



Lease No.:

339125

File No.: 3400646

Disposition No.: 823384

THIS AGREEMENT is dated for reference March 22nd, 2003 and is made under the *Land Act*.

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA**, represented by the minister responsible for the *Land Act*, Parliament Buildings, Victoria, British Columbia

(the "Province")

AND:

The parties agree as follows:

#### ARTICLE 1 - INTERPRETATION

1.1 In this Agreement,

"**Agreement**" means this lease;

"**Commencement Date**" means March 22nd, 2003;

"**disposition**" has the meaning given to it in the *Land Act* and includes a licence of occupation;

"**Improvements**" includes anything made, constructed, erected, built, altered, repaired or added to, in, on or under the Land, and attached to it or intended to become a part of it, and also includes any clearing, excavating, digging, drilling, tunnelling, filling, grading

or ditching of, in, on or under the Land;

**“Land”** means that part or those parts of the following described land shown outlined by bold line on the schedule attached to this Agreement entitled “Legal Description Schedule”:

Block G of District Lot 3998, Osoyoos Division of Yale District and containing 0.0992 hectares,

except for those parts of the land that, on the Commencement Date, consist of highways (as defined in the *Highway Act*) and land covered by water;

**“Realty Taxes”** means all taxes, rates, levies, duties, charges and assessments levied or charged, at any time, by any competent governmental authority which relate to the Land, the Improvements or both of them;

**“Rent”** means the rent set out in Article 3;

**“Security”** means the security referred to in section 6.1 or 6.2, as replaced or supplemented in accordance with section 6.5;

**“Term”** means the period of time set out in section 2.2;

**“we”, “us” or “our”** refers to the Province alone and never refers to the combination of the Province and the Lessee: that combination is referred to as **“the parties”**; and

**“you” or “your”** refers to the Lessee.

- 1.2 In this Agreement, “person” includes a corporation, firm or association and wherever the singular or masculine form is used in this Agreement it will be construed as the plural or feminine or neuter form, as the case may be, and vice versa where the context or parties require.
- 1.3 The captions and headings contained in this Agreement are for convenience only and do not define or in any way limit the scope or intent of this Agreement.
- 1.4 This Agreement will be interpreted according to the laws of the Province of British Columbia.
- 1.5 Where there is a reference to an enactment of the Province of British Columbia or of Canada in this Agreement, that reference will include a reference to every amendment to it, every regulation made under it and any subsequent enactment of like effect and, unless otherwise indicated, all enactments referred to in this Agreement are enactments of the Province of British Columbia.

- 1.6 If any section of this Agreement, or any part of a section, is found to be illegal or unenforceable, that section or part of a section, as the case may be, will be considered separate and severable and the remainder of this Agreement will not be affected and this Agreement will be enforceable to the fullest extent permitted by law.
- 1.7 Each schedule to this Agreement is an integral part of this Agreement as if set out at length in the body of this Agreement.
- 1.8 This Agreement constitutes the entire agreement between the parties and no understanding or agreement, oral or otherwise, exists between the parties with respect to the subject matter of this Agreement except as expressly set out in this Agreement and this Agreement may not be modified except by subsequent agreement in writing between the parties.
- 1.9 Each party will, upon the request of the other, do or cause to be done all lawful acts necessary for the performance of the provisions of this Agreement.
- 1.10 All provisions of this Agreement in our favour and all of our rights and remedies, either at law or in equity, will survive the termination of this Agreement.
- 1.11 Time is of the essence of this Agreement.
- 1.12 Wherever this Agreement provides that an action may be taken, a consent or approval must be obtained or a determination must be made, then you or we, as the case may be, will act reasonably in taking such action, deciding whether to provide such consent or approval or making such determination; but where this Agreement states that you or we have sole discretion to take an action, provide a consent or approval or make a determination, there will be no requirement to show reasonableness or to act reasonably in taking that action, providing that consent or approval or making that determination.
- 1.13 Where this Agreement contains the forms of words contained in Column I of Schedule 4 of the *Land Transfer Form Act*, those words will have the same effect and be construed as if the appropriate forms of words contained in Column II of that Schedule were contained in this Agreement, unless the context requires another construction of those words.

## ARTICLE 2 - GRANT AND TERM

- 2.1 On the terms and conditions set out in this Agreement, we grant you a lease of the Land for personal recreation purposes.
- 2.2 The term of this Agreement commences on the Commencement Date and terminates on the

15th year anniversary of that date, or such earlier date provided for in this Agreement.

### ARTICLE 3 - RENT

3.1 You will pay to us:

- (a) for the first year of the Term, Rent of \$1,500.00, payable in advance on the Commencement Date; and
- (b) for each year during the remainder of the Term, the Rent either determined by us under section 3.2 or established under section 3.3, payable in advance on each anniversary of the Commencement Date.

3.2 We will, not later than 15 days before each anniversary of the Commencement Date during the Term, give written notice to you specifying in our sole discretion the Rent payable by you under subsection 3.1(b) for the subsequent year of the Term and we will establish such Rent in accordance with our policies applicable to your use of the Land under this Agreement.

3.3 If we do not give notice to you under section 3.2, the Rent payable by you under section 3.1(b) for the year for which notice was not given will be the same as the Rent payable by you for the preceding year of the Term.

### ARTICLE 4 - COVENANTS

4.1 You must

- (a) pay, when due,
  - (i) the Rent to us at the address set out in Article 10,
  - (ii) the Realty Taxes, and
  - (iii) all charges for electricity, gas, water and other utilities supplied to the Land;
- (b) deliver to us, immediately upon demand, receipts or other evidence of the payment of Realty Taxes and all other money required to be paid by you under this Agreement;
- (c) observe, abide by and comply with
  - (i) all applicable laws, bylaws, orders, directions, ordinances and regulations of any

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competent governmental authority in any way affecting the Land and the Improvements, or their use and occupation, and

- (ii) the provisions of this Agreement;
- (d) in respect of the use of the Land by you or by anyone you permit to use the Land, keep the Land and the Improvements in a safe, clean and sanitary condition satisfactory to us, and at our written request, make the Land and the Improvements safe, clean and sanitary;
- (e) not commit any wilful or voluntary waste, spoil or destruction on the Land or do anything on the Land that may be or become a nuisance or annoyance to an owner or occupier of land in the vicinity of the Land;
- (f) use and occupy the Land only in accordance with and for the purposes set out in section 2.1;
- (g) not construct, place or affix any Improvement on or to the Land except as necessary for the purposes set out in section 2.1;
- (h) pay all accounts and expenses as they become due for labour or services performed on, or materials supplied to, the Land except for money that you are required to hold back under the *Builders Lien Act*;
- (i) if any claim of lien over the Land is made under the *Builders Lien Act*, immediately take all steps necessary to have the lien discharged, unless the claim of lien is being contested in good faith by you and you have taken the steps necessary to ensure that the claim of lien will not subject the Land or any interest of yours under this Agreement to sale or forfeiture;
- (j) not cut or remove timber on or from the Land without
  - (i) our prior written consent, and
  - (ii) being granted the right under the *Forest Act* to harvest Crown timber on the Land;
- (k) take all reasonable precautions to avoid disturbing or damaging any archaeological material found on or under the Land and, upon discovering any archaeological material on or under the Land, you must immediately notify the ministry responsible for administering the *Heritage Conservation Act*;

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- (l) not alter, repair or add to any Improvement without our prior written consent;
- (m) permit us, or our authorized representatives, to enter on the Land at any time to inspect the Land and the Improvements;
- (n) indemnify and save us and our servants, employees and agents harmless against all claims, actions, causes of action, losses, damages, costs and liabilities, including fees of solicitors and other professional advisors, arising out of
- (i) your breach, violation or nonperformance of a provision of this Agreement, and
  - (ii) any personal injury, bodily injury (including death) or property damage occurring or happening on or off the Land by virtue of your entry upon, use or occupation of the Land,
- and the amount of all such losses, damages, costs and liabilities will be payable to us immediately upon demand; and
- (o) on the termination of this Agreement,
- (i) peaceably quit and deliver to us possession of the Land and, subject to paragraphs (ii) and (iii), the Improvements in a safe, clean and sanitary condition,
  - (ii) within 90 days, remove from the Land any Improvement you want to remove, if the Improvement was placed on or made to the Land by you, is in the nature of a tenant's fixture normally removable by tenants and is not part of a building or part of the Land,
  - (iii) remove from the Land any Improvement that we, in writing, direct or permit you to remove, other than any Improvement permitted to be placed on or made to the Land under another disposition, and
  - (iv) restore the surface of the Land as nearly as may reasonably be possible to the same condition as it was on the Commencement Date, to our satisfaction, but if you are not directed or permitted to remove an Improvement under paragraph (iii), this paragraph will not apply to that part of the surface of the Land on which that Improvement is located,

and all of your right, interest and estate in the Land will be absolutely forfeited to us, and to the extent necessary, this covenant will survive the termination of this Agreement.

4.2 You will not permit any person to do anything you are restricted from doing under this Article.

4.3 We will provide you with quiet enjoyment of the Land.

#### ARTICLE 5 - LIMITATIONS

5.1 You agree with us that

- (a) we are under no obligation to provide access or services to the Land or to maintain or improve existing access roads;
- (b) this Agreement is subject to
  - (i) all subsisting dispositions and subsisting grants to or rights of any person made or acquired under the *Coal Act, Forest Act, Mineral Tenure Act, Petroleum and Natural Gas Act, Range Act, Wildlife Act or Water Act*, or any extension or renewal of the same, whether or not you have actual notice of them, and
  - (ii) the exceptions and reservations of interests, rights, privileges and titles referred to in section 50 of the *Land Act*;
- (c) without limiting subsection 4.1(n), you must indemnify and save us and our servants, employees and agents harmless from and against all claims, actions, causes of action, losses, damages, costs and liabilities, including fees of solicitors and other professional advisors, arising out of any conflict between your rights under this Agreement and the rights of any person under a disposition or under a subsisting grant to or right of any person made or acquired under the *Coal Act, Forest Act, Mineral Tenure Act, Petroleum and Natural Gas Act, Range Act, Wildlife Act or Water Act* (or any prior or subsequent enactment of the Province of British Columbia of like effect), or any extension or renewal of the same, whether or not you have actual notice of them, and the amount of all such losses, damages, costs and liabilities will be payable to us immediately upon demand;
- (d) you release us from all claims, actions, causes of action, suits, debts and demands that you now have or may at any time in the future have against us arising out of any conflict between your rights under this Agreement and the rights of any person under a disposition or under a subsisting grant to or right made or acquired under the enactments referred to in subsection (c), and you acknowledge that this Agreement and your rights under this Agreement are subject to those grants and rights referred to in subsection (c) whether or not you have actual notice of them.

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- (e) with your prior consent, which consent you will not unreasonably withhold, we may make other dispositions of or over the Land, or any part of it, to a person, including a Crown agency or ministry, and, upon such consent being given you will, if required by us in the case of a disposition by way of easement, right of way or statutory right of way, immediately execute and deliver to us such instrument as may be necessary to subordinate your rights under this Agreement to such easement, right of way or statutory right of way;
- (f) for the purpose of subsection (e), you will be deemed to have reasonably withheld your consent if a disposition made under that subsection would materially affect the exercise of your rights under this Agreement;
- (g) you will make no claim for compensation, in damages or otherwise, in respect of a disposition made under subsection (e), where such disposition does not materially affect the exercise of your rights under this Agreement;
- (h) subject to subsection (g), all of your costs and expenses, direct or indirect, that arise out of any lawful interference with your rights under this Agreement as a result of the exercise or operation of the interests, rights, privileges and titles reserved to us in subsections (b) and (e) will be borne solely by you;
- (i) you will not commence or maintain proceedings under section 65 of the *Land Act* in respect of any lawful interference with your rights under this Agreement that arises as a result of the exercise or operation of the interests, rights, privileges and titles described in subsections (b) and (e);
- (j) any interference with your rights under this Agreement as a result of the exercise or operation of the interests, rights, privileges and titles described in subsections (e) and (f) will not constitute a breach of our covenant of quiet enjoyment and you release and discharge us from all claims for loss or damage arising directly or indirectly out of any such interference;
- (k) you will not remove or permit the removal of any Improvement from the Land except as expressly permitted or required under this Agreement;
- (l) any interest you may have in the Improvements ceases to exist and becomes our property upon termination of this Agreement, except where an Improvement may be removed under paragraph 4.1(o)(ii) or (iii) in which case any interest you may have in that Improvement ceases to exist and becomes our property if the Improvement is not removed from the Land within the time period set out in paragraph 4.1(o)(ii) or the time period provided for in the direction or permission given under paragraph 4.1(o)(iii); and
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- (m) if, after the termination of this Agreement, we permit you to remain in possession of the Land and we accept money from you in respect of such possession, a tenancy from year to year will not be created by implication of law and you will be deemed to be a monthly tenant only subject to all of the provisions of this Agreement, except as to duration, in the absence of a written agreement to the contrary.

#### ARTICLE 6 - SECURITY AND INSURANCE

- 6.1 On the Commencement Date, you will deliver to us security in the amount of \$0.00 which will
- (a) guarantee the performance of your obligations under this Agreement;
  - (b) be in the form required by us; and
  - (c) remain in effect until we certify, in writing, that you have fully performed your obligations under this Agreement.
- 6.2 Despite section 6.1, your obligations under that section are suspended for so long as you maintain in good standing other security acceptable to us to guarantee the performance of your obligations under this Agreement and all other dispositions held by you.
- 6.3 We may use the Security for the payment of any costs and expenses incurred by us to perform any of your obligations under this Agreement that are not performed by you and, if such event occurs, you will, within 30 days of that event, deliver further Security to us in an amount equal to the amount drawn down by us.
- 6.4 After we certify, in writing, that you have fully performed your obligations under this Agreement, we will return to you the Security maintained under section 6.1, less all amounts drawn down by us under section 6.3.
- 6.5 You acknowledge that we may, from time to time, notify you to
- (a) change the form or amount of the Security; and
  - (b) provide and maintain another form of Security in replacement of or in addition to the Security posted by you under this Agreement;

and you will, within 60 days of receiving such notice, deliver to us written confirmation that the change has been made or the replacement or additional form of Security has been provided by you.

**6.6 You must**

- (a) without limiting your obligations or liabilities under this Agreement, at your expense, effect and keep in force during the Term Comprehensive/Commercial General Liability insurance protecting us as an additional insured in an amount of not less than \$0.00 inclusive per occurrence insuring against liability for personal injury, bodily injury (including death) or property damage, and claims for liability assumed under contract, arising from all accidents or occurrences on the Land or the Improvements;
- (b) on the Commencement Date and immediately upon demand, deliver to us a completed "Province of British Columbia Certificate of Insurance" for all insurance required to be maintained by you under this Agreement;
- (c) ensure that all insurance required to be maintained by you under this Agreement is
  - (i) placed with insurers licensed in British Columbia,
  - (ii) primary and does not require the sharing of any loss by any insurer that insures us, and
  - (iii) endorsed to provide us with 30 days' advance written notice of cancellation or material change; and
- (d) deliver to us, immediately upon demand, certified copies of all policies of insurance required to be maintained by you under this Agreement.

**6.7 You acknowledge that we may, from time to time, notify you to**

- (a) change the amount of insurance set out in subsection 6.6(a); and
- (b) provide and maintain another type or types of insurance in replacement of or in addition to the insurance previously required to be maintained by you under this Agreement;

and you will, within 60 days of receiving such notice, cause the amounts and types to be changed and deliver to us a completed "Province of British Columbia Certificate of Insurance" for all insurance then required to be maintained by you under this Agreement.

**ARTICLE 7 - ASSIGNMENT****7.1 You must not sublease, assign, mortgage or transfer this Agreement, or permit any person to**

use or occupy the Land, without our prior written consent, which consent we may withhold in our sole discretion.

- 7.2 For the purpose of section 7.1, if you are a corporation, a change in control (as that term is defined in subsection 1(4) of the *Company Act*) will be deemed to be a transfer of this Agreement.
- 7.3 Section 7.2 does not apply to a corporation if the shares of the corporation which carry votes for the election of the directors of the corporation trade on a stock exchange located in Canada.
- 7.4 Prior to considering a request for our consent under section 7.1, we may require you to meet certain conditions, including without limitation, that you submit to us a "site profile", "preliminary site investigation" or "detailed site investigation" (as those terms are defined in the *Waste Management Act*) for the Land or other similar type of investigation of the Land.

#### ARTICLE 8 - TERMINATION

8.1 You agree with us that

(a) if you

- (i) default in the payment of any money payable by you under this Agreement, or
- (ii) fail to observe, abide by and comply with the provisions of this Agreement (other than the payment of any money payable by you under this Agreement),

and your default or failure continues for 60 days after we give written notice of the default or failure to you,

(b) if, in our opinion, you fail to make diligent use of the Land for the purposes set out in this Agreement, and your failure continues for 60 days after we give written notice of the failure to you;

(c) if you

- (i) become insolvent or make an assignment for the general benefit of your creditors,
- (ii) commit an act which entitles a person to take action under the *Bankruptcy and Insolvency Act* (Canada) or a bankruptcy petition is filed or presented against you or you consent to the filing of the petition or a decree is entered by a court

of competent jurisdiction adjudging you bankrupt under any law relating to bankruptcy or insolvency, or

- (iii) voluntarily enter into an arrangement with your creditors;
- (d) if you are a corporation,
  - (i) a receiver or receiver-manager is appointed to administer or carry on your business, or
  - (ii) an order is made, a resolution passed or a petition filed for your liquidation or winding up;
- (e) if you are a society, you convert into a company in accordance with the *Society Act* without our prior written consent; or
- (f) if this Agreement is taken in execution or attachment by any person;

this Agreement will, at our option and with or without entry, terminate, and all of your right, interest and estate in the Land will be absolutely forfeited to us.

8.2 If the condition complained of (other than the payment of any money payable by you under this Agreement) reasonably requires more time to cure than 60 days, you will be deemed to have complied with the remedying of it if you commence remedying or curing the condition within 60 days and diligently complete the same.

8.3 You agree with us that

- (a) you will make no claim for compensation, in damages or otherwise, upon the lawful termination of this Agreement under section 8.1; and
- (b) our remedies under this Article are in addition to those available to us under the *Land Act*.

## ARTICLE 9 - DISPUTE RESOLUTION

9.1 If any dispute arises under this Agreement, the parties will attempt to resolve the dispute within 60 days of the dispute arising (or within such other time period agreed to by the parties) and, subject to applicable laws, provide candid and timely disclosure to each other of all relevant facts, information and documents to facilitate those efforts.

- 9.2 Subject to section 9.5, if a dispute under this Agreement cannot be resolved under section 9.1, we or you may refer the dispute to arbitration conducted by a sole arbitrator appointed pursuant to the *Commercial Arbitration Act*.
- 9.3 The cost of the arbitration referred to in section 9.2 will be shared equally by the parties and the arbitration will be governed by the laws of the Province of British Columbia.
- 9.4 The arbitration will be conducted at our offices (or the offices of our authorized representative) in Kamloops, British Columbia, and if we or our authorized representative have no office in Kamloops, British Columbia, then our offices (or the offices of our authorized representative) that are closest to Kamloops, British Columbia.
- 9.5 A dispute under this Agreement in respect of a matter within our sole discretion cannot, unless we agree, be referred to arbitration as set out in section 9.2.

#### **ARTICLE 10 - NOTICE**

- 10.1 Any notice required to be given by either party to the other will be deemed to be given if mailed by prepaid registered mail in Canada or delivered to the address of the other as follows:

to us

Land and Water British Columbia Inc.  
3rd Floor, 145-3rd Ave.  
Kamloops, BC V2C 3M1;

to you

JOHN DONALD LAING  
NORMA LOUISE LAING  
12 Alameda Ct  
Kelowna, BC V1V 1C7;

or at such other address as a party may, from time to time, direct in writing, and any such notice will be deemed to have been received if delivered, on the day of delivery, and if mailed, 7 days after the time of mailing, except in the case of mail interruption in which case actual receipt is required.

- 10.2 In order to expedite the delivery of any notice required to be given by either party to the other, a concurrent facsimile copy of any notice will, where possible, be provided to the other party

but nothing in this section, and specifically the lack of delivery of a facsimile copy of any notice, will affect the deemed delivery provided in section 10.1.

- 10.3 The delivery of all money payable to us under this Agreement will be effected by hand, courier or prepaid regular mail to the address specified above, or by any other payment procedure agreed to by the parties, such deliveries to be effective on actual receipt.

### ARTICLE 11 - MISCELLANEOUS

- 11.1 No provision of this Agreement will be considered to have been waived unless the waiver is in writing, and a waiver of a breach of a provision of this Agreement will not be construed as or constitute a waiver of any further or other breach of the same or any other provision of this Agreement, and a consent or approval to any act requiring consent or approval will not waive or render unnecessary the requirement to obtain consent or approval to any subsequent same or similar act.
- 11.2 No remedy conferred upon or reserved to us under this Agreement is exclusive of any other remedy in this Agreement or provided by law, but that remedy will be in addition to all other remedies in this Agreement or then existing at law, in equity or by statute.
- 11.3 The grant of a sublease, assignment or transfer of this Agreement does not release you from your obligation to observe and perform all the provisions of this Agreement on your part to be observed and performed unless we specifically release you from such obligation in our consent to the sublease, assignment or transfer of this Agreement.
- 11.4 This Agreement extends to, is binding upon and enures to the benefit of the parties, their heirs, executors, administrators, successors and permitted assigns.
- 11.5 If, due to a strike, lockout, labour dispute, act of God, inability to obtain labour or materials, law, ordinance, rule, regulation or order of a competent governmental authority, enemy or hostile action, civil commotion, fire or other casualty or any condition or cause beyond your reasonable control, other than normal weather conditions, you are delayed in performing any of your obligations under this Agreement, the time for the performance of that obligation will be extended by a period of time equal to the period of time of the delay so long as
- (a) you give notice to us within 30 days of the commencement of the delay setting forth the nature of the delay and an estimated time frame for the performance of your obligation; and
  - (b) you diligently attempt to remove the delay.

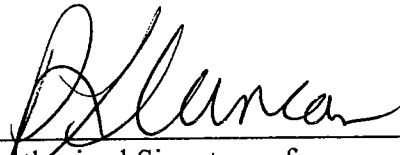
11.6 You agree with us that

- (a) we are under no obligation, express or implied, to provide financial assistance or to contribute toward the cost of servicing, creating or developing the Land or the Improvements and you are solely responsible for all costs and expenses associated with your use of the Land and the Improvements for the purposes set out in this Agreement; and
- (b) nothing in this Agreement constitutes you as our agent, joint venturer or partner or gives you any authority or power to bind us in any way.

11.7 This Agreement does not override or affect any powers, privileges or immunities to which you are entitled under any enactment of the Province of British Columbia.

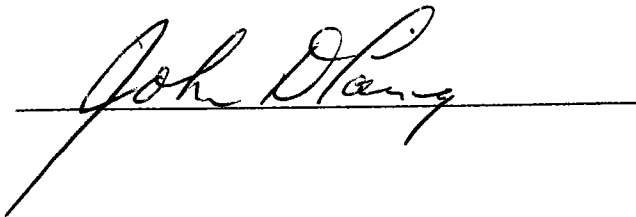
The parties have executed this Agreement as of the date of reference of this Agreement.

SIGNED on behalf of **HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA** by Land and Water British Columbia Inc., authorized representative of the minister responsible for the *Land Act*



\_\_\_\_\_  
Authorized Signatory of  
Land and Water British Columbia Inc.

SIGNED BY  
JOHN DONALD LAING



SIGNED BY  
NORMA LOUISE LAING

A handwritten signature in cursive script that reads "Norma Louise Laing". The signature is written in black ink and is positioned below the printed name.



Ministry of Environment, Lands and Parks

**Lease - Recreational Lot**

Lease No.

337737

File No. 0229648

THIS LEASE dated for reference the 13th day of May, 1998.

IN PURSUANCE OF THE *LAND ACT* (Section 38) and the *LAND TRANSFER FORM ACT*

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the Minister of Environment, Lands and Parks, Parliament Buildings, Victoria, British Columbia

(hereinafter called the "Lessor")

FIRST PART

CKSON

(hereinafter called the "Lessee")

OF THE SECOND PART

WITNESS THAT WHEREAS the Lessor has agreed to grant to the Lessee a lease over that parcel of land described in the attached schedule entitled Legal Description (hereinafter called the "Land");

NOW THEREFORE in consideration of the fee to be paid by, and the covenants of the Lessee, the parties agree as follows:

**Article I - Grant of Lease**

(1.01) The Lessor, on the terms set forth herein, hereby demises and leases to the Lessee the Land, save and except those portions of the Land that consist of trails, roads, highways, water courses, or that are covered by water at the date hereof, for *personal recreational use*.

Lease - Recreational Lot

File No. 0229648

Article II - Term

(2.01) TO HAVE AND TO HOLD the Land unto the Lessee for a *term of 15 years commencing on the 13th day of May, 1998* (hereinafter called the "Commencement Date").

Article III - Fees

(3.01) YIELDING AND PAYING THEREFORE for the term the fees prescribed in the Fee Schedule attached.

Article IV - Covenants of the Lessee

(4.01) The Lessee covenants with the Lessor

- (a) to pay fees when due at the address of the Lessor first above written or at such other place as the Lessor may specify by notice in writing;
- (b) to pay and discharge when due all applicable taxes, levies, charges and assessments now or hereafter assessed, levied or charged which relate to the Land or any improvements thereon (herein called "Realty Taxes");
- (c) to observe, abide by and comply with all applicable laws, bylaws, orders, directions, ordinances and regulations of any competent governmental authority in any way affecting the Land and improvements situate thereon, or their use and occupation;
- (d) to keep the Land in a safe, clean and sanitary condition satisfactory to the Lessor, and on written notice from the Lessor to make safe, clean and sanitary any portion of the Land or any improvements that, in the opinion of the Lessor, contravenes the provisions of this covenant;
- (e) not to commit or suffer any willful or voluntary waste, spoil or destruction on the Land or to do or suffer to be done thereon anything that may be or become a nuisance or annoyance to the owners or occupiers of adjoining Land;
- (f) to use and occupy the Land in accordance with the provisions of this lease and any Special Proviso Schedule;
- (g) to indemnify and save the Lessor harmless against all loss, damages, costs and liabilities, including fees of solicitors and other professional advisors arising out of
  - (i) any breach, violation or non-performance of any covenant, condition or agreement in this lease by the Lessee,
  - (ii) any personal injury, death or property damage occurring on the Land or happening by virtue of the Lessee's use or occupation of the Land, and the Lessor may add the amount of such loss, damages, costs and liabilities to the fees and the amount so added shall be payable to the Lessor immediately;
- (h) on the expiration or earlier cancellation of this lease
  - (i) to peaceably quit and deliver possession of the Land and any improvements thereon to the Lessor, in a safe and sanitary condition,
  - (ii) to restore the surface of the Land to the satisfaction of the Lessor, AND
  - (iii) notwithstanding section 4.01 (h) (i) to remove any improvements that the Lessor may, in writing, direct or permit to be removed,

Lease - Recreational Lot

File No. 0229648

and all right, interest and estate of the Lessee shall cease and vest in the Lessor, and to the extent necessary this covenant shall survive the expiration or earlier cancellation of this lease;

- (i) to permit the Lessor, or his authorized representative, to enter upon the Land at anytime to inspect the Land and any improvements thereon;
- (j) not to cut or remove, or both, Crown timber from the Land without
  - (i) the prior written consent of the Lessor, AND
  - (ii) being granted the right to harvest Crown timber from the Land pursuant to an agreement issued under the *Forest Act*.

Article V - Assignment

- (5.01) The Lessee shall not assign, mortgage, sublet or transfer this lease or grant a license to occupy the Land without the prior written consent of the Lessor.

Article VI - Covenants of the Lessor

- (6.01) The Lessor covenants with the Lessee for quiet enjoyment.

Article VII - Provisos

- (7.01) PROVIDED always and it is hereby agreed as follows:

- (a) if, after the termination by the passage of time of this lease or any extension thereof, the Lessor permits the Lessee to remain in possession of the Land and accepts rent in respect thereof, a tenancy from year to year shall not be created by implication of law and the Lessee shall be deemed to be a monthly tenant only subject to all of the terms and conditions of this lease, except as to duration in the absence of a written agreement to the contrary;
- (b) title to and ownership of all buildings, structures and other improvements now or hereafter constructed on the Land shall be vested in the Lessor and the Lessee shall neither remove nor permit the removal of them from the Land except as expressly permitted or required by this lease;
- (c) the Lessor is under no obligation to provide access or services to the Land or to maintain or improve existing access roads;
- (d) the Lessor hereby reserves the right to grant other dispositions of the Land, or any part of it, with the prior consent of the Lessee, which consent shall not be unreasonably withheld, by way of easement, right of way or statutory right of way to a Crown corporation or agency, a municipality, or regional district, or a person or corporation and, upon such consent being given, the Lessee shall forthwith execute and deliver to the Lessor such instrument as may be necessary to subordinate the Lessee's right and interest in the Land under this lease;
- (e) for the purpose of subsection (d) of section 7.01, the Lessee shall be deemed to have withheld his consent reasonably if a grant of rights under that subsection would materially affect the exercise of the Lessee's rights hereunder;
- (f) if a dispute should arise as to whether or not the exercise of the Lessee's rights hereunder would, in fact, be materially affected by a grant of rights under subsection (d) of section 7.01, then, the dispute shall be referred to a sole arbitrator appointed pursuant to the *Commercial Arbitration Act*;

Lease - Recreational Lot

File No. 0229648

- (g) the Lessee hereby acknowledges and agrees that no claim for compensation shall be made, in any form, in respect of a grant of rights under subsection (d) of section 7.01, where such rights do not materially affect the exercise of the Lessee's rights hereunder;
- (h) this lease and the term herein granted is subject to:
  - (i) all subsisting grants to or rights of any person made or acquired under the *Coal Act, Forest Act, Mineral Tenure Act, Petroleum and Natural Gas Act, Range Act, Wildlife Act, or Water Act*, or any extension or renewal of the same, whether or not the Lessee has actual notice of them, AND
  - (ii) the exceptions and reservations of rights, interests, privileges and titles referred to in section 50 of the *Land Act*.
- (i) the Lessor may in his sole discretion, terminate this lease on 90 days written notice to the Lessee and the Lessee acknowledges and agrees that no compensation shall be payable to him in such event, other than in accordance with Article IX;
- (j) the Lessee acknowledges and agrees with the Lessor that
  - (i) any interference with the rights of the Lessee under this lease by virtue of the exercise or operation of the rights, privileges or interests described in subsections (d) and (h) and (i) of section 7.01 shall not constitute a breach of the Lessor's covenant of quiet enjoyment and the Lessee releases and discharges the Lessor from and against any claims for loss or damage arising directly or indirectly out of any such interference,
  - (ii) all costs and expenses, direct or indirect, that arise out of any interference by the Lessee with the rights, privileges and interests described in subsections (d) and (h) and (i) of section 7.01 shall be borne solely by the Lessee,
  - (iii) he shall not commence or maintain proceedings under section 65 of the *Land Act* in respect of any interference with his rights hereunder arising directly or indirectly out of the exercise or operation of the rights, privileges or interests described in subsections (d), (h), and (i) of section 7.01, AND
  - (iv) all schedules attached to this lease form an integral part of this lease.
- (k) if, during the term of this lease, the Lessee applies to the Lessor for a permanent residential lease of the Land, and the Lessor approves such application in writing, then, this lease shall terminate on the date of commencement of such permanent residential lease.

**Article VIII - Events of Default**

- (8.01) PROVIDED ALSO that this lease and the term and estate hereby granted are subject to the limitation that
- (a) if the Lessee shall default in the payment of any installment of fees, or the payment of any other sum payable hereunder, and such default shall continue for 60 days after the giving of written notice by the Lessor to the Lessee;
  - (b) if the Lessee shall fail to perform or observe any of the covenants, agreements, conditions or provisos contained in this lease on the part of the Lessee to be performed or observed (other than the payment of fees or other sums of money) and such failure shall continue for, or shall not be remedied within, the period of 60 days next after the giving of written notice by the Lessor to the Lessee of the nature of such failure;
  - (c) if the term hereby granted shall be taken in execution or attachment by any person or the Lessee commits an act of bankruptcy, becomes insolvent or is

Lease - Recreational Lot

File No. 0229648

petitioned into bankruptcy or voluntarily enters into an arrangement with his creditors;

- (d) if the Lessor discovers that the Lessee either in his application for this lease or otherwise has, in the opinion of the Lessor, misrepresented or withheld any fact material to the application; OR
- (e) if, in the opinion of the Lessor, the Lessee fails to make reasonable and diligent use of the Land for the purposes permitted herein, and such failure shall continue for a period of 60 days next after the Lessor gives written notice of the failure to the Lessee;

it shall then be lawful for the Lessor to enter upon the Land or any part thereof in the name of the whole, and this lease shall at the option of the Lessor, and with or without entry, terminate, and all the rights of the Lessee with respect to the Land shall be absolutely forfeited and shall lapse. If the condition complained of (other than the payment of fees or other sums of money) reasonably requires more time to cure than 60 days, the Lessee shall be deemed to have complied with the remedying thereof if the Lessee shall have commenced remedying or curing the condition within the 60 day period and diligently thereafter completes the same.

**Article IX - Compensation**

- (9.01) If on the expiration or earlier termination of the term,
  - (a) the Lessor elects not to grant a further lease of the Land to the Lessee; OR
  - (b) the Lessor exercises his right of cancellation under section 7.01 (i) and the Lessee is not in default hereunder,
 

the Lessor shall pay to the Lessee the market value of the improvements established in accordance with this Article within 30 days after its calculation, less any amounts owing by the Lessee to the Lessor, and any amounts paid by the Lessor to satisfy any encumbrance, lien, judgment, Realty Taxes or other charges affecting the Lessee's interest in the Land.
- (9.02) The market value of the improvements may be determined by mutual agreement of the parties which agreement shall be confirmed in writing by the Lessee.
- (9.03) If the parties fail to agree on the market value of the improvements within 30 days after the expiration of the term or earlier termination as provided for in Article VII, the market value of the improvements shall be established by two appraisers on the basis of the price that a purchaser at arms length would pay for an estate in fee simple in the Land free of all liens, charges and encumbrances less the price that a purchaser at arms length would pay for an estate in fee simple in the Land as serviced but otherwise unimproved and free of all liens, charges and encumbrances, and
  - (a) the Lessor shall give written notice to the Lessee requiring the Lessee to appoint an appraiser hereunder;
  - (b) each party shall appoint an appraiser and notify the other party of the name of that appraiser not later than 15 days after the date of delivery of the notice requiring the Lessee to appoint an appraiser.
  - (c) if the parties have appointed the same appraiser, the Lessor may appoint an alternate appraiser within a further 7 days;
  - (d) each party shall cause its appraiser to conduct an independent appraisal of the improvements and establish the market value within a further 15 days, AND
  - (e) subject to section 9.04, the two values so obtained shall be added together and divided by two, and the amount yielded by that calculation shall be the market value of the improvements for the purposes of this Article.

Lease - Recreational Lot	File No. 0229648
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- (9.04) If the values established by the appraisers differ by more than 10% of the greater of the two values, the market value of the improvements may be determined by mutual agreement of the parties which agreement shall be confirmed in writing by the Lessor, but failing such agreement within 10 days of obtaining the two values established by the appraisers, the market value shall be determined by arbitration.
- (9.05) If either party fails to appoint an appraiser such failure shall constitute a waiver by the party who failed to appoint an appraiser of his right to participate in establishing the market value of the improvements, and the market value shall be the value established by the appraiser of the other party.
- (9.06) Notwithstanding anything to the contrary herein contained, where the Lessee is entitled to compensation for the improvements under this Article, he may elect, by notice in writing to the Lessor before the expiration of the term, to remove the improvements from the Land, and if the Lessee makes such election he shall
- (a) remove all improvements on the Land within 90 days after the expiration of the term and restore the surface of the Land in accordance with subsection (h) of section 7.01, AND
  - (b) not be entitled to any compensation for the improvements under this Article.
- (9.07) If the Lessor has re-entered the Land under Article VIII, this Article shall not apply.
- (9.08) Where the Lessee lawfully exercises his right to remove the improvements from the Land under this Article, the act of removing them shall not constitute a breach of the Lessee's covenant to deliver up the improvements to the Lessor on the expiration of the term.

**Article X - Notice**

- (10.01) Where service of a notice or a document is required under this lease the notice or document shall be in writing and shall be deemed to have been delivered to, or if sent by prepaid registered mail addressed to, the Lessor and the Lessee at the addresses specified for each in this lease, and where service is by registered mail, the notice or document shall be conclusively deemed to have been served on the eighth day after its deposit in a Canada Post office at any place in Canada.
- (10.02) Either party may, by notice in writing to the other, specify another address for service of notices under this lease, and where another address is specified under this section, notices shall be mailed to that address in accordance with this Article.
- (10.03) Notwithstanding section 10.01, any written notice to be served or given by the Lessor to the Lessee under this lease shall be effectively given or served by posting the same in a conspicuous place on the Land.

**Article XI - Miscellaneous**

- (11.01) No term, condition, covenant or other provision herein shall be considered to have been waived by the Lessor unless such waiver is expressed in writing by the Lessor. Any such waiver of any term, condition, covenant or other provision herein shall not be construed as or constitute a waiver of any further or other breach of the same or any other term, condition, covenant, or other provision and the consent or approval of the Lessor to any act by the Lessee requiring the consent or approval of the Lessor shall not be considered to waive or render unnecessary such consents or approvals to any subsequent same or similar act by the Lessee.

Lease - Recreational Lot File No. 0229648


- (11.02) No remedy conferred upon or reserved to the Lessor is exclusive of any other remedy herein or provided by law, but such remedy shall be cumulative and shall be in addition to any other remedy herein or hereafter existing at law, in equity, or by statute.
- (11.03) The terms and provisions of this lease shall extend to, be binding upon and enure to the benefit of the parties hereto and their successors and permitted assigns.
- (11.04) Time is of the essence in this agreement.

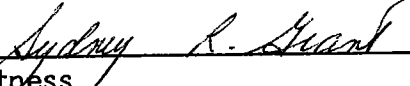
Article XII - Interpretation

- (12.01) In this lease, unless the context otherwise requires, the singular includes the plural and the masculine includes the feminine gender and a corporation.
- (12.02) The captions and headings contained in this lease are for convenience only and are not to be construed as defining or in any way limiting the scope or the intent of the provisions hereof.
- (12.03) Where this lease contains the forms of words contained in Column I of Schedule 4 of the *Land Transfer Form Act*, those words shall have the same effect and be construed as if the appropriate forms of words contained in Column II of that Schedule were contained herein in their place, unless the context requires another construction of those words.
- (12.04) Where in this lease there is a reference to an enactment of the Province of British Columbia or of Canada, that reference shall include a reference to any subsequent enactment of like effect, and unless the context otherwise requires, all statutes referred to herein are enactments of the Province of British Columbia.
- (12.05) If any section of this lease or any part of a section is found to be illegal or unenforceable, that part or section, as the case may be, shall be considered separate and severable and the remaining parts or sections, as the case may be, shall not be affected thereby and shall be enforceable to the fullest extent permitted by law.

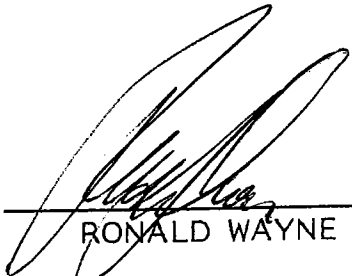
IN WITNESS WHEREOF, the parties have executed this lease as of the day and year first above written.

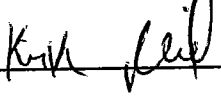
SIGNED on behalf of HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA by a duly authorized representative of the Minister of Environment, Lands and Parks in the presence of:

  
For the Minister of Environment, Lands and Parks

  
Witness

SIGNED by RONALD WAYNE JACKSON in the presence of:

  
RONALD WAYNE JACKSON

  
Witness



Ministry of  
Environment,  
Lands and Parks

**FEE SCHEDULE**

Lease No.

337737

File No. 0229648

1. THE FEE SHALL BE

- (a) for the first year of the term, a fee of \$3,990.00 payable in advance on the Commencement Date, the receipt and sufficiency of which is hereby acknowledged; AND
- (b) during the balance of the term, the annual fee determined by the Lessor under this Schedule, payable in advance, beginning on the first anniversary of the Commencement Date and thereafter on each successive anniversary of that date.

- 2. The Lessor shall, in each year of the term not later than 15 days before the anniversary of the Commencement Date during those years, give written notice to the Lessee specifying the annual fee payable for the immediately succeeding year of the term and the annual fee specified in the notice shall constitute conclusive evidence of the annual fee payable for the year of the term specified in it.
- 3. If the Lessor does not give notice to the Lessee under section 2, the annual fee payable for that year shall be equal to the annual fee payable for the immediately preceding year of the term.

LAND TITLE ACT  
Form 17  
(Sections 151, 152 (1), 220)  
APPLICATION

Before submitting this application for registration of a leasehold interest, applicants should check and satisfy themselves as to the tax position, including taxes of the Province, a municipality, and improvement, water and irrigation districts.

NATURE OF INTEREST: CHARGE  
NATURE OF CHARGE: LEASE

TRUE VALUE:

Herewith Fees of \$ \_\_\_\_\_

Address of persons entitled to be registered as owner, if different than shown in instrument \_\_\_\_\_

Full name, address, telephone number of person presenting application \_\_\_\_\_

(Signature of applicant,  
solicitor or authorized agent)



Province of  
British Columbia

Ministry of Lands,  
Parks and Housing

**LEASE** RECREATIONAL LOT

THIS LEASE executed in triplicate and dated for reference the **16th** day of **January**, 1986

LEASE No. **332342**

IN PURSUANCE OF THE LAND ACT (section 35) and the LAND TRANSFER FORM ACT.

FILE No. **3400601**

BETWEEN: HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the Minister and Lands, Parks and Housing, Parliament Buildings, Victoria, British Columbia;

after called the "Lessor") OF THE FIRST PART  
**GER, Custodian, of  
Columbia**

WITNESSES THAT WHEREAS the Lessor has agreed to grant to the Lessee a lease over that parcel of land described in the schedule attached entitled Legal Description (hereinafter called the "Land");

: called the "Lessee") OF THE SECOND PART

NOW, THEREFORE, in consideration of the rental to be paid by, and the covenants of, the Lessee, the parties agree as follows:

of Lease

(1.01) THE LESSOR, on the terms set forth herein, hereby demises and leases to the Lessee the Land, save and except those portions of the Land that consist of trails, roads, highways, water courses, or that are covered by water at the date hereof, for the purpose of personal recreational use.

Article II—Term

(2.01) TO HAVE AND TO HOLD the Land unto the Lessee for a term of **fifteen (15) years** commencing on the **17th of March, 1986** (hereinafter called the "Commencement Date").

Article III—Rent

(3.01) YIELDING AND PAYING THEREFORE for the term the rent as prescribed in the Rental Schedule attached.

Article IV—Covenants of the Lessee

(4.01) The Lessee covenants with the Lessor

- (a) to pay rent when due at the address of the Lessor first above written or at such other place as the Lessor may specify by notice in writing;
- (b) to pay and discharge when due all applicable taxes, levies, charges and assessments now or hereafter assessed, levied or charged which relate to the Land or any improvements thereon (herein called "Realty Taxes");
- (c) to observe, abide by and comply with all applicable laws, bylaws, orders, directions, ordinances and regulations of any competent governmental authority in any way affecting the Land and improvements situate thereon, or their use and occupation;
- (d) to keep the Land in a safe, clean and sanitary condition satisfactory to the Lessor, and on written notice from the Lessor, to make safe, clean and sanitary any portion of the Land or any improvements that, in the opinion of the Lessor, contravenes the provisions of this covenant;

(9.06) Notwithstanding anything to the contrary herein contained, where the Lessee is entitled to compensation for the improvements under this Article, he may elect, by notice in writing to the Lessor before the expiration of the term, to remove the improvements from the Land, and if the Lessee makes such election he shall

- (a) remove all improvements on the Land within 90 days after the expiration of the term and restore the surface of the Land in accordance with subsection (g) of section 4.01, AND
- (b) not be entitled to any compensation for the improvements under this Article.

(9.07) If the Lessor has re-entered the Land under Article VIII, this Article shall not apply.

(9.08) Where the Lessee lawfully exercises his right to remove the improvements from the Land under this Article, the act of removing them shall not constitute a breach of the Lessee's covenant to deliver up the improvements to the Lessor on the expiration of the term.

**Article X—Notice**

(10.01) Where service of a notice or a document is required under this lease the notice or document shall be in writing and shall be deemed to have been delivered to, or if sent by prepaid registered mail addressed to, the Lessor and the Lessee at the addresses specified for each in this lease, and where service is by registered mail, the notice or document shall be conclusively deemed to have been served on the eighth day after its deposit in a Canada Post office at any place in Canada.

(10.02) Either party may, by notice in writing to the other, specify another address for service of notices under this lease, and where another address is specified under this section, notices shall be mailed to that address in accordance with this Article.

(10.03) Notwithstanding section 10.01, any written notice to be served or given by the Lessor to the Lessee under this lease shall be effectively given or served by posting the same in a conspicuous place on the Land.

**Article XI—Miscellaneous**

(11.01) No term, condition, covenant or other provision herein shall be considered to have been waived by the Lessor unless such waiver is expressed in writing by the Lessor. Any such waiver of any term, condition, covenant or other provision herein shall not be construed as or constitute a waiver of any further or other breach of the same or any other term, condition, covenant or other provision and the consent or approval of the Lessor to any act by the Lessee requiring the consent or approval of the Lessor shall not be considered to waive or render unnecessary such consents or approvals to any subsequent same or similar act by the Lessee.

(11.02) No remedy conferred upon or reserved to the Lessor is exclusive of any other remedy herein or provided by law, but such remedy shall be cumulative and shall be in addition to any other remedy herein or hereafter existing at law, in equity, or by statute.

(11.03) The terms and provisions of this lease shall extend to, be binding upon and enure to the benefit of the parties hereto and their successors and permitted assigns.

(11.04) Time is of the essence in this agreement.

(11.05) The Lessee acknowledges and agrees with the Lessor that all schedules referred to in this lease form an integral part of this lease.

**Article XII—Interpretation**

(12.01) In this lease, unless the context otherwise requires, the singular includes the plural and the masculine includes the feminine gender and a corporation.

(12.02) The captions and headings contained in this lease are for convenience only and are not to be construed as defining or in any way limiting the scope or intent of the provisions herein.

(12.03) Where this lease contains the forms of words contained in Column 1 of Schedule 4 of the Land Transfer Form Act, those words shall have the same effect and be construed as if the appropriate forms of words contained in Column II of that Schedule were contained herein in their place, unless the context requires another construction of those words.

(12.04) Where in this lease there is a reference to an enactment of the Province of British Columbia or of Canada, that reference shall include a reference to any subsequent enactment of like effect, and unless the context otherwise requires, all statutes referred to herein are enactments of the Province of British Columbia.

(12.05) If any section of this lease or any part of a section is found to be illegal or unenforceable, that part or section, as the case may be, shall be considered separate and severable and the remaining parts or sections, as the case may be, shall not be affected thereby and shall be enforceable to the fullest extent permitted by law.

**Article XIII—Special Provisos**

(13.01)

IN WITNESS WHEREOF, the parties have executed this lease as of the day and year first above written.

SIGNED, SEALED AND DELIVERED by a duly authorized representative of the Minister of Lands, Parks and Housing on behalf of Her Majesty the Queen in Right of the Province of British Columbia in the presence of:

*M. Deurenubi*  
348 Tranquille Road  
Kamloops, B.C.

*Herb Doss*  
Regional Director

SIGNED, SEALED AND DELIVERED by ROBERT LOUIS SINGER

in the presence of:  
*R. Singer*  
1573 Ellis St.  
Kelowna B.C.

*Robert Singer*  
Signature of Lessee

SIGNED, SEALED AND DELIVERED by

in the presence of:  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature of Lessee



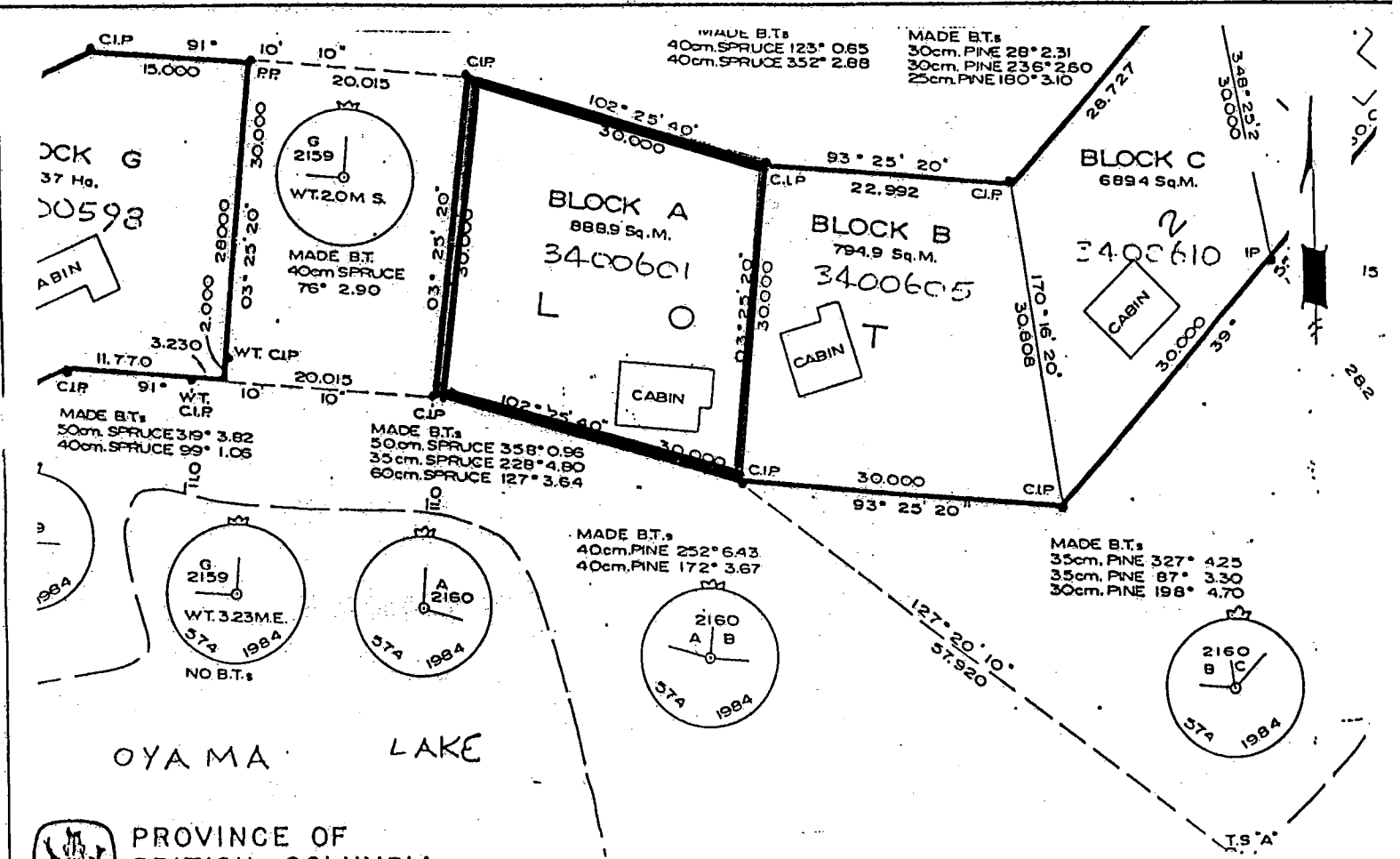
# Legal Description Schedule

LEASE No. **332342** FILE No. **3400601**

### 1.1 Legal Description

Block A of Lot 2160, Osoyoos Division of Yale District more particularly shown in red on sketch below, containing 888.9 m<sup>2</sup> more or less.

### 1.2 Sketch Plan



PROVINCE OF BRITISH COLUMBIA

MINISTRY OF LANDS,  
PARKS AND HOUSING  
Lands and Housing  
Regional Operations

SCALE: 1:652  
MAP REF: 82L/3c



LEASE No.

332342

FILE No. 3400601

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1.1 THE RENT SHALL BE

- (a) for the first year of the term a rental of \$ 200.00, payable in advance, on the Commencement Date, AND
  - (b) during the balance of the term, the annual rental determined by the Lessor under this Schedule, payable in advance, beginning on the first anniversary of the Commencement Date and thereafter on each successive anniversary of that date.
- 1.2 The Lessor shall in each year of the term not later than 15 days before the anniversary of the Commencement Date during those years, give written notice to the Lessee specifying the annual rental payable for the immediately succeeding year of the term and the annual rental specified in the notice shall constitute conclusive evidence of the annual rental payable for the year of the term specified in it.
- 1.3 If the Lessor does not give notice to the Lessee under section 1.2 for any succeeding year of the term after the first year, the annual rental payable for that year shall be equal to the annual rental payable for the immediately preceding year of the term.
- 1.4 Notwithstanding section 1.2 of this Schedule the Lessor shall not increase the amount of the rental payable in the years 2, 3, 4 and 5 of the term by an amount that is more than 6 percent above the rental payable in the immediately preceding year of the term.



3.00 *Improvements*

3.01 Before cutting any timber, erecting any building or other structure or making any other improvement to the licence area the Permittee will submit to the Regional Manager a plan showing the locations of the cutting and the locations and specifications of structures, buildings and other improvements proposed for the permit area.

3.02 The Permittee will not

- (a) cut any timber or erect any building or other improvement on the permit area, except as approved under this Special-Use Permit,
- (b) remove any building, other structure or other improvement from the permit area, or
- (c) sell, lease or otherwise dispose of, except bona fide by way of security, any building or other structure or other improvement on the permit area,

without the prior written consent of the Regional Manager.

4.00 *Miscellaneous*

4.01 The Permittee will indemnify the Crown against and save it harmless from all claims, demands, suits, actions, causes of action, costs and expenses faced by the Crown as a result, directly or indirectly, of the Permittee's occupation or use of the permit area.

4.02 The parties acknowledge that, for fire protection purposes, sections 121 to 123 of the *Forest Act* shall apply to the permit area and to the parties as though the permit area were a parcel of Crown land subject to an interest under the *Land Act*.

4.03 The Permittee will at his own expense

- (a) repair all damage, except ordinary wear and tear, to roads, trails, irrigation ditches and other improvements on Crown land that results from his use of the permit area, and
- (b) dispose of all slash and other refuse resulting from the use of the permit area under this Special-Use Permit, in the manner directed by a Forest Officer.

4.04 This Special-Use Permit is subject to the *Forest Act* and regulations made under it.

4.05 The Permittee will perform the covenants and will observe the conditions, if any, set out in the attached Schedule.

Special-Use Permit entered into on  
behalf of the Crown, by

*Louis R. Seager*

Permittee

*[Signature]*

Regional Manager

LICENSE OF OCCUPATION - SUP CONVERSION  
RESIDENTIAL & RECREATIONAL

THIS AGREEMENT executed in triplicate and dated for reference the 17th day of December, 1982.

IN PURSUANCE OF THE LAND ACT.

B E T W E E N:

HER MAJESTY THE QUEEN IN RIGHT OF THE  
PROVINCE OF BRITISH COLUMBIA,  
represented by the Minister of Lands,  
Parks and Housing, Parliament  
Buildings, Victoria, British Columbia

(hereinafter called the "Owner")

OF THE FIRST PART

A N D

, Custodian, of  
Kelowna, British Columbia

(the "Licensee")

OF THE SECOND PART

WITNESSES THAT WHEREAS the Owner has agreed to grant to the Licensee a license over that parcel of land described as

all that parcel or tract of land situated at  
Oyama Lake, Osoyoos Division of Yale District

and being more particularly shown outlined in red on the plan annexed hereto as Schedule "A" (herein called the "Land") on the terms set forth below.

NOW THEREFORE, in consideration of the fee to be paid by, and the covenants of, the Licensee, the parties agree as follows:

ARTICLE I GRANT OF LICENSE

(1.01) The Owner, on the terms set forth herein, hereby grants to the Licensee a license to enter on the Land and to use and occupy it for non-commercial recreational purposes.

ARTICLE II DURATION

(2.01) The duration of the license and the rights herein granted shall be for a term of 5 years commencing on the 17th day of March, 1983 (herein called the "Commencement Date") unless earlier terminated in accordance with the terms hereof.



ARTICLE III

LICENSE FEE

- (3.01) The Licensee shall pay to the Owner
- (a) for the first year of the term, a license fee of \$130 payable in advance on the Commencement Date;
  - (b) for each successive year of the term, a license fee determined by the Owner under this Article, payable in advance on each anniversary of the Commencement Date.
- (3.02) In this Article
- "Appraised Value", in reference to the Land, means the actual value of the Land shown on an assessment roll prepared by the assessor under the Assessment Act for the taxation year immediately preceding the year in which a Notice is delivered;
- "Notice" means a notice in writing to the Licensee under section 3.05;
- "Rate", in reference to the calculation of the annual license fee payable under section 3.01(b), means 2%.
- (3.03) The annual license fee payable under section 3.01(b) shall be fixed by the Owner from time to time but it shall not for any year of the term exceed an amount equivalent to the product of the Rate multiplied by the Appraised Value of the Land.
- (3.04) The Owner shall in each year of the term not later than 15 days before an anniversary of the Commencement Date during those years, give Notice to the Licensee specifying the annual license fee payable for the immediately succeeding year of the term.
- (3.05) If the Owner does not give notice of the annual license fee payable under section 3.01(b) for any succeeding year of the term after the first year, the annual rental for that year shall be equal to the annual license fee calculated or in force during the immediately preceding year of the term.
- (3.06) The annual license fee specified in a Notice shall constitute conclusive evidence of the annual license fee payable for the year of the term specified in it.
- (3.07) In the event the Appraised Value of the Land in any year of the term should not be determined by the assessor under the Assessment Act, then in such cases, the Owner may, by notice in writing to the Licensee, determine the Appraised Value for that year of the term and the appraised value specified in the notice shall constitute conclusive evidence of such Appraised Value.



## (4.01) The Licensee covenants with the Owner

- (a) to pay the license fee due at the address of the Owner first above written or at such other place as the Owner may specify from time to time;
- (b) to pay and discharge when due all taxes, rates, levies, duties, charges, and assessments now or hereafter assessed, levied or charged by any competent governmental authority upon the Land or any improvements thereon (herein called "Realty Taxes") and if the Licensee defaults in payment of any such sums, the Owner may pay and discharge the same and the amount so paid shall be added to the license fee and will be due and payable to the Owner immediately;
- (c) to pay and discharge when due all charges for electricity, gas, water and other utilities supplied to the Land and if the Licensee defaults in payment of any such sums, the Owner may pay and discharge the same and the amounts so paid shall be added to the license fee and shall be payable to the Owner immediately;
- (d) to observe, abide by and comply with all laws, by-laws, orders, directions, ordinances and regulations of any competent governmental authority in any way affecting the Land and improvements situate thereon, or their use and occupation;
- (e) not to use or occupy the Land for any purpose not permitted under Article I;
- (f) not to commit or suffer any willful or voluntary waste, spoil or destruction on the Land or do or suffer to be done thereon anything that may be or become a nuisance or annoyance to Owners or occupiers of adjoining land;
- (g) to deliver to the Owner from time to time, upon demand, receipts or other evidence of payment of Realty Taxes, insurance premiums, and other monetary obligations of the Licensee required to be observed by the Licensee pursuant to this license;
- (h) to indemnify and save the Owner harmless against all loss, damage, costs, and liabilities, including fees of solicitors and other professional advisors arising out of
  - (i) any breach, violation or non-performance of any covenant, condition or agreement in this license by the Licensee,
  - (ii) any personal injury, death or property damage occurring on the Land or happening by virtue of the Licensee's occupation of the Land,



and the Owner may add the amount of such loss, damage, costs and liabilities to the license fee and the amount so added shall be payable to the Owner immediately;

- (i) to keep the Land in a safe, clean and sanitary condition satisfactory to the Owner and to remove any improvements or make clean and sanitary any portion of the Land or any improvement that the Owner may direct by notice in writing to the Licensee;
- (j) to permit the Owner, his servants and agents to enter upon the Land at any time to examine its condition;
- (k) not to construct, erect, or place any buildings, structures or other improvements on the Land, except those contemplated under Article I of this license, and where the construction, erection, or placement of buildings, structures or other improvements is contemplated under the Article, the Licensee shall not proceed with their construction, erection or placement until he has delivered to the Owner written particulars of them and a sketch plan showing their intended location on the Land;
- (l) on the expiration or at the earlier cancellation of this license
  - (i) to peaceably quit and deliver possession of the Land to the Owner,
  - (ii) to remove all buildings, machinery, plant equipment and apparatus and all other improvements to or things on the Land,
  - (iii) to restore the surface of the Land to its original condition,

and to the extent necessary, this covenant shall survive the expiration or termination of this license;

- (m) to pay interest on all arrears of license fees at the rate of interest prescribed from time to time under the Land Act, in respect of money payable under a license of occupation that is not paid on the due date;
- (n) to effect and keep in force during the term, insurance protecting the Owner and the Licensee (without any rights of cross-claim or subrogation against the Owner) against claims for personal injury, death, property damage or third party or public liability claims arising from any accident or occurrence on the Land to an amount not less than \$1,000,000;



- (o) to pay all premiums and monies necessary to maintain all policies of insurance required to be maintained by the Licensee as the same become due, provided that if the Licensee defaults in the payment of any of the premiums or sums of money, the Owner may (but will be under no obligation to) pay the same and the amount so paid will be added to the license fee and will be payable to the Owner immediately;
- (p) to deliver to the Owner from time to time, on demand, copies of all current policies of insurance required to be maintained by the Licensee hereunder;
- (q) not to interfere with the activities of any other person to enter on and use the Land under a prior or subsequent license granted by the Owner;
- (r) not to deposit on the Land or any part of it, any earth, fill or other material for the purpose of filling in or raising the level of the Land;
- (s) to pay all accounts and expenses as they become due for labour performed on, or material supplied to, the Land, save and except for monies that the Licensee is required to retain or hold back under the Builders Lien Act, and with respect to the amounts so retained or held back to pay and deal with the same in compliance with that Act or legislation and to place written notices immediately after the commencement of any construction on the Land, in at least two conspicuous places, pursuant to the Builders Lien Act or other legislation of like effect in force from time to time, giving notice that the Owner shall not be responsible for the cost of labour, services or materials performed on or supplied to the Land, and to permit the Owner to enter on the Land for the purpose of placing such notices.

ARTICLE V

ASSIGNMENT

- (5.01) The Licensee shall not assign this license or sublicense any part of the Land without the prior written consent of the Owner.

ARTICLE VI

CANCELLATION

*Licence*

- (6.01) In the event that
  - (a) the Owner requires the Land for his own use or in his sole discretion, considers that it is in the public interest to cancel the rights herein granted,
  - (b) the Licensee ceases to use the Land for the purposes permitted herein,



- (c) the Owner, in his sole discretion, considers that it is no longer necessary for the Licensee to use the Land for the purposes permitted herein,
- (d) the Licensee fails to observe or perform any of the covenants, agreements, provisions or conditions contained herein, and such failure continues for a period of 10 days next after the giving of written notice by the Owner to the Licensee of the nature of the failure,
- (e) the license hereby granted should be taken in execution or attachment by any person or the Licensee commits an act of bankruptcy, becomes insolvent or is petitioned into bankruptcy or voluntarily enters into an arrangement with his creditors,
- (f) the Owner discovers that the Licensee either in his application for this license or otherwise has, in the opinion of the Owner, misrepresented or withheld any fact material to the application,

the Owner may on 90 days written notice to the Licensee, cancel this license and the rights herein granted.

- (6.02) Thirty days after the expiration or cancellation of this license, any improvements or fixtures that remain unremoved from the Land shall be absolutely forfeited to and become the property of the Owner.
- (6.03) If any improvements on the Land are forfeited to and become the property of the Owner under this Article, he may remove them from the Land and the Licensee shall, on demand, compensate the Owner for all costs incurred by the Owner respecting their removal.
- (6.04) The rights and remedies of the Owner under this Article are in addition to those available to him under the Land Act, and an exercise of the Owner's rights and remedies under this Article shall not restrict the Owner from exercising a right or remedy available to him under that Act.
- (6.05) The Licensee shall not be entitled to any compensation, whether for damages or otherwise, in respect of a cancellation of this License by the Owner under this Article.

## ARTICLE VII

### NOTICE

- (7.01) Any written notice to be served upon or given to either the Owner or the Licensee pursuant to this license shall be sufficiently served and given if delivered or mailed, prepaid and registered, in the case of the Owner, addressed to him at the Parliament Buildings, Victoria, British Columbia, to the attention of the Minister of Lands, Parks and Housing, or such other member of the Executive Council of the Government of British Columbia who may be charged with the administration of the Land Act at the date of the notice and in the case of the Licensee, addressed to him at



Province of  
British Columbia

