

LEASE AGREEMENT

THIS LEASE AGREEMENT MADE THIS _____ DAY OF _____, A.D. 2013

BETWEEN:

FAWCETT LAKESIDE DEVELOPMENTS INC.
(hereinafter called the "Lessor")

OF THE FIRST PART

(hereinafter called the "Lessee")

OF THE SECOND PART

WHEREAS the Lessor is incorporated under and in accordance with the *Business Corporations Act* RSA 2000 Ch. B-9; and

WHEREAS the Lessor is the owner of all those certain Lands described in Schedule "A" attached hereto; and

WHEREAS the development known as Fawcett Lake Resort is located within the Lands; and

WHEREAS the Lessor grants this Lease in exchange for the payment to them of the Annual Fees for Lot # _____ (the "Lot"), which is shown as the shaded portion in the sketch plan attached hereto as Schedule "B" ; and

WHEREAS the Lessee represents and warrants to the Lessor that the Lessee is at least eighteen (18) years old at the commencement of the Term of this Lease;

NOW THEREFORE, in consideration of the annual fees, covenants and agreements hereinafter reserved and contained on the part of the Lessee to be paid, observed and preformed, the Lessor does demise and lease the Lessee a Lot on the Lands on the terms hereof.

ARTICLE 1 - DEFINITIONS

1. In this Lease:

A) **“Annual Administration Fee”** means the annual fee charged to the Lessee to cover the common expenses and administration costs incurred by the Lessor in managing Fawcett Lake Resort, including without restricting the generality of the foregoing, power expenses for the Common Areas, costs to maintain the power system, electrical fixtures, roads and other common buildings and improvements, as well as for management and administration fees for the Resort;

B) **“Annual Fees”** means the aggregate of Annual Lot Fees, Annual Administration Fees, Taxes and the Power Consumption Fee;

C) **“Annual Lot Fee(s)”** means the annual rental charge payable by the Lessee for the Lot under Article 3 hereof;

D) **“Common Areas”** means any portion of the Resort which are designated as common property, particularly the area between the Lot and the road and that portion of the Resort not included in a particular Lot;

E) **“Lands”** means the Lands located in the Fawcett Lake Resort as described in Schedule "A" attached hereto;

F) **“Lessee”** means the individual or individuals making up one family unit leasing the Lot from the Lessor pursuant to this Lease agreement;

G) **“Lessor”** means Fawcett Lakeside Developments Inc.;

H) **“Living Unit”** means any structure on the Lot used for residential or recreational purposes, including without limiting the generality of the foregoing, a cottage, holiday trailer, mobile home, park holiday trailer, camper, tent or recreational vehicle;

I) **“Lot”** means a subdivided portion of the Lands, which is numbered and allocated to the Lessee for the Term of this Lease, in exchange for entering into and complying with this Lease agreement;

J) **“Lease”** means this Lease agreement;

K) **“Municipal District”** means Municipal District No. 124 Lesser Slave River;

L) **“Permanent Structure”** means all structures or buildings erected on the Lot or affixed to the Living Units, which are intended to remain for a period of seven (7) consecutive regular days (including Saturdays, Sundays, and Statutory holidays) including without limitation any tent, tarp, awning, cabins, decks, flagpoles or television antennas.

M) **“Power Consumption Fee”** means the fee payable by the Lessee for the use of power for the Lot and the Common Areas;

N) **“Resort”** means the development located within the Lands known as Fawcett Lake Resort; and

O) “Resort Rules” means the rules and regulations of the Resort, as amended from time to time, and posted on the Fawcett Lake Resort community bulletin board or on the Fawcett Lake Resort website.

ARTICLE 2 - GRANT AND LENGTH OF TERM

2.

A) The Term of this Lease is as set out in Schedule “C” attached hereto.

The Lessor and the Lessee recognize the following time periods in the Term of this Lease:

i) Winter Storage Period: September 16-May 15 in any given year during the Term of this Lease (the “Winter Storage Period”); and

ii) Seasonal Camping Period: May 16-September 15 in any given year during the Term of this Lease (the “Seasonal Camping Period”).

B) In consideration of the payment of the Annual Fees and the covenants and agreements hereinafter reserved and contained on the part of the Lessee to be observed and performed, the Lessor does demise and Lease the Lot to the Lessee, for the Term.

i) The Lessee acknowledges and agrees that they shall be permitted to occupy the Lot during the Seasonal Camping period during the Term of this Lease. Assuming that there are no amounts that are owing to the Lessor by the Lessee, and the Lessee is not in breach of this Lease or the Resort Rules, the Lessee may, at his own risk and for no additional charge from the Lessor, store personal property approved by the Lessor on the Lot during the Winter Storage Period. Winter storage of any property belonging to the Lessee on the Lot or the Resort is done at the sole risk of the Lessee and no bailment relationship is created with the Lessor by doing so. The Lessor may create or maintain access to the Resort and the Lot during the Winter Storage Period, however does not guarantee this access.

C) At the expiration or sooner termination of the Term every one of the rights and privileges granted to the Lessee under this Lease shall come to an end. Notwithstanding the foregoing, the Lessee’s obligations which are designated or intended to survive the expiration or termination of this Lease shall continue until satisfied in full.

ARTICLE 3 - CONSIDERATION AND OTHER CHARGES

3.

A) The Lessee shall, in consideration of and for the grant of this Lease, pay to the Lessor the Annual Lot Fee as set out in Schedule “C” attached hereto.

B) Upon the execution of this Lease, the Lessee shall pay to the Lessor a refundable security deposit as set out in Schedule “C” attached hereto. The Lessor shall return the security deposit, including the interest

that has accrued on the security deposit over the Term, within ten (10) days after the day on which the Lessee gives up possession of the Lot. The Lessor shall be permitted to deduct amounts from the security deposit for unpaid Annual Fees, interest owing on unpaid Annual Fees, damages to the Lot or any of the Resort facilities, or any other amounts owing from the Lessee to the Lessor before returning the remainder, if any, to the Lessee.

C) In addition to the Annual Lot Fee, the Lessee shall pay to the Lessor an Annual Administration Fee on the 15th of May in each and every year during the Term of this Lease as set out in Schedule “C” attached hereto.

D) Power will be provided to the Lots throughout the year; however, power outages may occur from time to time and the Lessor is not responsible for said power outages that are beyond the control of the Lessor. The Lessor shall provide meters to all of the Lots to record power usage, however any wiring or upgrades required to connect power to the Lot shall be the responsibility of the Lessee. In consideration of the foregoing, the Lessee shall pay to the Lessor a Power Consumption Fee, which shall be calculated by as follows:

[Power Consumption Fee = (total power usage recorded by Lessee’s power meter on Lot / total power usage recorded by all power meters for Resort) x total power bill for the Resort]

The Lessor will either mail or email the Power Consumption Fee invoice to the Lessee, which must be paid within thirty (30) days of being rendered. If the Lessee fails to render payment of the Power Consumption Fee invoice, the Lessor may suspend power services for the Lot until payment of the invoice is received.

E) The Lessee shall be solely responsible for any and all taxes assessed against the Lot or improvements to the Lot, including taxes or charges against Living Units on the Lot (the “Taxes”). The Lessor will either mail or email the invoice for the Taxes to the Lessee once the same is received by the Municipal or Provincial authorities, which must be paid by the Lessee within thirty (30) days of being rendered.

F) In the event that the Lessee fails to make the payment referred to in Article 3(A), (C), (D) or (E) herein when due, without limiting any remedies the Lessor may have for such default, the Lessee shall pay interest on such arrears at the rate of 30% per annum, from the date any such amount is due until paid.

ARTICLE 4 – RIGHTS AND USE OF THE LOT

4.

A) The Lessee shall be able to caveat their interest to their respective Lot under this Lease. Notwithstanding the foregoing, the Lessee agrees to subordinate and postpone any caveat registered against the Lot to a mortgage or mortgages registered against the Lands or the Lot by the Lessor, and to execute and deliver or cause to be executed and delivered any and all documents required for such purposes.

B) The Lessee acknowledges that the title to the Lands bears a caveat filed by Alberta Department of Lands and Wildlife, which notifies the Lessor and the Lessee that the Lands are subject to flooding.

C) The Lessee's guests are allowed to co-habit the Lot with the Lessee, permitting they are under the supervision of the Lessee. The Lessee shall be responsible for all their acts and omissions as if they were the Lessee's own acts or omissions. In the event the Lessee's guests wish to place an additional Living Unit on the Lot, the Lessee must first obtain permission from the Lessor, which permission may be unreasonably withheld.

D) The Lessee acknowledges and agrees that the Lessor may use photographs or other renditions, in either a digital or other form, of the Lot, Living Units located on the Lot, and personal property located on the Lot for promotional advertising and any other purposes of the Lessor related to construction planning or future development. The Lessee hereby grants permission to the Lessor for such use pertaining to those items belonging to or located on the Lot held by the Lessee. This permission is irrevocable and will continue during and after the expiration or other termination of the Term of this Lease.

E) The Lessee acknowledges and agrees that no basement construction is permitted on any Lot.

ARTICLE 5 – LESSEE COVENANTS

5. The Lessee covenants and agrees to:

A) occupy, use and maintain the Lot as a recreational holiday Lot in accordance with all laws, regulations, rules, declarations and orders of the Province of Alberta, the Government of Canada and resolutions and by-laws of the Municipal District and of the Lessor;

B) not place any Living Unit or Permanent Structure on the Lot until:

i) plans of such Living Unit or Permanent Structure have been submitted and approved of by the Lessor, which approval may be unreasonably withheld; and

ii) approval has been obtained by the Municipal District, if applicable.

C) not use standing trees on the Lot or Resort for the construction, erection or placement of any Permanent Structures;

D) not construct or permit the construction or alteration of any Living Unit, building or other improvement on the Lot until:

i) plans of such building or other improvement have been submitted and approved of by the Lessor, which approval may be unreasonably withheld; and

ii) approval has been obtained by the Municipal District, if applicable.

E) not make any changes or alterations (including removing trees or disturbing soil or the roots of vegetation) to the Lot, the Resort, the nature preservation area as depicted on Schedule "B" attached hereto, or any areas located between the Lot and the shoreline, without first:

i) obtaining permission to do so from the Lessor, which permission may be unreasonably withheld; and

ii) obtaining permission to do so from the Municipal District, if applicable;

the Lessee is responsible for any penalty that is assessed to the Lessor by the Municipal District or any governmental authority as a result of the Lessee violating Article 5(E) of this Lease, and such penalty will constitute a debt payable to the Lessor and shall be payable upon demand;

F) not construct anything on the Lot which could affect the natural drainage of water; ensure that any development of or on the Lot minimally disturbs the environment and soil conditions; and ensure that any Living Unit or other buildings constructed on the Lot comply with the Municipal District setback requirements;

G) not use the Lot for business purposes other than operating a business that primarily services the Resort and the other Lessee's, for example without restricting the foregoing, firewood cutting, lawn mowing or snow removal, however only after written consent is obtained from the Lessor;

H) not use the Lot or Resort to do or permit to be done any act thereon which shall not be in compliance with such reasonable rules, regulations and Resort Rules which the Lessor may from time to time make for the safety, care and cleanliness of the Resort.

I) comply with the Resort Rules with such reasonable amendments and additions as may from time to time be made by the Lessor;

J) comply with the provisions of all applicable Province of Alberta and Government of Canada laws, regulations, rules, orders, standards and guidelines that relate to the use of the Lot or Resort, including but without restricting the generality of the foregoing, all those concerned with environmental assessment and protection;

K) comply with the Lake Stewardship Reference Guide published by the Association of Summer Villages of Alberta, as amended from time to time, located on the Association of Summer Villages of Alberta website;

L) comply with the Homeowners Firesmart Manual published by the Alberta Sustainable Resource Development department, as amended from time to time, located on the Alberta Sustainable Resource Development website;

M) not create or permit or knowingly allow any act or thing on the Lot or Resort which is a nuisance, nor use the Lot for illegal purposes;

N) not to cause, permit or knowingly allow the commission of any waste of the Lot or Resort, and store, deliver and dispose all garbage and refuse in accordance with the Resort Rules;

O) be solely responsible for all costs for the maintenance, repair, replacement and emptying of any septic tank located on the Lot; obtain approval from the Lessor before placing any outhouse on the Lot; and ensure that said outhouse is located on a septic holding tank;

P) ensure all heavy duty vehicles entering onto the Resort or visiting the Lot, including without restricting the foregoing, vacuum trucks, water trucks or gravel trucks have first been approved of by the Lessor;

Q) keep and maintain the Lot, the Common Areas between the Lot and the road, and all improvements to the Lot in good and sufficient repair and condition at all times, including such decoration, redecoration, repair and maintenance as may be needed to keep them at all times in good repair and well maintained to the standards of prudent home owners;

R) obtain permission from the Lessor before any dock is installed within the Resort; only install said dock within the location approved of by the Lessor; ensure that said dock is removed from the lake no later than the 31st day of October or before if ice is forming on the lake in any given year during the Term of this Lease; and not store said dock in the area between the Lot and the shoreline without prior permission from the Lessor to do so;

S) ensure that children under the age of twelve (12) years old are supervised at all times by an adult when on any dock or boat, and ensure that boats or other watercraft are not left unattended within 10 meters of any dock located on the Common Areas;

T) ensure all pets are controlled at all times, including keeping all dogs leashed while on the Common Areas within the Resort, and leashed or in a fenced or contained area while on a Lot; be solely responsible and liable to clean up after any pet, including the Lessee's guests pets; and be solely responsible and liable for any damage or injury caused by any pet, including any Lessee's guests pets;

U) only have fires in locations approved of by the Lessor; not move any of the fire rings or pits located within the Common Areas; and comply with any fire bans instituted by the Lessor, the Municipal District, or the Province of Alberta;

V) comply with all posted traffic signs, including obeying the posted speed limit of 10 km/h when driving any vehicle including an ATV within the Resort, and only park vehicles and ATVs in approved parking areas within the Resort or on the Lot;

W) not consume alcoholic beverages on the Common Areas of the Resort, and not engage in riotous, boisterous, violent, threatening, drunken or drug induced behavior on the Resort;

X) not carry or store loaded firearms, nor discharge firearms anywhere on the Resort, including on the Lot;

Y) use the Resort in such a manner so as to not unreasonably interfere with the use and enjoyment thereof by other Lessee's or Lessee's guests, and in accordance with this Lease;

Z) Only place "For Sale" signs in a location permitted by the Lessor; and

AA) ensure that the Lessee's guests comply with all of the foregoing covenants outlined in Article 5.

ARTICLE 6 - RESERVATION AND PRIOR RIGHT

6. The Lessee covenants and agrees that the Lessor or his agents shall be entitled to enter and inspect the Lot and all structures, buildings and other improvements thereon, including the Living Unit, at all reasonable times during the Term for the purpose of verifying that the covenants and other provisions of

this Lease are being complied with, and to ensure the safety of all other Lessee's within the Resort. Notwithstanding the foregoing, the Lessor must provide the Lessee with at least twenty-four (24) hours written notice before entering into any Living Unit located on the Lot.

ARTICLE 7- ACCEPTANCE OF THE LOT

7.

A) The Lessee agrees to and does accept the Lot and all or any structures, buildings, and other improvements thereon "as is" and confirms and agrees that, unless specifically represented to the Lessee by the Lessor in writing, there remain no obligations or liabilities or warranties whatsoever on the Lessor's part in respect of the Lot or any improvements thereon.

B) The Lessee agrees that at commencement and after the commencement of the Term, all maintenance, repairs, operation, capital improvements, and replacements carried out with respect to Living Units, structures, buildings and other improvements on the Lot and all expenses relating thereto shall be the responsibility of the Lessee solely.

C) The Lessee shall keep the Lot, the Living Unit and all other improvements thereon at all times both safe and habitable.

D) In the event that the Lessee wishes to install a below ground septic holding tank or water holding tank on the Lot, they must first receive the written approval of the Lessor, which will not be unreasonably withheld.

E) Below ground septic holding tanks and water holding tanks, and concrete pads placed or installed on the Lot may not be removed without the written consent of the Lessor;

F) Running water and or water hook-ups will not be provided to any of the Lot's by the Lessor at any time during the Term of this Lease.

G) Telephone hookups and service and natural gas services will not be provided to any of the Lot's at any time during the Term of this Lease.

ARTICLE 8- OWNERSHIP OF IMPROVEMENTS

8. Title to and ownership of all improvements presently existing on the Lot and all improvements hereafter constructed on the Lot shall at all times during the Term be vested in the Lessee, notwithstanding any rule or law which vests title to an ownership of the improvements in the Lessor as owner of the freehold or fee simple or revisionary interest in the Lot.

ARTICLE 9 - ALIENATION

9.

A) The Lessee covenants and agrees that he or she, and upon the death of the Lessee, his or her personal representatives, shall not alienate, sublet, assign, mortgage, charge, convey, sell, transfer, part with the possession of or share the possession of the Lot, or any part thereof (hereinafter referred to as a "Lease Disposition") unless:

i) the new lessee has first been approved of by the Lessor, which approval may be unreasonably withheld; and

ii) the provisions of Article 9(B) hereof are met.

B) Notwithstanding Article 9(A) hereof, the Lessor may withhold its consent to any Lease Disposition unless and until it is paid a one-time transfer fee of ONE THOUSAND (\$1,000.00) DOLLARS (the "Transfer Fee") by the Lessee. The Transfer Fee shall increase each year during the Term of this Lease to account for inflation in the Province of Alberta. The increase of the Transfer Fee shall correlate to inflation in Alberta from year to year, as outlined on the Consumer Price Index on the Statistics Canada website for the Province of Alberta, under the heading "All-items".

ARTICLE 10 - LIABILITY AND INDEMNITY

10. The Lessee covenants and agrees that it:

A) shall not have or make any claim or demand against Lessor or any of its officers, servants or agents for detriment, theft of property from the Lot or the Resort, damage, accident, death or injury to any person of any nature whatsoever or howsoever caused on the Lot or the Resort, except in the case of the negligence of the Lessor or its servants, employees and agents; and

B) shall at all times indemnify and save harmless the Lessor and any of its officers, servants or agents from and against all claims and demands, losses, costs, legal costs, damages, actions, suits or other proceedings by whomsoever made, brought or prosecuted, in any manner based upon, occasioned by or attributable to the execution of this Lease, or any action taken or things done or maintained by virtue hereof or the exercise, in any manner, of rights arising hereunder related to the Lessee or their guests.

ARTICLE 11 - INSURANCE

11.

A) The Lessee shall, at his expense, maintain throughout the Term and any period when in possession or occupancy of the Lot, Comprehensive General Liability Insurance in an amount not less than Two Million (\$2,000,000.00) Dollars in respect of claims arising out of the death of or injury to any person on the Lot, or in respect of damage to property. The Lessee shall provide the Lessor with certificates of insurance

from the insurance company or companies confirming that the insurance referred to herein is in full force and effect for each year during the Term of this Lease or when in occupancy or possession of the Lot.

B) The Lessee covenants to obtain and maintain insurance on the Living Unit and any improvements constructed upon the Lot.

C) The Lessee shall not do or omit to do or knowingly allow anything to be done or omitted to be done on the Lot which will in any way impair or invalidate the insurance required hereunder.

D) The Lessee acknowledges and agrees that the Lessor has entered into this Lease in reliance of the Lessee's agreement to put in place the insurance described in Article 11 of this Lease agreement. The Lessee agrees to indemnify the Lessor for any loss suffered by the Lessor as a result of the Lessee's failure to maintain insurance in the amount and form described.

ARTICLE 12 - DESTRUCTION AND RECONSTRUCTION

12. If any Living Units, structures, buildings and/or other improvements on the Lot are damaged or destroyed by fire, tornado, natural disaster, falling trees, war, act of god or other calamity, or by reason of any other occurrence including vandalism and willful demolition, then the Lessee covenants and agrees that it shall be solely responsible and liable to remove, reconstruct and or repair of all such Living Units, structures, buildings or other improvements within one (1) year of the date of such damage or destruction.

ARTICLE 13 - DEFAULT AND TERMINATION

13.

A) In the event that the Lessee fails to perform, observe or keep any of the covenants and other provisions herein contained, including paying the Annual Fees when due, the Lessor will require the Lessee to remedy any such default within ten (10) days or such longer period of time as the Lessor may deem warranted.

B) If the Lessee does not remedy any default as outlined in Article 13(A) wherein within the time prescribed by the Lessor, the Lessor may, by notice in writing and subject to any rights which have been extended to any security holder, by agreement in writing, terminate this Lease and on the day specified in the notice of termination, this Lease will terminate.

C) Notwithstanding anything herein contained, if the Lessee should at any time during the term hereof:

i) make an assignment for the benefit of creditors;

ii) be adjudged a bankrupt or insolvent;

iii) file any petition or institute any proceedings under any bankruptcy or insolvency legislation seeking to effect reorganization or a composition;

iv) be subject to the appointment of a receiver or trustee who is not discharged within sixty (60) days from the date of such appointment; or

v) transfer, alienate, assign, charge, convey, mortgage, sell, subdivide, Lease or share possession of the Lot without the prior written consent of the Lessor or without meeting the requirements of Article 9 hereof;

It will be lawful for the Lessor, without notice to the Lessee, but subject to any notice and to other rights which have been extended to any security holder, by agreement in writing, to declare the Term ended and this Lease terminated and thereupon, these presents and everything herein contained and the Term will absolutely cease, terminate and be void without re-entry or any other act or any suit or legal proceedings to be brought or taken, provided the Lessor will nevertheless be entitled to recover from the Lessee, the Annual Fees then accrued or accruing.

D) Termination of this Lease, pursuant to any of the provisions herein, shall be wholly without prejudice to the right of the Lessor to recover arrears of Annual Fees or any other right of action of the Lessor in respect of any antecedent breach of covenant, or other provision herein contained, and the rights herein shall survive the termination of this Lease, whether by act of the parties or by operation of law.

E) In the event of default by the Lessee, the Lessor may re-enter and take possession of the Lot in the name of the Lessor as though the Lessee or the representatives of the Lessee or any other occupant of the Lot were holding over as tenants at will, and the said Term shall at the option of the Lessor forthwith become forfeited and determined.

ARTICLE 14 - LESSOR'S RIGHT TO PERFORM

14.

A) In the event of default by the Lessee in performance of any of its obligations hereunder, the Lessor, its servants, agents, employees and contractors, may enter upon the Lot, including the Living Unit, and remedy the default and the amount of any expenditures made by the Lessor in connection therewith shall be reimbursed to the Lessor by the Lessee on demand. The Lessor shall, however, be under no obligation to remedy any default of the Lessee, and shall not incur any liability to the Lessee for any act or omission in the course of its curing or attempting to cure any default.

B) Prior to performing any of the Lessee's obligations under Article 14(A) hereof, the Lessor shall give written notice to the Lessee specifying the default and requiring that the Lessee remedy such default within five (5) days after receipt thereof. Notwithstanding the deemed notice period outlined in Article 19(A), any notice addressed to the Lessee pursuant to Article 14 shall be deemed to have been effectively given on the fifth (5th) business day after being mailed, with business days being any day other than a Saturday, Sunday or Statutory holiday in the Province of Alberta. If the Lessee shall either not have remedied the default or be diligently pursuing such remedy at the expiration of such time period, the Lessor may, at its option without limiting any other remedy in this Lease available to the Lessor, exercise its rights under Article 14(A) hereof.

C) The expenditures for all repairs made by the Lessor under Article 14(A) hereof and all expenses incurred thereunder shall constitute a debt payable by the Lessee to the Lessor, and such debt shall bear interest in accordance with Article 3(F). The Lessor may collect such debt as Annual Administration Fees by any lawful means.

D) If it is necessary for the Lessor to retain the services of a solicitor or any other proper person for the purpose of assisting the Lessor in enforcing any of its rights hereunder in the event of default on the part of the Lessee, the Lessor shall be entitled to collect from the Lessee the expenditure for such services including all necessary court proceedings at trial or at appeal on a solicitor-and-client basis and such costs will constitute a debt due to the Lessor and shall be payable upon demand.

ARTICLE 15 - CONDITION OF THE LOT UPON EXPIRATION OR PRIOR TERMINATION

15.

A) At the expiration or sooner termination of the Term, the Lessee shall surrender the Lot and any Living Unit, structures or improvements thereon peaceably to the Lessor in good and substantial condition and repair, in accordance with the Lessee's obligations under the Lease. Notwithstanding the foregoing, the Lessee shall be permitted to remove any Living Unit or structures affixed to the Lot prior to the expiration of the Term, permitting the Lot and any remaining Living Unit, structures or other improvements remaining thereon are left in good and substantial condition and repair.

B) If the Lessee fails to remedy the condition of the Lot as required pursuant to Article 15(A) hereof, the Lessor may enter the Lot and remedy the condition of the same and of all improvements thereon and charge the costs thereof to the Lessee, and such costs will constitute a debt due to the Lessor and shall be payable upon demand.

ARTICLE 16 - OVER-HOLDING

16. If the Lessee should hold over after the expiration of the Term, without any further written agreement, the Lessee shall be a trespasser, whether or not the Lessor fails or declines to take any steps to obtain vacant possession.

ARTICLE 17 - DISPUTES

17. Except as otherwise provided, in the event that any question or dispute arises between the parties hereto over any of the covenants or other provisions of this Lease or the interpretation thereof on its effect, which the parties are unable to resolve by agreement, the same shall be referred to the Court of Queen's Bench of Alberta for determination.

ARTICLE 18 - BUILDERS' LIENS

18. The Lessee shall promptly pay or cause to be paid all contractors, subcontractors, suppliers and workers in connection with all work done on the Lot, including the Living Unit, and the Lessee shall promptly discharge any builders' liens which may be filed against the title to the Lands or Lot and should the Lessee fail to do so, the Lessor may take such steps as may be necessary to discharge any builders' lien and the Lessor may charge all costs of doing so, including administrative and legal costs, to the Lessee, which costs shall be payable upon demand.

ARTICLE 19- MISCELLANEOUS

19.

A) Any notice required by or affecting this Lease may be served upon the parties hereto by sending it by registered mail addressed to:

In the case of the Lessor:
1328 East Fawcett Rd.
P.O. Box 99, Smith, Alberta T0G 2B0
Phone: 780-829-2357

In the case of the Lessee:

and any notice addressed to the Lessor or to the Lessee pursuant to this Article will be deemed to have been effectively given on the thirtieth (30th) regular day (including weekends and statutory holidays) following the date of mailing. Such addresses may be changed from time to time by either party giving notice as provided herein. Further, any notice posted on the door of a Living Unit during the Seasonal Camping Period shall be deemed to have been effectively given on the thirtieth (30th) regular day (including weekends and statutory holidays) following the date of being posted.

In the event of any disruption of postal service, notices will be personally served upon the parties hereto by delivering the same to the attention of the Lessee, and to the President or to any Director in the case of service upon the Lessor.

B) The Lessee confirms and agrees that there are no representations, warranties, covenants or obligations of any kind on the Lessor's part other than those expressly herein set out.

C) A waiver by either party hereto of the strict performance by the other of any covenant or other provision of this Lease shall be in writing, and will not of itself constitute a waiver of any subsequent breach of that covenant or provision of any other covenant or provisions thereof. The failure of the Lessor to require the fulfilment of any obligation of the Lessee, or to exercise any rights herein contained, will not constitute a waiver or acquiescence or surrender of those obligations or rights.

D) The parties hereto specifically covenant and agree that no partnership, joint venture or any agency relationship is created or intended to be created between the Lessor and the Lessee pursuant to this Lease.

E) Time is of the essence of this Lease.

F) No implied terms or obligations of any kind on behalf of the Lessor will arise from anything in this Lease, and the express covenants and other provisions herein contained and made by the Lessor are the only covenants and provisions upon which the Lessee may rely on.

G) The captions and headings throughout this Lease are inserted for the convenience of reference only and are not intended to describe, define or limit the scope, extent or intent of this Lease, or any provision thereof.

H) Every provision herein contained will enure to the benefit of and be binding upon the Lessor, its successors and assigns and the Lessee, its executors, successors and permitted assigns. When the context so requires or permits, the singular number will be read as if the plural were expressed, and the masculine gender as if the feminine or neuter, as the case may be, were expressed.

I) All sums payable pursuant to this Lease for which any taxes are applicable, including goods and services tax ("GST") on property taxes are to be paid for by the Lessee in addition to all other amounts payable hereunder.

J) The Lessor and Lessee shall execute and join in documents appropriate to subordinate and subject their respective interests in the Lands and Lots to Resort agreements, restrictive covenants, easements, rights of way and like interests which it is necessary or expedient to grant from time to time to any municipal or other public authority or public utility for any public or quasi-public purpose or in order to secure services or other privileges or advantages benefiting the Lands or Lots and which do not substantially impair the value of the Lands or Lots. Notwithstanding the foregoing, this shall not affect the Lessor's ability to refuse to sign any development permit application.

ARTICLE 20 - QUIET ENJOYMENT

20. The Lessor covenants with the Lessee that if the Lessee pays the Annual Fees and other charges and observes and performs the terms, conditions and covenants of this Lease, then subject to this Lease:

A) the Lessee shall peacefully occupy the Lot for the Term of this Lease without any interruption or disturbance from the Lessor or any other person or persons lawfully claiming under the Lessor;

B) the Lessor will upon being paid a reasonable fee, acknowledge to any mortgagee, purchaser or other person wishing to deal with this Lease or the Lessee, in respect thereof that except as to matters which are unknown to the Lessor the obligations of the Lessee under this Lease are not in default, or if they are as to the status thereof. The Lessor will also, upon payment of reasonable fee, provide any person wishing to deal with the Lease with all evidence of title to this Lease as may be relevant and in its possession.

ARTICLE 21 – UNENFORCEABLE TERMS

21. If any term, covenant or condition of this Agreement or the application thereof to any party or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement or application of such term, covenant or condition to a party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this Agreement shall be valid and shall be enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals and the corporate entities have set the hands of its proper officers under corporate seal, the day and year first written above.

SIGNED SEALED AND DELIVERED in the presence of:

FAWCETT LAKESIDE DEVELOPMENTS INC. (LESSOR)

Per: _____

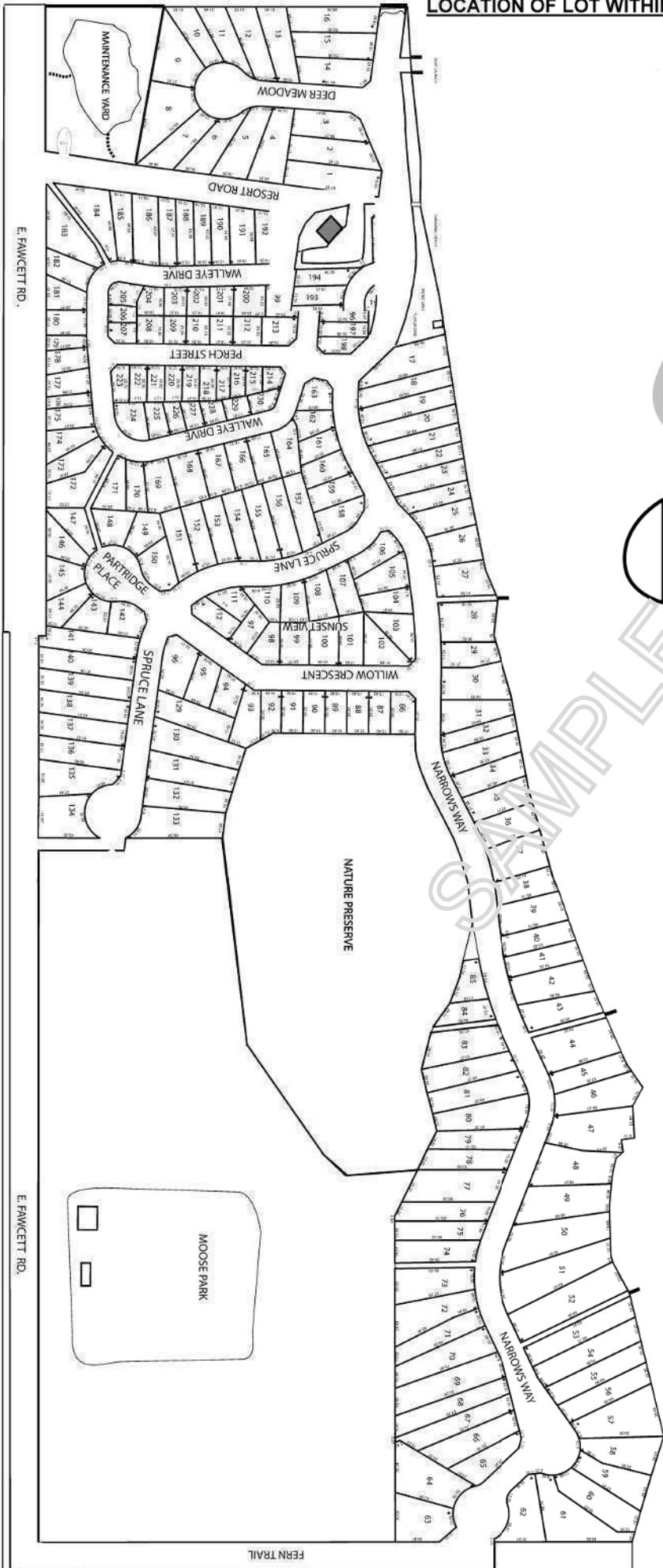
LESSEE

Witness-

Witness-

LOCATION OF LOT WITHIN RESORT

FAWCETT LAKE RESORT

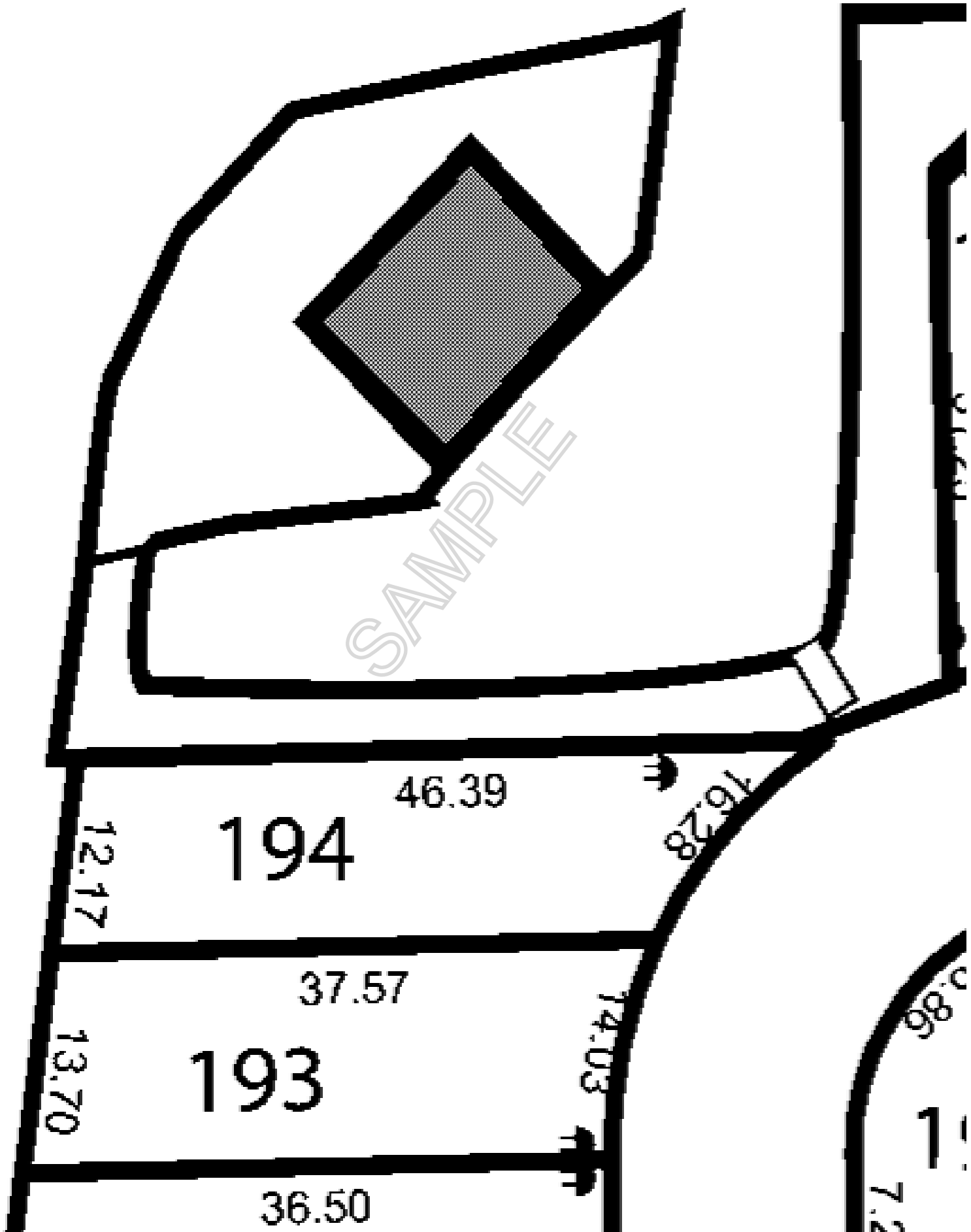


	COMMUNITY BUILDING
	POWER SERVICE
	AVAILABLE LOT
	ALL DIMENSIONS IN METERS

Alberta, Canada
 lakeinfo@fawcettlakeresort.com
 587.877.0746

SCHEDULE "B"

LOCATION OF LOT WITHIN RESORT



SCHEDULE "C"

Lot Number:	<u> X </u>
Lease Term (the "Term"):	The Term of this Lease is from:
September 16, <u> 2013 </u>	to September 15, <u> 2033 </u>
Security Deposit:	<u> \$ 500.00 </u>

Lease Term Year	Calendar Year	Annual Lot Fee	Annual Administration Fee
1	*	\$ 4,000.00	\$ 60.00
2		4,000.00	62.00
3		4,000.00	64.00
4		4,000.00	66.00
5		4,000.00	68.00
6		4,400.00	70.00
7		4,400.00	72.00
8		4,400.00	74.00
9		4,400.00	76.00
10		4,400.00	78.00
11		4,800.00	80.00
12		4,800.00	82.00
13		4,800.00	84.00
14		4,800.00	87.00
15		4,800.00	90.00
16		5,300.00	93.00
17		5,300.00	96.00
18		5,300.00	99.00
19		5,300.00	102.00
20		5,300.00	105.00

Taxes:

All payments payable by the Lessee, including charges for property taxes, are subject to GST, and all other applicable taxes.

Payment Terms:

For the first year (as indicated by "*"), these fees are due when the lease is signed. In all other years, \$500 (plus GST) is due on September 15 and the remainder of the fees are due the following May 15

AFFIDAVIT OF EXECUTION

CANADA
PROVINCE OF ALBERTA
TO WIT:

) I, _____ of the
) _____ of _____,
) in the Province of Alberta

MAKE OATH AND SAY:

1. I was personally present and did see _____ named in the within instrument, who is (are) personally known to me to be the person(s) named therein, duly sign and execute the same for the purposes named therein; *Or* I was personally present and did see _____, who, on the basis of the identification provided to me, I believe to be the person(s) named in the within instrument, duly sign the instrument.

2. That the same was executed at the _____ of _____

in the Province of Alberta, and that I am the subscribing witness thereto.

3. That I know the said person and he is in my belief of the full age of eighteen years.

SWORN before me at _____,
in the Province of Alberta, on this ____
day of _____, 20__

)
)
)
)
) _____
) (Print Witness Name)
)

A Commissioner for Oaths for Alberta