

EXHIBIT "L"

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made as of July 1, 2006

BETWEEN:

VALLEY'S EDGE PARK LTD.

339 Parkview Crescent S.E.

Calgary, Alberta

T2J 4N8

(the "Vendor")

AND:

THE OWNERS, STRATA PLAN NES 3039

339 Parkview Crescent S.E.

Calgary, Alberta

T2J 4N8

(the "Purchaser")

WHEREAS:

- A. The Vendor is the developer and owner of the property known as described as:
East Kootenay Assessment Area

PID: 024-783-153
Lot 1,
District Lots 348, 353 and 7569,
Kootenay District,
Plan NEP66755
(the "Project Lands");
- B. The Vendor intends to develop the Project Lands as a strata-titled recreational development in four phases;
- C. The Vendor intends that upon registration of the fourth phase of the strata plan there will be created one commercial strata lot described as proposed strata lot 202 the dimensions of which, more or less, are described in the sketch plan attached as Schedule "A" hereto;

- D. The Vendor intends to construct or improve structures on the Property in order to provide, at the Vendors' discretion, an amenity of benefit to the members of the Purchaser.
- E. The Vendor has agreed to sell the Property to the Purchaser and the Purchaser has agreed to purchase the Property from the Vendor, on the terms and conditions in this Agreement;

IN CONSIDERATION of \$10.00 and other good and valuable consideration now paid by each of the parties hereto to the other, the receipt and sufficiency of all of which is hereby acknowledged, and of the mutual covenants and agreements contained in this Agreement, the parties hereto hereby agree as follows:

ARTICLE 1 INTERPRETATION

1.01 DEFINITIONS

In this Agreement:

- a) **Business Day**" means any day that is not a Saturday, Sunday or statutory holiday in British Columbia;
- b) **"City"** means the Village of Edgewater, British Columbia;
- c) **"Property"** means proposed commercial strata lot 202, Strata Plan NES 3039, to be subdivided from the Project Lands and more particularly shown marked in bold on the sketch plan attached as Schedule "A" hereto;
- d) **"Purchase Price"** means the amount set out in Article 2.03.

1.02 EXTENDED MEANINGS

Words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders.

ARTICLE 2 OFFER OF PURCHASE AND SALE

2.01 OFFER TO PURCHASE

The Purchaser offers to purchase the Property from the Vendor on the following terms and conditions.

The Purchaser's offer is open for acceptance by the vendor until 5 o'clock pm on July 1, 2006 unless withdrawn in writing with notification to the Vendor prior to notification of its acceptance. Upon acceptance by the Vendor in writing and by notification to the Purchaser there shall be a binding Agreement of Purchase and Sale subject to the terms and conditions herein.

2.02 AGREEMENT TO PURCHASE

The Purchaser agrees to purchase from the Vendor, and the Vendor agrees to sell to the Purchaser the Property free and clear of all liens, charges, tenancies and encumbrances except those encumbrances set out in Schedule "B" attached hereto (the "Permitted Encumbrances").

In addition to the Property, and in further consideration for the purchase price, the Vendor shall convey to the Purchaser all right and title the Vendor possesses to all improvements, chattels and services upon or servicing the Property.

2.03 PURCHASE PRICE

The purchase price payable by the Purchaser to the Vendor for the Property shall be the sum of Ten Dollars (\$10.00), subject to the adjustments described in this Agreement and shall be exclusive of GST.

2.04 PAYMENT OF THE PURCHASE PRICE

Subject to the adjustment described in this Agreement, the Purchase Price shall be payable by the Purchaser by payment of the Purchase Price on the Closing Date.

2.05 ADJUSTMENTS

All adjustments with respect to taxes and utilities and all other items normally adjusted between a vendor and purchaser on the sale of similar property shall be made with respect to the Property to and including the Closing Date (except for interest on any mortgages of the Vendor to be discharged). The Purchaser shall receive all income and pay all expenses relating to the Property from and including the Closing Date. If the Completion Date is before the Taxation Authority has issued a final property tax bill for the Property in the current year, taxes will be adjusted on the basis that the current year taxes will be 5% higher than the previous years' taxes but the parties will readjust ten days after determination of the actual current year taxes.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.01 VENDOR'S REPRESENTATIONS AND WARRANTIES

The Vendor represents and warrants to the Purchaser, to the best of its knowledge, with the intent that the Purchaser shall rely on them in entering into this Agreement and in concluding the purchase and sale contemplated in this Agreement, that as of the date of the Agreement (unless otherwise specified) and the Closing Date (unless this Agreement is earlier terminated):

- a) on the Closing Date, the Vendor shall have good and marketable title to the Property free and clear of all liens, charges, tenancies and encumbrances except for the Permitted Encumbrances;
- b) the Vendor is the registered and beneficial owner of the Property and has the absolute power and authority to transfer title in fee-simple to the Property to the Purchaser for the purposes of this Agreement;
- c) on the Closing Date the Vendor will not have any indebtedness to any person, business, company, or governmental authority which by operation of law or otherwise then constitutes a registered or unregistered lien, charge or encumbrance on the Property or which could affect the right of the Purchaser to own, occupy, and obtain revenue from the Property except for the Permitted Encumbrances and any accrued taxes, assessments or other governmental charges not at the time due or payable;
- d) the Vendor is resident in Canada within the meaning of the *Income Tax Act* (Canada);

The phrase "to the best of the Vendor's knowledge" means facts or matters which are actually known to the personal knowledge of the person or persons executing this Agreement after having reviewed all relevant records in the possession or control of the Vendor and made all reasonable enquiries of all appropriate officers and employees of the Vendor.

ARTICLE 4 IMPROVEMENTS

4.01 IMPROVEMENTS

It is the intent of this Agreement that the Vendor shall, prior to the Closing Date, construct or erect improvements to the Property, including provision of an amenities building for the general use of members of the Purchaser. The nature, extent and quality of such

improvements shall be in the discretion of the Vendor. The Purchaser shall be obliged to complete the purchase and sale of the Property notwithstanding the nature or extent of improvements on the Property.

The Vendor provides no warranty or representation concerning the quality, condition or fitness for purpose of improvements on the Property and the Purchaser agrees to accept the Property with such improvements on an "as is, where is" basis.

ARTICLE 5 RISK/POSSESSION

5.01 THE PASSING OF RISK

The Property shall be at the risk of the Vendor until completion of the closing, under Article 6.

5.02 POSSESSION

The Vendor shall deliver vacant possession of the Property to the Purchaser on the Closing Date.

ARTICLE 6 CLOSING PROCEDURE

6.01 THE CLOSING

The closing of the purchase and sale of the Property will commence at 12:00 noon on the Closing Date. Closing will take place at the appropriate Land Title Office or at such other place as the parties may mutually agree.

The Closing Date shall be 15 Business Days following the earlier of the date that is the one year anniversary of the registration of the strata plan for the fourth phase of the strata plan of the Project Lands or January 1, 2016. If the Land Title Office is closed on such day, the first day following such date that the Land Title Office is open for business, or such other date as the parties mutually agree in writing.

On the Closing Date, the Vendor will transfer title to the Property to the Purchaser free and clear of all registered liens, mortgages, charges and encumbrances of any nature whatsoever, except for the Permitted Encumbrances, and on or before the Closing Date the Vendor will have taken whatever steps are necessary in order to obtain or make arrangements for any release or discharge of any registered financial liens, mortgages, charges and encumbrances which shall be discharged from title to the Property as provided in Article 6.06.

6.02 VENDOR'S DOCUMENTS

On the Closing Date, the Vendor shall deliver to the Purchaser the following:

- a) a duly executed registrable Form A - Freehold Transfer (the "Transfer") transferring the Property to the Purchaser;
- b) certificates regarding GST representations and warranties as reasonably required by the Purchaser's solicitor;
- c) the Vendor's statement of adjustments;
- d) a statutory declaration of the Vendor stating that the Vendor is resident in Canada within the meaning of the *Income Tax Act* (Canada);
- e) such other documents and assurances as may be reasonably required by the Purchaser to give full effect to the intent and meaning of this Agreement.

6.03 PURCHASER'S DOCUMENTS

On the Closing Date, the Purchaser shall deliver to the Vendor certifications regarding GST representations and warranties and such other documents and assurances as may be reasonable required by the Vendor to give full effect to the intent and meaning of this Agreement.

6.04 PREPARATION OF CLOSING DOCUMENTS

The closing documents contemplated in Article 6.02 will be prepared by the Purchaser's solicitors (to the extent that preparation is required) and delivered to the Vendor's solicitors at least five Business Days before the Closing Date. The closing documents contemplated in Article 6.03 will be prepared by the Vendor's solicitors (to the extent that preparation is required) and delivered to the Purchaser's solicitors at least five Business Days before the Closing Date.

6.05 PAYMENT IN TRUST

On or before the Closing Date the Purchaser will pay to the Purchaser's solicitors in trust the amount due to the Vendor under Article 2.03, as adjusted under Article 2.07, less the amount to be advanced to the Purchaser on the Closing Date under any mortgage financing arranged by the Purchaser.

6.06 DISCHARGE OF CHARGES

The Purchaser acknowledges and agrees that the Vendor may be using the purchase monies received from the Purchaser to obtain a partial discharge of the charges from the Strata Lot. The Purchaser's solicitor or notary public may pay the balance of the adjusted Purchase Price on the Completion Date to the Vendor's Solicitors in trust on their undertaking to pay to the charge holders such portion of the Purchase Price as is necessary to comply with the charge holders' written statements of the terms on which the charge holders may give a registrable discharge of their charges from the Strata Lot and upon receipt to apply to register such discharges and to provide registration particulars to the Purchaser's solicitor or notary. If the Purchaser is relying upon a new mortgage to finance the Purchase Price, the Purchaser, while still required to pay the balance of the adjusted Purchase Price on the Completion Date, may wait to pay same until after the transfer and new mortgage documents have been lodged for registration at the applicable Land Title Office but only if before such lodging against title to the Strata Lot, the Purchaser has:

- a) deposited in trust with its solicitor or notary public the cash balance of the Purchase Price not being financed by the mortgage;
- b) fulfilled all the new mortgagee's conditions for funding except lodging for registration; and
- c) made available to the Purchaser's solicitor a lawyer's or notary public's undertaking to pay on the Completion Date the balance of the adjusted Purchase Price upon lodging of the transfer and the new mortgage documents and the advance by the new mortgagee of the mortgage proceeds.

6.07 REGISTRATION

Forthwith following the payment in Article 6.05 and after receipt by the Purchaser's solicitors of the documents and items referred to in Article 6.02 and receipt by the Vendor's solicitors of the documents referred to in Article 6.03, the Purchaser will cause the Purchaser's solicitors to file the Transfer in the appropriate Land Title Office concurrently with any security documents applicable to any mortgage financing arranged by the Purchaser in connection with the purchase of the Property.

6.08 CLOSING

Forthwith following the filing referred to in Article 6.07 and upon the Purchaser's solicitors being satisfied as to the Purchaser's title to the Property after conducting a post filing for registration check of the Property index disclosing only the following:

- a) the Permitted Encumbrances;
- b) the existing title number(s) to the Property;

8

- c) pending number assigned to the Transfer;
- d) any financial encumbrances to be discharged by the Vendor under Article 6.06
- e) pending numbers assigned to any security documents applicable to any mortgage financing arranged by the Purchaser in connection with the purchase of the Property; and
- f) any other charges granted by the Purchaser,

the Purchaser will cause the Purchaser's solicitors, forthwith upon receipt by them of the proceeds of any mortgage financing arranged by the Purchaser in connection with the purchase of the Property, to deliver to the Vendor's solicitors a certified trust cheque for the amount due to the Vendor under Article 2.03, as adjusted under Article 2.07, and to release the items referred to in Article 6.02 to the Purchaser.

ARTICLE 7 RIGHT OF RECISSION

7.01 RIGHT OF RECISSION

(Intentionally deleted)

ARTICLE 8 MISCELLANEOUS

8.01 TIME

Time shall be of the essence of this Agreement and the transactions contemplated in this Agreement notwithstanding the extension of any of the dates under this Agreement.

8.02 TENDER

Any tender of documents or money may be made upon the party being tendered or upon its solicitors, and money may be tendered by certified cheque, certified solicitor's trust cheque, or bank draft.

8.03 NOTICE

Any notice required or permitted to be given under this Agreement shall be sufficiently given if delivered personally or if sent by telecopy or prepaid registered mail to the addresses of the parties as hereinbefore described.

8.04 FURTHER ASSURANCES

Each of the parties shall, at the expense of the other party, execute and deliver all such further documents and do such further acts and things as the other party may reasonably request from time to time to give full effect of this Agreement.

8.05 ASSIGNMENT

The Purchaser shall not be entitled to assign its interest hereunder (or to direct that the Property be transferred) to any person (the "Purchaser's Assignee").

8.06 NON-MERGER

None of the provisions of this Agreement shall merge in the transfer of the Property or any other document delivered on the Closing Date, and the provisions of this Agreement shall survive the Closing Date.

8.07 PAYMENT OF FEES

Each party shall pay its own legal fees. The Purchaser shall be responsible for all registration fees payable in connection with registration of the transfer of land referred to in Article 6.02(a) but the Vendor shall be responsible for the costs of clearing title of any financial encumbrances.

8.08 GOODS AND SERVICES TAX

The Purchase Price does not include federal goods and services tax ("GST"). On the Closing Date, the Purchaser will pay to the Vendor, as agent for Her Majesty the Queen in right of Canada, in addition to the Purchase Price, the amount of GST exigible in respect of the transaction contemplated in this Agreement or, if the Purchaser is registered for GST purposes on the Closing Date, the Purchaser may self-assess the GST and account directly to Canada Customs and Revenue Agency, Excise therefor if the Purchaser provides the Vendor with a certificate signed by an officer of the Purchaser confirming the Purchaser's registration number and the Purchaser's registered status.

8.09 BINDING EFFECT

This Agreement shall enure to the benefit of and be binding upon the parties, their respective heirs, executors, administrators, and other legal representatives and, to the extent permitted in this Agreement, their respective successors and assigns.

8.10 HEADINGS

The headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

8.11 APPLICABLE LAW

This Agreement shall be interpreted in accordance with the laws of the Province of British Columbia.

8.12 EQUITABLE REMEDIES

The Purchaser acknowledges that it is in the interest of the Vendor that the Purchaser complete the purchase and sale of the Property, and accordingly agrees that the Vendor shall be entitled to the equitable remedy of specific performance of this Agreement in the event the Purchaser fails to complete the transaction contemplated by this Agreement.

8.13 EXECUTION BY TELECOPY

This Agreement may be executed by the parties and transmitted by telecopy and if so executed and transmitted this Agreement will be for all purposes as effective as if the parties had delivered an executed original Agreement.

8.14 BUSINESS DAY

If any date hereunder for the payment of monies or the doing of any act shall fall on a day which is not a Business Day, then such date shall be deemed extended to the next following Business Day.

8.15 ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties with respect to the subject matter of the Agreement and contains all of the representations, warranties, covenants and agreements of the respective parties, and may not be amended or modified except by an instrument in writing executed by all parties. This Agreement supersedes all prior agreements, memoranda, and negotiations between the parties.

8.16 ACCEPTANCE

By execution of this Agreement, the Vendor hereby accepts the Purchaser's offer and agrees to complete the sale on the conditions set out herein, agrees to pay a commission as per the Listing Contract and authorizes the Purchaser and anyone acting on behalf of the Vendor and Purchaser to pay the commission out of the cash proceeds of sale and forward copies of the Vendor's Statement of Adjustments, as requested, forthwith after completion.

8.17 SCHEDULES

The Schedules attached to this Agreement form part of this Agreement.

IN WITNESS WHEREOF the parties hereto have hereunto affixed their hands and seals the day and year first above written.

VALLEY'S EDGE PARK LTD.

By its authorized signatory:



Print Name: *GLEN ORTT*

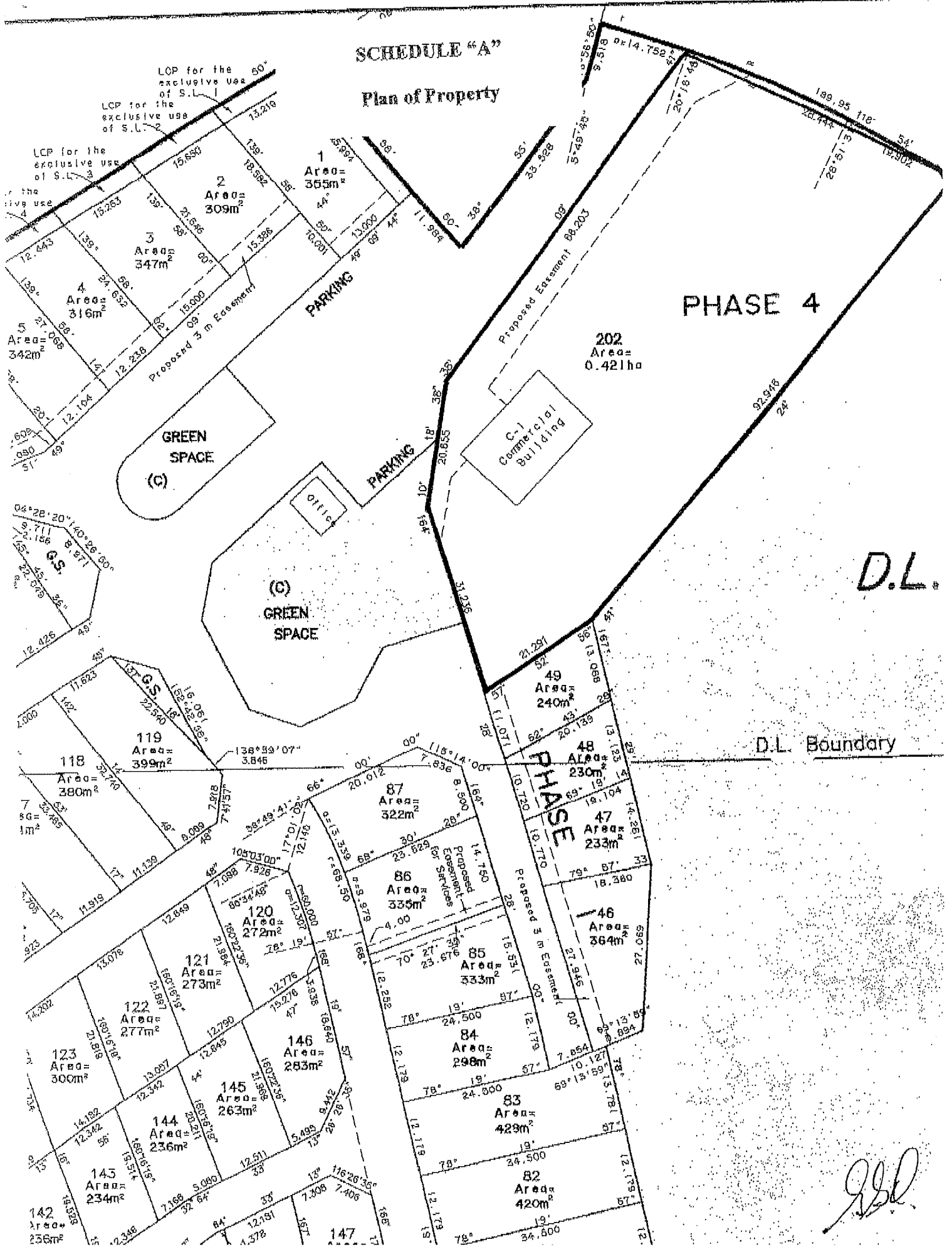
THE OWNERS, STRATA PLAN NES 3039

By its authorized signatory:



Glen Ort
Authorized Signatory of Valley's Edge Park Ltd.
Owner/Developer
Sole Member of the Strata Corporation

SCHEDULE "A" Plan of Property



PHASE 4

202
Area =
0.421 ha

D.L.

D.L. Boundary

Schedule "B"

Schedule of Permitted Encumbrances

- a) Legal Notations:
 - i) The title may be affected by a permit under part 26 of the *Municipal Act* under number KN119264.
 - ii) Form P, as amended.
- b) Charges, Liens and Interests:
 - i) Reservation V18718 in favour of Columbia and Kootenay Railway and Navigation Company;
 - ii) Under Surface Rights N26307 in favour of Her Majesty the Queen in Right of the Province of British Columbia;
 - iii) Statutory Right of Way KP42223 in favour of British Columbia Hydro and Power Authority;
 - iv) Statutory Right of Way KP42224 in favour of Telus Communications (B.C.) Inc.
 - v) Covenant KP56429 in favour of Regional District of East Kootenay;
 - viii) Mortgage LA30149 in favour of Carevest Capital Inc.;
 - ix) Assignment of Rents LA30150 in favour of Carevest Capital Inc.; and
 - x) Proposed encumbrances described in the Disclosure Statement dated April 7, 2006, as amended.

VALLEY'S EDGE PARK

OFFICE LEASE

The Lease is dated July 1st, 2006.

BETWEEN:

THE OWNERS, STRATA PLAN NES 3039

(hereinafter called "the Landlord")

OF THE FIRST PART

AND:

VALLEY'S EDGE PARK LTD.

(hereinafter called "the Tenant")

OF THE SECOND PART

WHEREAS the Landlord will, upon the commencement of the term of this Lease, be the owner of the common property of Strata Plan NES 3039 ("the Lands") upon which there is a building as shown on Schedule "A" attached hereto ("the Building") (the "Leased Premises");

DEMISE AND TERM

1.01 The Landlord leases to the Tenant the Leased Premises and the first four (4) parking spaces immediately adjacent to the Building, as shown on Schedule "A" attached hereto, for and during the term of 36 months from the earlier of the first day following the registration of the fourth phase of the strata plan to which the Landlord is Strata Corporation and January 1, 2012 ("the Term").

RENT

2.01 The Tenant will pay to the Landlord during the Term in lawful money of Canada, without any set-off, compensation or deductions whatsoever, as follows base rent of One Dollar (\$1.00) per month.

2.02 The Tenant will pay to the Landlord during the Term additional rent as set out in this Agreement.

Goods and Services Tax

2.03 The Tenant shall be responsible for and pay to the Landlord all Goods and Services Tax attributable to the Base Rent and the additional rent.

Place of payment

2.04 Rent will be paid to the Landlord at the mailing address of the Landlord registered in the Land Title Office or at any other place the Landlord may designate in writing.

Post-dated cheques

2.05 The Tenant will give to the Landlord three (12) post-dated cheques in the amount of the monthly basic rent at the commencement of each Lease Year, each cheque to be dated on the first day of each month during the Term. The Tenant may pre-pay some or all of the Rent.

Damage Deposit

2.06 The Tenant will pay to the Landlord, in advance, the sum of \$100.00 as a damage deposit, which will be returned to the Tenant upon an inspection by the Landlord after the Tenant has vacated the Leased Premises. The Tenant will not be responsible for natural wear and tear. The Landlord's decision as to what constitutes as natural wear and tear, if made in good faith, shall be final.

UTILITIES**Tenant Pays Utilities**

3.01 The Tenant will pay for its electricity, gas, telephone and all taxes, licenses, rates and other charges levied or assessed in relation to the business carried on by the Tenant within the Leased Premises, or in respect of any fixtures, machinery, equipment or apparatus installed in the Leased Premises or elsewhere on the Lands, by the Tenant, charged to the Landlord or the Tenant.

INSURANCE**Tenant to Insure**

4.01 The Tenant shall maintain in force during the Term Comprehensive general liability (including Tenant's Legal Liability) insurance against claims for personal injury, death or property damage or loss arising out of all operations of the Tenant indemnifying and protecting the Landlord and the Tenant to a limit of at least \$1,000,000.00 inclusive (or to such limit as the Landlord may reasonable require). The Tenant will provide the Landlord with a copy of that insurance policy on request which shall name the Landlord and any persons or firms

designated by the Landlord as additional named insureds as their interest may appear and shall also contain a waiver of rights of subrogation against the Landlord or a cross-liability clause protecting the Landlord or other insureds designated by it against claims by the Tenant.

Tenant Not to Affect Landlord's Insurance

4.02 Other than to alter the Leased Premises for the purpose as set out in paragraph 5.01(a), the Tenant will not upon the Leased Premises do or permit to be done, or omit to do anything which may cause the cost of insurance on the Lands or any part thereof to be increased; if the cost of insurance is thereby increased the Tenant will pay to the Landlord as additional rent the amount of such increase. The Tenant will not upon the Leased Premises do or permit to be done, or omit to do anything which may cause insurance on the Lands or part thereof to be cancelled.

CONDUCT OF BUSINESS

The Tenant:

5.01 Use

- (a) shall not use or occupy the Leased Premises or any part thereof for any purpose other than the normal business of real estate sales and marketing, property development or management, general office activities and or any other related activities. The Tenant may request the landlord's consent to use the Leased Premises for any other use or purpose, which consent shall not be unreasonably refused or delayed.

Vacancy

- (b) may in the Tenant's discretion during the Term allow the Leased Premises to become vacant.

Nuisance

- (c) shall not do or permit anything to be done or omitted upon the Leased Premises which is or results in a nuisance or annoyance. The Landlord's decision as to what constitutes a nuisance or annoyance, if made in good faith, shall be final.

Use Contrary to Law

- (d) shall not use or permit the Leased Premises to be used in a manner or for a purpose contrary to any law, including, but not limited to any bylaw of the Town.

Signs

- (e) shall not erect or place, or allow to be erected or placed, or maintained any signs or

awnings of any nature or kind whatsoever on the Leased Premises without first obtaining the Landlord's written consent, not to be unreasonably withheld. For greater certainty, the Tenant shall have the right to erect at least one non-illuminated sign on the Lands of dimensions of no greater than 4' x 6' and shall have the right to erect on common property of the Strata Corporation one sign, which may be illuminated of dimensions no greater than 8' x 8', such sign to be placed adjacent to the entrance of the Strata Development and visible to motorists transiting Columbia Road.

MAINTENANCE AND REPAIRS AND DAMAGE BY FIRE, ETC.

Landlord to Repair

- 6.01 The Landlord will keep in good order and repair the following:
- (a) Foundations, outer walls, roof, downspouts and gutters.
 - (b) All structural portions of the Building not being Tenant's partitions or other Tenant's improvements.
 - (c) Plumbing, sewerage, gas, electrical and air-conditioning systems (or such of the foregoing as are installed in the Building on commencement of the Term).

Tenant to Repair

6.02 The Tenant will at all times keep the Leased Premises in a clean and sanitary condition and in accordance with the laws, directions, rules and regulations of the governmental authorities having jurisdiction, and will keep the Leased Premises (including without limiting the generality of the foregoing, all interior fixtures, the exterior office front, if any, and all permitted signs and all parts thereof) in good order and condition and in good repair, reasonable wear and tear excepted, and painted in a colour and quality approved by the Landlord and otherwise presentable and will maintain in good operating order all services and equipment including those affecting the heating, interior or display lighting, air-conditioning and plumbing, if any, of the Leased Premises, reasonable wear and tear excepted, and will replace all broken glass with glass of equal quality. The use by the Tenant of electrical or other services will at no time exceed the capacity of any transmission equipment (including wiring, mains, pipes, conduits, valves and connections) or any other fixtures or equipment within the Leased Premises or elsewhere within the Building or be such as to constitute a hazard.

Premises in Good Repair

6.03 The Tenant acknowledges the Leased Premises are in good repair and in a satisfactory condition on commencement of the Term, save as expressly herein provided to the contrary.

Landlord's Right of Entry

6.04 The Landlord has the right to enter the Leased Premises at reasonable times for the following reasons:

- (a) To view the Leased Premises.
- (b) To repair the Leased Premises, or with the Tenant's consent to alter, improve or add to the Leased Premises.
- (c) To take material into the Leased Premises to erect, use and maintain wiring, mains, pipes, conduits and other means of distributing services in and through the Leased Premises.
- (d) To comply with its obligations hereunder.
- (e) To remedy a default of the Tenant hereunder.

Such Landlord entry will not be an interference with the Tenant's possession, nor will it constitute an eviction of the Tenant and subject to paragraph 6.08, rent will not abate.

Landlord May Obstruct

6.05 When necessary by reason of accident or other cause or in order to make repairs, alterations or improvements in or relating to the Leased Premises or to other portions of the Building, the Landlord may cause such temporary obstruction of the Leased Premises and any areas licensed to the Tenant hereunder as may be reasonably necessary and may interrupt or suspend the supply of electricity, water and other services to the Leased Premises until such repairs, alterations or improvements are completed, and, subject to paragraph 6.08, rent will not abate.

On Termination

6.06 Subject to paragraph 6.07, at the end of the Term or on earlier termination thereof, the Tenant will deliver to the Landlord vacant and clean possession of the Leased Premises in a condition in which the Tenant is required to maintain the Leased Premises, reasonable wear and tear excepted.

Damage by Fire, etc.

6.07 Subject to paragraph 6.08, but notwithstanding any other provision of this Lease, if the Leased Premises are damaged by any cause and thereby rendered unfit for the purpose for which they are leased, the Landlord will repair that damage at its own expense, excluding damages to the Tenant's fixtures and improvements, and rent will abate in proportion to the Tenant's loss of use of the Leased Premises from time to time while repairs are carried out; but if the Leased Premises are so severely damaged that in the reasonable opinion of the Landlord

repairs cannot be completed within 90 days of occurrence of the damage, then the Tenant may terminate this Lease by written notice to the other given within 15 days of the Landlord notifying the Tenant of the period necessary for repair. If this Lease is terminated under this paragraph 6.07, the Tenant will vacate the Leased Premises immediately and will be liable only for rent and other sums payable hereunder apportioned to the date of occurrence of the damage; PROVIDED THAT nothing in this paragraph requires the Landlord, in repairing any damage, to expend any money in excess of the aggregate of all money payable to be repaired, but excluding business or rental interruption insurance.

Extensive Damage to Building

6.08 Notwithstanding paragraph 6.07, if fifty (50%) per cent or more of the Building is damaged or destroyed by any cause, notwithstanding that the Leased Premises may be unaffected, the Tenant may terminate this Lease by written notice to the Tenant within sixty (60) days following the date the damage occurs, and thereupon the Tenant will vacate the Leased Premises immediately and will be liable only for rent and other sums payable hereunder apportioned to the date the damage occurred. Alternatively, if fifty (50) per cent or more of the Building is destroyed by any cause, the Tenant may, at its option, erect a replacement structure or place a temporary structure on the Lands for the remaining duration of the Term.

TENANT'S ALTERATIONS

Tenant may Alter Premises

7.01 The Tenant may at any time and from time to time at its own expense, paint and decorate the interior of the Leased Premises and make such changes, alterations, additions and improvements in and to the Leased Premises for its business, subject to the Landlord's written consent first being obtained, not to be unreasonably withheld.

Tenant's Fixtures

7.02 At the end of the Term the Tenant may remove all Tenant's trade fixtures on repairing all damage caused thereby, but otherwise all changes, alterations, additions and improvements made to or installed upon or in the Leased Premises during the Term will remain the property of the Landlord and will not be removed. PROVIDED the Landlord may require the Tenant to remove any partitions or other fixtures installed by the Tenant and repair all damage caused thereby.

ASSIGNMENT AND SUBLETTING

8.01 The Tenant will not assign, sub-let or part with possession of the Leased Premises or any part thereof or part with or share the occupation or control of the Leased Premises without the prior written consent of the Landlord, which consent shall not be unreasonably delayed or withheld. If the Tenant is a company, a change in control or amalgamation will be deemed an

assignment. A reasonable condition of the Landlord's consent to an assignment to a company will be the guarantee of performance of the Tenant's covenant by its shareholders, or in case of a deemed assignment by change in control or amalgamation of a corporate Tenant, by the new shareholders. As a condition of the Landlord's consent to any assignment or subletting, the Tenant will pay the Landlord's legal and other costs related thereto.

COVENANTS OF THE LANDLORD

9.01 If the Tenant pays the rent hereby reserved and performs the covenants herein the Tenant will and may peaceably possess and enjoy the Leased Premises during the Term without any interruption or disturbance from the Landlord, or any other person or persons lawfully claiming by, from or under it.

LANDLORD'S RIGHTS AND REMEDIES

Remedies Cumulative

10.01 All rights and remedies of the Landlord enumerated herein are cumulative and none shall exclude any other right or remedy by law.

Default

10.02 If during the Term the Tenant does not within ten (10) days after notice in writing from the Landlord rectify or correct any non-observance or non-performance of covenants herein, or if that default cannot with reasonable diligence be rectified within ten (10) days, or if the Tenant does not within that period begin to rectify that default and make every effort to complete rectification as soon as possible, then without affecting the Landlord's right to enforce payment of rent and other money payable hereunder and then accrued due the Landlord shall have the right to terminate this Lease and re-enter and re-take possession of the Leased Premises without notice if it so desires and no payment or acceptance of rent subsequent to the events and defaults hereinbefore stated shall give the Tenant the right to continued occupancy of the Leased Premises or in any way affect the rights of the Landlord herein.

Landlord Re-Entry

10.03 Whenever the Landlord is entitled to re-enter and re-take possession of the Leased Premises, the Landlord may use reasonable force for that purpose and for gaining admittance to the Leased Premises without being liable in respect thereof or for any loss or damage occasioned thereby.

Landlord's Expenses on Default

10.04 If the Tenant defaults in the observance or performance of any covenant in this Lease, then the Landlord may without waiving or releasing the Tenant from its obligations incur

any expense reasonably necessary to remedy the Tenant's default, and any expense so incurred by the Landlord is payable by the Tenant to the Landlord immediately on demand as additional rent.

No Waiver

10.05 Failure by the Landlord to exercise its remedies arising from any default of the Tenant in respect of any covenant herein contained will not operate as a waiver of the Landlord's rights hereunder in respect of any continuing or subsequent default or so as to defeat or affect in any way the rights of the Landlord under this Lease in respect of any such continuing or subsequent default.

EXCLUSION OF LIABILITY AND INDEMNITY

Indemnity

11.01 Notwithstanding any other provision of this lease, the Landlord will not be liable and the Tenant will indemnify and save harmless the Landlord from all costs related to and claims for loss, injury or damage, except to the extent caused by the negligent act of the Landlord or persons for whose actions the Landlord is lawfully responsible:

- (a) arising out of the use or occupation of the Leased Premises, or
- (b) sustained by the Tenant, its employees, agents, customers or any other person entering upon the Leased Premises, or
- (c) to any property belonging to any person described in paragraph 11.01(b), or
- (d) arising from the Tenant's default hereunder

and the Landlord will not be liable, except to the extent caused by the negligent act of the Landlord or persons for whose actions the Landlord is lawfully responsible, for any damage to any property at any time in or upon the Leased Premises caused or arising from water, rain or snow which may leak into, issue or flow from any part of the Building, or from the pipes or plumbing works thereof or from any other place.

Interruption of Service

11.02 The Landlord, after receiving notice, will use all reasonable diligence to remedy any failure or interruption of service not directly or indirectly attributable to the Tenant when the remedy is within the power and obligation of the Landlord. The Tenant will not be entitled to any abatement of rent in respect of such failure or interruption of service.

Force Majeure

11.03 Neither the Landlord nor the Tenant will be deemed to be in default of any of its obligations hereunder during the time and to the extent that it is prevented from complying with those obligations in whole or in part for reasons beyond its control, excepting impecuniosity, and the Landlord or Tenant will have as extra time for carrying out any of its obligations hereunder the same time as is lost by reason of any of the foregoing causes.

OVERHOLDING TENANT

12.01 If the Tenant remains in possession of the Leased Premises with the Landlord's consent after the end of the term or any renewal of the Term and without a new lease, the Tenant will be deemed to be a Tenant from month to month only on the terms of this Lease so far as applicable to a monthly tenancy. The Tenant will pay monthly rent payable in advance on the first day of each month equal to the sum of:

- (a) the monthly basic rent payable during the last month of the Term;
- (b) the additional rent as set out herein.

NOTICE

13.01 Any notice of other written communication contemplated by this Lease will be in writing and if to the Landlord, delivered in accordance with the provisions of the BC *Strata Property Act* and if to the Tenant either delivered or sent by registered mail, postage prepaid, addressed to the Tenant at 339 Parkview Crescent S.E. Calgary, Alberta, T2J 4N8, Attention: Glen Ort or such other addresses as any party may from time to time notify the others in writing, and shall be deemed received if delivered, when delivered, and if so mailed then on the third business day after mailing unless the postal services are then disrupted by labour dispute.

OPTION TO RENEW

14.01 There shall be an option to the Tenant when not in default hereunder to renew this Lease for two (2) further terms of twelve (12) months each on the same terms and conditions contained in this Lease except:

- (a) After the second renewal there shall be no additional right of renewal;
- (b) In order to exercise the Option to Renew the Tenant shall be required to give the Landlord notice thereof in writing, not less than 60 days prior to the end of the Term of this Lease and in order to exercise the Option to Renew for the second renewal period the Tenant shall be required to give the Landlord notice thereof in writing, not less than 60 days prior to the end of the Term of the first renewal

period of this Lease.

INTERPRETATION

15.01 Wherever the singular or masculine are used in this Lease the same shall be interpreted to mean the plural or feminine or body corporate as the parties or the context may require.

15.02 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

15.03 Time will be of the essence hereof.

15.04 Headings of articles and clauses in this Lease are inserted for convenience of reference only and are not to be used as an aid to interpretation.

15.05 The sole relationship between the parties hereto is that of landlord and Tenant and nothing contained herein nor any acts of the parties hereto will be deemed to create any other relationship.

15.06 Any reference in this Lease to the Tenant includes, where the context allows, the servants, employees, agents, invitees and licensees of the Tenant and all others over whom the Tenant might reasonably be expected to exercise control.

15.07 Each obligation of the Landlord or the Tenant expressed in this Lease, even though not expressed as a covenant, is considered to be a covenant for all purposes.

15.08 This Lease will be construed and governed by the laws of the Province of British Columbia.

REGISTRATION

16.01 If the Tenant wishes to register this Lease under the Land Title Act it may do so upon the following conditions:

- (a) That the Tenant pays all expenses of preparation of this Lease in registerable form, including survey costs; and
- (b) That the Tenant will agree to subordinate this Lease to any mortgage or other charge being security for the Landlord's indebtedness which the Landlord wishes to register against the Lands and forthwith upon the request of the Landlord will execute such documents for that purpose as the Landlord may reasonably require, and subject to the foregoing conditions the Landlord will execute all necessary documents and fully co-operate with the Tenant to enable registration of this

Lease forthwith upon request.

IN WITNESS WHEREOF the parties hereto have hereunto affixed their hands and seals the day and year first above written.

VALLEY'S EDGE PARK LTD.

By its authorized signatory:



Print Name: GLEN ORTT

THE OWNERS, STRATA PLAN NES 3039

By its authorized signatory:



Glen Ortt
Authorized Signatory of Valley's Edge Park Ltd.
Owner/Developer
Sole Member of the Strata Corporation

Parcel 1
REF. PLAN
96242 I

SCHEDULE "A"
Plan Showing Leased Premises

