u>Lot 13-5 CLSR 59091</u>
<u>900020743</u>	<u>Lot 13-6-1 RSBC 2379R</u>
<u>902004611</u>	<u>Lot 15-2-1 RSBC 2379R</u>
REMARKS/REGISTRATION NOS. AFFECTED	
<u>902004612</u>	<u>Lot 15-5-3 RSBC 4379R</u>

Included business premises purposes & mobile home parks.

NEW PIN(S) CREATED	LEGAL DESCRIPTION
<u>902004638</u>	<u>Lot 220 CLSR 75214</u>

REGISTRATION NOS. (CARRIED OVER) _____

EXAMINED by [Signature] Date 08 July 1993
 Initial verification by [Signature] Date 08 July 1993
 Final verification by _____ Date _____

Spandex Holdings Ltd
Profit & Loss
November 2009 through October 2010

basis

	Nov '09 - Oct 10
Income	
509 · Sales - Zero-Rated	1,320,295.85
511 · Sales Tax Commissions	198.00
513 · Interest Income	1,218.48
515 · Miscellaneous Income	2,088.66
516 · Dividend Income	3,450.15
517 · Pharmacare Adaptation Income	863.55
518 · lotto commissions	1,687.04
Total Income	1,329,801.73
Cost of Goods Sold	
611 · Purchases - GST Taxable	80,176.06
612 · Purchases - Zero-Rated	804,693.64
Total COGS	884,869.70
Gross Profit	444,932.03
Expense	
706 · Advertising and Promotion	5,204.27
745 · Auto and Delivery	5,681.33
756 · Bank Service Charges	576.00
757 · Benefits	6,822.00
758 · cash over/short	33.57
769 · bad debts	12.03
804 · Interest	398.78
806 · Insurance Expense	2,554.00
807 · medicine centre franchise fee	3,555.00
808 · pharmacare generic reduction	1,125.59
831 · Legal	5,251.85
832 · Licences	1,740.00
839 · Long Term Disability	0.00
841 · Miscellaneous	4,156.20
845 · Office Supplies	6,034.98
846 · Professional Fees	3,038.57
847 · Promotion and Entertainment	2,573.61
848 · Rent Expense	25,107.12
856 · Repairs and Maintenance	608.42
857 · Security	814.30
858 · Shaw Cable	1,102.14
859 · Software Support	5,128.85
874 · Telephone Expense	3,765.87
880 · Utilities	3,923.65
882 · visa,mc,debit commissions	6,987.71
883 · Wages and Salaries	253,198.50
885 · WCB	989.09
Total Expense	350,383.43
Net Income	94,548.60