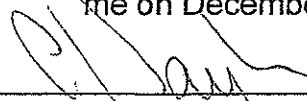


This is exhibit 3 referred to in the affidavit of JOHN KENNETH PURDY sworn before me on December 1, 2011.



A Commissioner of Oaths for
the Province of Alberta

Conan J. Taylor

PRINT NAME AND EXPIRY/LAWYER

CASES R00033

EDMONTON

01/12/2011 11:18:18 PAGE 0001

CLERK OF THE COURT - COUNTER

PROCEDURE RECORD PRINT

ACTION NO: Q8903 04201

CWALINA, FRANZ
GLAESING, GUNTHER
HARTMAN, FRED

SPITZ & CARR
SPITZ & CARR
SPITZ & CARR

VS 385134 ALBERTA INC.

BISHOP & MCKENZIE

ACTIVITY

LITIGANTS
HEARING DATE & TYPE

AMOUNT
RESULT

EXPLANATION
APPLICATION

JUSTICE/MASTER

DATE
FILED

LAW
FRM

STATEMENT OF CLAIM ORDER

STATEMENT OF DEFENCE

385134 ALBERTA INC.

COUNTERCLAIM

CONT385134 ALBERTA INC.
CWALINA, FRANZ
GLAESING, GUNTHER
HARTMAN, FRED

DECLARATION

NOTICE TO PRODUCE DOCUMENT

AFFIDAVIT OF DOCUMENTS

JOHN STALENHOEF

NOTICE OF MOTION

19APR1990

MC

ADJCN SINE DIE ADD DEFENDANT

12APR1990 SC

ADJOURNED BY CONSENT

SINE DIE

MC

ADD DEFENDANT

19APR1990 SC

CERTIFICATE LIS PENDENS

FILE TRANSFERRED OFF SITE

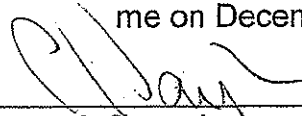
13SEP1990 SC

*** END OF ACTIVITIES ***

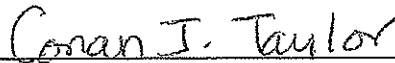
*****END OF REPORT*****

21JUL2000

This is exhibit K referred to in the affidavit of JOHN KENNETH PURDY sworn before me on December 1, 2011.



A Commissioner of Oaths for
the Province of Alberta



PRINT NAME AND EXPIRY/LAWYER

ACTION NO: 060311811

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF EDMONTON

IN THE MATTER OF THE MUNICIPAL GOVERNMENT
ACT, BEING CHAPTER M-26 OF THE REVISED
STATUTES OF ALBERTA, 2000, AND AMENDMENTS
THERETO; AND

BETWEEN:

PARKLAND COUNTY

Applicant

- and -

GERHARD SCHAEFER, SUSANNE SCHAEFER, BRUCE MARSHALL, GAYLE
MARSHALL, BETH HOBBS, MICHELE FILIPOWICZ, LESLY ROUND, RICHARD
MILLER, BILL ROBERTS, JOANNE CHARRON, ROSS HANSON, BEVERLY BROWN,
WALTER KALTENBACH, LILY KALTENBACH, JACQUIE BLEVINS, JOSEPH
BLEVINS, TIM WARD AND ANNE WARD-NEVILLE

Respondents

ORIGINATING NOTICE

TAKE NOTICE that an application will be made on behalf of the Applicant before the presiding Justice in Chambers, Law Courts Building, Edmonton, Alberta, on Friday, the 22nd day of September, 2006, at the hour of 10:00 o'clock in the forenoon or so soon thereafter as counsel may be heard for the following:

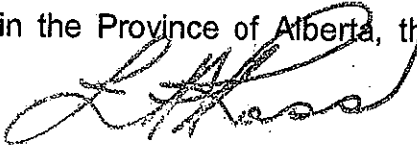
1. A declaration that the Respondents have without authorization or permission constructed 12 cabins together with related improvements upon undeveloped Parkland County Road Allowance and part of the Road Plan 304NY, adjacent to Plan 852 0616, Block 1, excepting thereout all mines and minerals. The owners of each of the 12 cabins are set out in Schedule A to this Originating Notice.
2. An Order requiring the Respondents to cease the unauthorized use of the Road Allowance and part of Road Plan 304NY and to remove their cabins and other improvements from the location upon Parkland County Road Allowance and Road Plan 304NY on or before April 30, 2009.

3. An Order that if the Respondents do not comply with any Order made by this Honourable Court or any of them do not remove their cabin and any related improvement or possessions by April 30, 2009, Parkland County shall be entitled to remove and dispose of the cabins and other improvements or property remaining on the Road Allowance or on any part of Road Plan 304NY. Any costs incurred by Parkland County in the removal and disposal of the cabins, other improvements and property are a debt owed to Parkland County by the owner of the particular cabins so removed.
4. An Order that, notwithstanding paragraph 3 of this Originating Notice, the Applicant will not seek to recover costs of demolition or removal from any cabin owner who, prior to April 30, 2009, confirms in writing to the Applicant that their cabin and other improvements are vacated, that the cabin owner has abandoned any interest therein, and the Applicant may, as of the date of the said written confirmation, remove or demolishes the said cabin and any related improvements.
5. An Order granting the Applicant leave to reapply to this Honourable Court for clarification or directions.

AND FURTHER TAKE NOTICE that this application is made pursuant to Section 554 of the MUNICIPAL GOVERNMENT ACT, R.S.A. 2000, Ch. M-26, as amended.

THIS ORIGINATING NOTICE was taken out by MESSRS. REYNOLDS, MIRTH, RICHARDS & FARMER LLP, Solicitors for the Applicant, whose address for service is in care of the said solicitors at #3200 ManuLife Place, 10180 - 101 Street, Edmonton, Alberta, T5J 3W8.

and ~~ISSUED~~ DATED -
 ISSUED) at the City of Edmonton, in the Province of Alberta, this ^{21st}~~22nd~~ day of
 September, 2006.



 CLERK OF THE COURT

Schedule "A"

Cabin 1	Susanne Schaeffer and Gerhard Schaeffer
Cabin 2	Bruce Marshall and Gayle Marshall
Cabin 4	Beth Hobbs
Cabin 5	Michele Filipowicz
Cabin 6	Lesly Round
Cabin 8	Rick Miller
Cabin 9	Bill Roberts and Joanne Charron
Cabin 10	Ross Hanson
Cabin 11	Beverly Brown
Cabin 12	Walter Kaltenbach and Lily Kaltenbach
Cabin 13	Joseph Blevins and Jacqueline Blevins
Cabin 14	Tim Ward and Anne Ward-Neville

JCMS
JC

11980

TO: THE RESPONDENTS

ACTION NO: 0603 ~~1811~~

ENTERED
by JM

YOU ARE HEREBY NOTIFIED that if you do not attend either in person or by counsel or solicitor before the said Judge at the time and place aforesaid, the Order asked for herein may be granted in your absence or such Order may be made or proceedings taken as according to the practice of the Court the Applicant is entitled to take without further notice to you.

IN THE COURT OF
QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF EDMONTON

IN THE MATTER OF THE MUNICIPAL
GOVERNMENT ACT, BEING CHAPTER M-26
OF THE REVISED STATUTES OF ALBERTA,
2000, AND AMENDMENTS THERETO; AND

REYNOLDS, MIRTH,
RICHARDS & FARMER LLP
Barristers & Solicitors
3200, 10180 - 101 Street
Edmonton, AB T5J 3W8

BETWEEN:

PARKLAND COUNTY

Applicant

Solicitors for the Applicant who resides at:

- and -

PARKLAND COUNTY
53109A SH 779
PARKLAND COUNTY, AB T7Z 1R1

GERHARD SCHAEFER, SUSANNE SCHAEFER,
BRUCE MARSHALL, GAYLE MARSHALL, BETH
HOBBS, MICHELE FILIPOWICZ, LESLY ROUND,
RICHARD MILLER, BILL ROBERTS, JOANNE
CHARRON, ROSS HANSON, BEVERLY BROWN,
WALTER KALTENBACH, LILY KALTENBACH,
JACQUIE BLEVINS, JOSEPH BLEVINS, TIM
WARD AND ANNE WARD-NEVILLE

Respondents

and whose address for service is in care of the said solicitors and is addressed to the Respondent whose residence so far as is known to the Applicant is:

Witten LLP, Barristers and Solicitors, 2500
- 10303 Jasper Avenue, Edmonton, AB
T5J 2N6

IF YOU WANT TO PRESENT ANY
EVIDENCE TO THE JUDGE/MASTER
HEARING THIS APPLICATION, YOU
MUST:

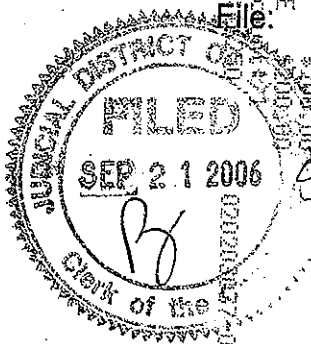
ORIGINATING NOTICE

- make an affidavit, sworn or affirmed as true before a Commissioner for Oaths or Notary Public
 - file the affidavit with the Clerk of the Court
- make sure that the Applicant's lawyer receives the affidavit at least 24 hours before the hearing.

REYNOLDS, MIRTH,
RICHARDS & FARMER LLP
BARRISTERS & SOLICITORS
#3200, 10180 - 101 STREET
EDMONTON, AB T5J 3W8

Lawyer: SHEILA C. McNAUGHTAN
Phone: (780) 425-9510
Fax: (780) 429-3044
File: 70300-176-SCM

252722; September 21, 2006



INITIALS
OF
CLERK
JUDICIAL DISTRICT OF EDMONTON
SEP 21 11:48 AM
2006
CLERK
\$200.00

4200.00

11980

ACTION NO: 0603 ~~11811~~

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF EDMONTON

IN THE MATTER OF THE MUNICIPAL GOVERNMENT
ACT, BEING CHAPTER M-26 OF THE REVISED
STATUTES OF ALBERTA, 2000, AND AMENDMENTS
THERE TO; AND

BETWEEN:

PARKLAND COUNTY

Applicant

- and -

GERHARD SCHAEFER, SUSANNE SCHAEFER, BRUCE MARSHALL, GAYLE
MARSHALL, BETH HOBBS, MICHELE FILIPOWICZ, LESLY ROUND, RICHARD
MILLER, BILL ROBERTS, JOANNE CHARRON, ROSS HANSON, BEVERLY BROWN,
WALTER KALTENBACH, LILY KALTENBACH, JACQUIE BLEVINS, JOSEPH
BLEVINS, TIM WARD AND ANNE WARD-NEVILLE

Respondents

Before the Honourable Justice Bielby)
in Chambers, Court House,)
Edmonton, Alberta)

On Fri day, the 22 day
of September, 2006

CONSENT ORDER

UPON the application of the Applicant; AND UPON hearing from the solicitor for
the Applicant; AND UPON noting the consent of the solicitor for the Respondents; AND
UPON noting that the Respondents have located cabins upon a municipal road
allowance and municipal road plan without authorization from the municipality;

IT IS HEREBY ORDERED AND DECLARED THAT:


1. The Respondents have without authorization or permission constructed 12 cabins together with related improvements upon undeveloped Parkland County Road Allowance and part of the Road Plan 304NY, adjacent to Plan 852 0616, Block 1, excepting thereout all mines and minerals.
2. The owners of each of the 12 cabins are set out in Schedule A to this Order.
3. The Respondents shall cease the unauthorized use of the Road Allowance and part of Road Plan 304NY and shall remove their cabins and other improvements from the location upon Parkland County Road Allowance and Road Plan 304NY on or before April 30, 2009.
4. If the Respondents or any of them do not remove their cabin and any related improvement or possessions by April 30, 2009, the County shall be entitled to remove and dispose of the cabins and other improvements or property remaining on the Road Allowance or on any part of Road Plan 304NY. Any costs incurred by Parkland County in the removal and disposal of the cabins, other improvements and property are a debt owed to Parkland County by the owner of the particular cabins so removed.
5. Notwithstanding paragraph 4 of this Order, the Applicant will not seek to recover costs of demolition or removal from any cabin owner who, prior to April 30, 2009, confirms in writing to the Applicant that their cabin and other improvements are vacated, that the cabin owner has abandoned any interest therein, and the Applicant may, as of the date of the said written confirmation, remove or demolish the said cabin and any related improvements.

6. The Applicant shall have leave to reapply to this Honourable Court for clarification and directions.

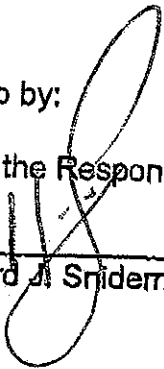


JUSTICE OF THE COURT OF QUEEN'S BENCH OF ALBERTA

Entered this 22 day of ^{Sept.} ~~August~~, 2006.


Clerk of the Court of Queen's Bench of Alberta
TMD

Consented to by:
Witten LLP
Solicitors for the Respondents

Per: 
Howard J. Sniderman

Schedule "A"

Cabin 1	Susanne Schaeffer and Gerhard Schaeffer
Cabin 2	Bruce Marshall and Gayle Marshall
Cabin 4	Beth Hobbs
Cabin 5	Michele Filipowicz
Cabin 6	Lesly Round
Cabin 8	Rick Miller
Cabin 9	Bill Roberts and Joanne Charron
Cabin 10	Ross Hanson
Cabin 11	Beverly Brown
Cabin 12	Walter Kaltenbach and Lily Kaltenbach
Cabin 13	Joseph Blevins and Jacqueline Blevins
Cabin 14	Tim Ward and Anne Ward-Neville

0603 11980

ACTION NO: ~~060311980~~

IN THE COURT OF
QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF EDMONTON

IN THE MATTER OF THE MUNICIPAL
GOVERNMENT ACT, BEING CHAPTER M-26
OF THE REVISED STATUTES OF ALBERTA,
2000, AND AMENDMENTS THERETO; AND

BETWEEN:

PARKLAND COUNTY

Applicant

- and -

GERHARD SCHAEFER, SUSANNE SCHAEFER,
BRUCE MARSHALL, GAYLE MARSHALL, BETH
HOBBS, MICHELE FILIPOWICZ, LESLY ROUND,
RICHARD MILLER, BILL ROBERTS, JOANNE
CHARRON, ROSS HANSON, BEVERLY BROWN,
WALTER KALTENBACH, LILY KALTENBACH,
JACQUIE BLEVINS, JOSEPH BLEVINS, TIM
WARD AND ANNE WARD-NEVILLE

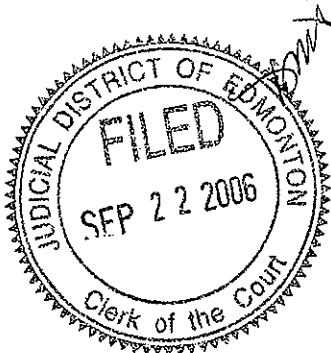
Respondents

ORMSC ex remove Cabins

CONSENT ORDER

**REYNOLDS, MIRTH,
RICHARDS & FARMER LLP
BARRISTERS & SOLICITORS
#3200, 10180 - 101 STREET
EDMONTON, AB T5J 3W8**

Lawyer: SHEILA C. McNAUGHTAN
Phone: (780) 425-9510
Fax: (780) 429-3044
File: 70300-176-SCM



EDEN LAKE GOLF & COUNTRY CLUB LTD.

OFF-SITE COTTAGE OWNERS:

LOT	BLDG.	
1	11620	✓Gerhard/Susanne Schaefer ✓ NDA
2	11621	Bruce Marshall ✓
3	11622	Robert K. Woolridge ✓
4	11623	✓Melville/Elizabeth Hobbs ✓ NDA
5	11624	Mark/Michelle Bullock ✓
6	11625	Walter/Karen Lesick ✓
7	11626	J. Piche ✓
8	11627	✓Larry/Shirley Miskiw ✓ NDA
9	11628	Joanne Charron/William Roberts ✓
10	11629	✓Mrs. Phyllis Arnold ✓ NDA
11	11630	✓Ms. Marie Shelley ✓ NDA
12	11631	✓Walter/Lily Kaltenbach ✓ NDA
13	11632	✓Joseph/Jacqueline Blevins ✓ NDA
14	11633	✓David/Jeanette Weber ✓ NDA

ON-SITE COTTAGES

LOT	BLDG.	
15	11634	John/Jun Perron ✓
16	11635	Paul Medeiros (Behnke) ✓
17	11636	Don Kennedy ✓
18	11637 11638	Franz Cwalina ✓
19	11639	Fred Hartman ✓
20	11640 11641	Gunther Glaesing ✓

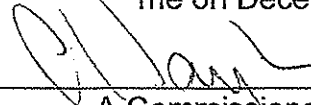
September 12, 1991

As a cabin owner at Lake Eden, I give permission to Mel and Beth Hobbs to represent me at meetings with Mr. Tony Ho, to negotiate a suitable long-term lease with Eden Lake Golf & Country Club.

I understand that no final decision and documents will be signed until I have been informed and have given my approval.

Cabin #1	Gerhard or Susan Schaefer	<u>J. Schaefer</u>
Cabin #2	Gayle or Bruce Marshall	<u>Bruce Marshall</u>
Cabin # 5	Mark or Michelle Bullock	<u>M. Bullock</u>
Cabin #6	Wally or Karen Lesick	<u>Wally Lesick</u>
Cabin #7	Jack Piche	<u>Jack Piche</u>
Cabin #8	Shirley or Larry Miskiew	<u>Shirley Miskiew</u>
Cabin #9	JoAnne or Bill Roberts	<u>JoAnne Roberts</u>
Cabin #10	Phyllis Arnold	<u>Phyllis A. Arnold</u>
Cabin #11	Lily or Walter Kaltenbach	<u>L. Kaltenbach</u>
Cabin #12	Marie Shelley	<u>Marie Shelley</u>
Cabin #13	Joseph or Jackie Blevens	<u>Joseph Blevens</u>
Cabin #14	JEANNETTE Janet Weber	<u>Jeannette Weber</u>

This is exhibit L referred to in the affidavit of JOHN KENNETH PURDY sworn before me on December 1, 2011.



A Commissioner of Oaths for
the Province of Alberta

Conan J. Taylor

PRINT NAME AND EXPIRY/LAWYER

LAKE EDEN - COTTAGE LOT LEASE

THIS LEASE AGREEMENT is made as of the 1st day of May, 1989.

BETWEEN:

385134 ALBERTA LTD.,
AND SHARECO CAPITAL CORP. both of
1808 Oxford Tower, 10235 - 101 Street,
Edmonton, Alberta
T5J 3G1
(hereinafter called the "Lessor")

OF THE FIRST PART

and

MELVILLE HOBBS
ELIZABETH HOBBS
as joint tenants and not as tenants in common
(hereinafter called the "Lessee")

OF THE SECOND PART

WHEREAS 385134 Alberta Ltd. is the registered owner of land in the
County of Parkland, in the Province of Alberta, described as follows:

PLAN 852 0616
BLOCK ONE (1)
LOT ONE (1)
CONTAINING 89.2 HECTARES
(220.41 ACRES), MORE OR LESS
(N 1/2 13-53-2-W5TH)

EXCEPTING THEREOUT ALL MINES AND MINERALS.

(hereinafter called the "Lake Eden Resort")

as shown on Schedule "A" attached hereto and forming part of this Agreement.

AND WHEREAS Shareco Capital Corp. is a Purchaser of the said Lake Eden Resort as described in Caveat 882167272 registered in the North Alberta Land Registration District.

AND WHEREAS the Lessor desires to lease to the Lessee and the Lessee is desirous of leasing from the Lessor that portion of the Lake Eden Resort shown outlined in red on Schedule "A" and described as Lot 22, Cabin 4 (hereinafter called the "Demised Land").

THE PARTIES THEREFORE AGREE AS FOLLOWS:

1. IN CONSIDERATION of the foregoing which is deemed to be included in a part of this Agreement and in further consideration of the terms, conditions, covenants, agreements and payments hereinafter reserved and contained and to be observed, performed or paid by the Lessee, the Lessor has demised and leased and by these presents does demise and lease unto the Lessee the Demised Land.

2. TERM AND RENT

The Lessee shall have and hold the Demised Land for a term of five (5) years commencing the 1st day of May, 1989 (hereinafter called the "commencement date") and ending on the 31st day of April, 1994, at and for an annual rental of SEVEN HUNDRED FIFTY (\$750.00) DOLLARS (subject to the annual rent being adjusted as hereinafter set out) payable in advance on the 1st day of May in each and every year during the term hereof, the first payment of rent to fall due on the 1st day of May, 1989.

3. OPTION TO RENEW

Provided the Lessee is not then in default hereunder, the Lessee shall have the right and option to renew this Lease for three successive periods of FIVE (5) years each upon service of written notice to the Lessor in the manner described in Clause 24 herein not later than the 30th day prior to the expiry of the original term or any renewal term. The Lease shall, subject to the provisions of Clause 12, thereupon be extended for a further FIVE (5) years upon the same terms, conditions, covenants and payments provided herein.

4. FURTHER RENEWAL

After the due exercise of the Lessee to extend this Lease by the options to renew in the immediately preceding paragraph and provided that the Lessee is not in default hereunder, the Lessee shall have the right and option to renew this Lease for a further two successive periods of five (5) years each on the same terms and conditions as set forth in this Lease provided however that the basic rental charge for the first year of the renewed lease (i.e. in substitution for the figure of \$750.00 herein) shall be a figure to be agreed upon between the parties or failing agreement it shall be determined by arbitration in accordance with the provisions of The Alberta Arbitration Act (1980) RSA 1980 as amended from time to time, and the ruling of the arbitration shall be binding upon both parties. The price to be set by the arbitration is the fair monetary value for the use of the Lessor's lands necessary for the purposes of enjoying the improvements on the Demised Land, but excluding the value of the improvements themselves.

5. RENT ADJUSTMENT

Notwithstanding the stipulated rental payments herein reserved to the Lessor to be paid by the Lessee, commencing the 1st day of April, 1990, and for each lease year thereafter, including any renewal period or periods, the basic annual rental of SEVEN HUNDRED FIFTY (\$750.00) DOLLARS for the year commencing May 1, 1994, and each May 1st thereafter, shall be adjusted to reflect any increase or decrease in the Canadian Cost of Living Index (CCLI) as published by Statistics Canada or its successor, from the level existing for 1989. The rental shall be adjusted using the CCLI for the month of January in each successive year and the rental for the year shall be calculated as follows:

A = CCLI for January of the current year

B = CCLI for January of 1989

C = Adjusted yearly rental for ensuing year, payable in May

$A/B \times \$750.00 = C$

6. TAXES

The Lessee, in addition to any and all other payments to be made hereunder, shall pay to the County of Parkland or the Lessor as and when the same fall due for payment, the proportionate share of municipal taxes assessed on and attributable to the Demised Land and any improvements thereon. The Lessor expressly represents that all other taxes on the Lake Eden Resort and on the Demised Land have been paid in full to and including the 31st day of

December, 1988.

7. DESCRIPTION OF THE SAID LANDS

The Parties expressly acknowledge that the Demised Land constitutes one of several parcels of land situated collectively in that portion of the Lake Eden Resort as shown outlined in blue on Schedule "A" (hereinafter called the "Residential Area") and that access to the Residential Area is provided by a roadway outlined in yellow on Schedule "A" which lies partly in the Residential Area and partly outside the Residential Area but on the Lake Eden Resort (hereinafter called the "Access Road").

THE LESSEE COVENANTS WITH THE LESSOR AS FOLLOWS:

8. PAY RENT

That it will pay rent at the office of the Lessor as set out in Clause 24 herein, or at such other place as the Lessor in writing may designate, on the due dates without any deduction or abatement whatsoever.

9. ASSIGNMENT AND SUB-LEASING

That the Lessee shall not assign this Lease of the Demised Land, in

whole or in part, without the written consent of the Lessor, which consent shall not be unreasonably or arbitrarily withheld, and provided:

- (a) that on any assignment of the within Lease the Assignee shall agree to assume and be bound by the covenants and agreements herein contained; and
- (b) that any assignment of the within lease consented to by the Lessor as aforesaid shall relieve the Lessee from the covenants and agreements herein contained from the date of the assignment to the sub-lessee;
- (c) that the Lessee may sublet the Demised Land for not more than three months without the permission of the Lessor, provided that the Lessee shall give not less than 30 days written notice to the Lessor of such sub-lease prior to its commencement; and provided further that the Lessor shall have the right to terminate the sub-lease without notice if the sub-tenant disturbs other Lessees or in any way causes a nuisance or violates any of the terms of this lease.
- (d) provided that this Lease is in good standing the Lessor shall, upon request by the Lessee, and to facilitate the assignment of the Lease, provide the Lessee with an Estoppel Certificate as at the date of the assignment.

10. MANNER OF USE AND PROHIBITED USE

The Lessee shall observe and obey all laws and municipal and government rules and regulations applicable to the Lessee. The Lessee will not carry on any business or occupation or do or permit anything to be done in, on or about the demised premises which shall be nuisance, or which shall cause annoyance to the Lessor or adjoining occupants of the Lake Eden Resort and not to do or permit any act which is illegal or dangerous, and will use the Demised Land only for residential purposes.

11. IMPROVEMENTS

The Lessor acknowledges that any and all improvements including those in the form of structures or buildings, on the Demised Land, whether placed thereon or constructed prior to or after the commencement date (hereinafter called the "Improvements"), are the sole and exclusive property of and owned by the Lessee and are for all purposes of this Lease Agreement to be treated as chattels, wholly owned, subject to sale or other dealings by, and removable by the Lessee in his sole and absolute discretion. The Lessee, on receipt of written consent from the Lessor, which consent shall not be unreasonably withheld, may construct or erect buildings or other structures on the Demised Land provided the Lessee, in so doing, shall comply with all applicable bylaws and building or other codes and regulations governing the erection, construction or use of any such structures or buildings.

12. LESSOR'S OPTION TO PURCHASE

The Lessor shall have the option to terminate this lease by purchasing the improvements from the Lessee at their fair market value on the following terms.

- A. The fair market value shall mean the greater of the fair market of the Lease on the open real estate market or the replacement cost value of the improvements at the time of sale valued in a similar manner to that on determination of a total fire loss on a replacement cost basis.
- B. The Lessor may only exercise its right to purchase during the 30 days next following the receipt of the notice of renewal referred to in paragraph 3 above.
- C. The Lessor's option shall be exercised by serving written notice (the "Purchase Notice") upon the Lessee at the last address given to the Lessor by the Lessee within the said 30 days. Such notice shall indicate the price offered and the nominee of the Lessor as an appraiser (qualified as hereinafter set forth) as the Lessor's Appraiser.
- D. The Lessee shall have 30 days from the receipt of the Purchase Notice to accept the price offered by the Lessor or to nominate an appraiser (qualified as hereinafter set forth) as the Lessee's Appraiser.

- E. Should the Lessee accept the Lessor's offered price the acceptance (within 30 days of receipt of the Purchase Notice) shall constitute a contract between the parties for purchase and sale of the improvements and payment, possession and all normal adjustments shall be made as of the 60th day following the date of the receipt of the Purchase Notice.

- F. Should the Lessee not accept the Lessor's offered price then the price shall be determined by the average of the value set by the two appraisers or if the Lessee fails to appoint an appraiser, by the greater of the price offered or value set by the Lessor's appraiser.

- G. The Lessee shall provide on receipt of reasonable notice access to the improvements for the purposes of appraisal by the Lessor's appraiser.

- H. The appraiser or the appraisers shall submit their evaluations of the improvements in writing to both parties prior to the 50th day following the delivery of the Purchase Notice. Failure to provide the appraised value within the time stipulated will result in the purchase price being set at the value set in the appraisal report which is received or failing any appraisal report, at the price offered by the Lessor.

- I. The date of purchase and sale shall be the 60th day following the

date of delivery of the purchase notice and in addition to the purchase price the Lessee shall be entitled to a refund of the proportionate share of the current year's lease rental payment made.

13. QUALIFICATION OF THE APPRAISER

The appraiser referred to in this Lease shall have the minimum qualification of an accredited member of the Appraisal Institute of Canada or equivalent or may be otherwise qualified as may be mutually agreed upon by the Lessor and the Lessee at the time of appraisal.

14. REDEVELOPMENT BY LESSOR

Should the Lessor desire to redevelop all of the Residential Area as outlined in blue on Schedule "A" and provided that if it purchases all of the cottages in the said Residential Area, the Lessor shall be entitled upon giving the Lessee 120 days prior written notice of such redevelopment and intention to terminate all lease, to terminate this lease provided it terminates all other such leases, and purchase the improvements by the procedure set forth in paragraph 12 mutatis mutandis.

15. OVERHOLDING

That if the Lessee shall hold over after the expiration of the demised term or any renewal or extension thereof, without the same having been renewed pursuant to the option to extend herein granted, and the Lessor accepts payment of rent, the Lessee shall be deemed to hold as a yearly tenant only.

16. UTILITY SERVICES

The Lessee shall pay to the party entitled to payment therefore, all costs for utility services provided to the Demised Land; provided the same shall not include any part of the cost of construction of the means of delivery of such services to the perimeter of the Demised Land, whether now installed or to be installed in the future, which latter costs shall be the responsibility of the Lessor.

THE LESSOR COVENANTS AND AGREES WITH THE LESSEE:

17. QUIET POSSESSION

That upon the Lessee paying the rents and performing and observing the terms, covenants and conditions herein, he shall and may peaceably and quietly enjoy the Demised Land for the term hereby granted, and any extension or renewal thereof, without any interruption, hindrance or disturbance by the Lessor or any other person or persons claiming through him.

18. ACCESS AND EGRESS

The Lessor covenants that it shall at all times during the term of this Lease and any extension or renewal thereof, keep and maintain the Access Road at its sole cost and expense in good and sufficient condition free of obstruction such that passenger motor vehicles shall have free and uninterrupted access from the entrance to the Lake Eden Resort to the Residential Area and within the Residential Area to the Demised Land. Without restricting the generality of the foregoing the access road will be graded a minimum of once yearly. The Lessor also agrees to remove trees which obstruct the access or are a hazard to the Improvements.

19. THE USE OF LAKE EDEN RESORT

It is expressly acknowledged by the Lessor that it provides public recreation facilities on the Lake Eden Resort outside the Residential Area (hereinafter called the "recreation area"). The Lessor expressly covenants and agrees that the Lessee, his immediate family and guests shall have access to and use of the recreation area without charge or admission fee except to those portions thereof, within the Lake Eden Resort, the use of which is subject to a user fee or admission charge payable by the general public in addition to any fee payable for admission to the Lake Eden Resort.

20. LESSEE'S OPTION TO PREPAY

During the first six months of this Lease the Lessee shall have the option to pay to the Lessor the sum of TEN THOUSAND (\$10,000.00) DOLLARS in total (including the initial SEVEN HUNDRED AND FIFTY (\$750.00) DOLLARS consideration) as a one time fully acknowledged prepayment of all of the lease payments for the first twenty years of the lease term and renewals as set out in paragraphs 2 and 3 of this Lease. Upon such payment the lease term would stand automatically renewed for the full twenty years without further lease payment or notice required. The provisions for purchase by the Lessor would only apply under paragraph 14 and in addition to all other compensation, provided on sale the Lessor will be obliged to repay the pro rata portion of the prepaid lease amount to the Lessee on the following formula.

$$X/240 \times \$10,000.00 = \text{Lessee's recovery}$$

where "X" represents the balance of term of the Lease unused in months

21. REMOVAL OF IMPROVEMENTS

That the Lessee, so long as he is then not in default hereunder, shall have the right at any time and not later than sixty (60) days after the expiration or termination of the term herein demised or any extension or renewal thereof, to remove the improvements from the Demised Land, in whole or in part; provided however, that upon vacating the Demised Land, the same shall be left in a reasonably safe condition so as not to constitute a hazard to the Lessor or others lawfully entering upon the Demised Land, reasonable wear and tear and damage by fire, lightning or tempest excepted; and provided further that the Lessee, not later than thirty (30) days prior to the expiration of the term herein demised, or any extension or renewal thereof, shall give notice in writing to the Lessor as to which improvements, not previously removed, he intends to remove from and which he intends to leave on, the Demised Land.

22. ADMISSION TO LAKE EDEN RESORT

That the Lessor, upon:

- (a) the Lessee having given prior written notice to the Lessor or his designee of an adequate description or identification purposes of all passenger motor vehicles owned or operated by the Lessee or his immediate family; and

- (b) the Lessee advising the Lessor verbally or in writing of the name of anticipated guests of the Lessee, on each occasion of the visit of such guests;

shall admit such vehicles, guests and guests' vehicles to the Residential Area of the Lake Eden Resort without admission charge; provided the Lessee shall observe such reasonable requirements of the Lessor as may be necessary to identify by sticker or other means the motor vehicles owned or operated by the Lessee and his immediate family; PROVIDED always that the Lessor acting reasonably, may limit the number of guests or guest vehicles.

IT IS MUTUALLY AGREED BETWEEN THE PARTIES AS FOLLOWS:

23. PAYMENT DEFAULT

That in the case the Lessee shall make default in payment of any sum required to be paid by it under this Lease (other than rent), the Lessor may pay the same and the amount thereof and all costs paid by the Lessor as between solicitor and client on account of any default by the Lessee under this Lease shall be payable by the Lessee to the Lessor forthwith, either before or after payment by the Lessor. The Lessor may, by notice to the Lessee, demand payment thereof, and if not paid by the Lessee within ten (10) days of such notice, the amount thereof shall be deemed to be rent in arrear and the Lessor may, in addition to any other remedy it may have for the recovery of same, distrain for the amount thereof as rent in arrears.

24. OTHER DEFAULT

In addition to all other remedies the Lessee may have under this Lease or by law, if the Lessee shall make default in any of its obligations hereunder, the Lessor may at its option perform any such obligation, and in such event the costs of performing such obligation shall be payable by the Lessee to the Lessor from the date of the performance of such obligation by the Lessor until paid by the Lessee, and on default of payment of rent. In addition, the Lessor shall be entitled to collect interest upon all rental arrears at a rate equal to Two (2%) percent greater than the then prime commercial lending rate of the Lessor's bank. Should under the terms of this Lease there be an obligation by the Lessor to pay funds to the Lessee the Lessee shall be entitled to collect interest upon such payments at the same rate as afforded the Lessor above referred until paid.

25. NOTICE

Any notice required or desired to be served according to the terms hereof shall be deemed to have been received by the party to whom it is directed if delivered personally to that party, or on the fourth (4th) business day following the mailing of such notice by prepaid first class post in Canada addressed to the party to whom notice is directed as follows:

Lessor and Owners

P.O. Box 1830
Stony Plain, Alberta
T0E 2G0

Lessee

12214 - 87 Street
Edmonton, Alberta
T5B 3H8

PROVIDED that such address for service may be changed by either party by notice served according to the provisions hereof; PROVIDED further however, that at no time shall an address for service be outside the Province of Alberta.

26. CAVEATS

The Lessee shall be permitted to register a Caveat in respect of this Lease at the appropriate Land Titles Office on the land set forth in Schedule "A" hereto.

Should the Lessor successfully subdivide its lands, such that the lands outlined in blue on Schedule "A" and the accesses to such lands are transferred to a new title or to the public domain, then the Lessor shall discharge its Caveat from the balance of the Lessor's lands.

The Lessee will postpone and subordinate its rights under this agreement to any mortgage or mortgages or any encumbrances now or hereinafter resulting from any method of financing or refinancing of the Lessor's lands and any improvements thereto, to all advances made hereinafter to be made thereunder. Upon request of the Lessor, the Lessee without delay shall

execute and deliver to the Lessor any and all documents required for such purpose, PROVIDED HOWEVER that prior to requiring the Lessee to postpone or subordinate as hereinbefore set forth, the Lessor shall cause any such mortgagee or encumbrancee to enter into a Non-Disturbance Agreement with a Lessee in substantially the same form as attached hereto as Schedule "B".

27. TERMINATION BY COURT ORDER

Should this Lease be declared to be terminated or void by any court of competent jurisdiction as a result of an action or application made by the Lessor, its successors, assigns or any party claiming through the Lessor, then upon such ruling the Lessor shall be deemed to have purchased the improvements of the Lessee and the provisions of paragraph 12 shall apply mutatis mutandis.

28. SURRENDER OF LEASE

The Lessee may at his sole option surrender this Lease and vacate the Demised Land at any time on thirty (30) days notice. Upon so doing the Lessor shall repay to the Lessee the pro rata portion of the prepaid rent.

29. HEADINGS

The parties hereto agree that the headings herein form no part of this Lease and shall be deemed to have been inserted for convenience of reference

only.

30. INTERPRETATION

Wherever the singular and masculine or neuter are used throughout this Lease they shall be construed as if the plural or feminine had been used where the context or party or parties hereto so require, and the rest of the sentence shall be construed as if the necessary grammatical and terminological changes thereby rendered necessary had been made.

31. MUTUAL BENEFIT

These presents and everything contained herein shall extend to, enure to the benefit of, and be binding upon the Lessor and the Lessee and their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed and delivered all as of and from the day and year first above written.

SHARECO CAPITAL CORP.

PER:

John Stalenhof

Witness

Witness

Anthony Wood

385134 ALBERTA LTD.

PER:

John Stalenhof

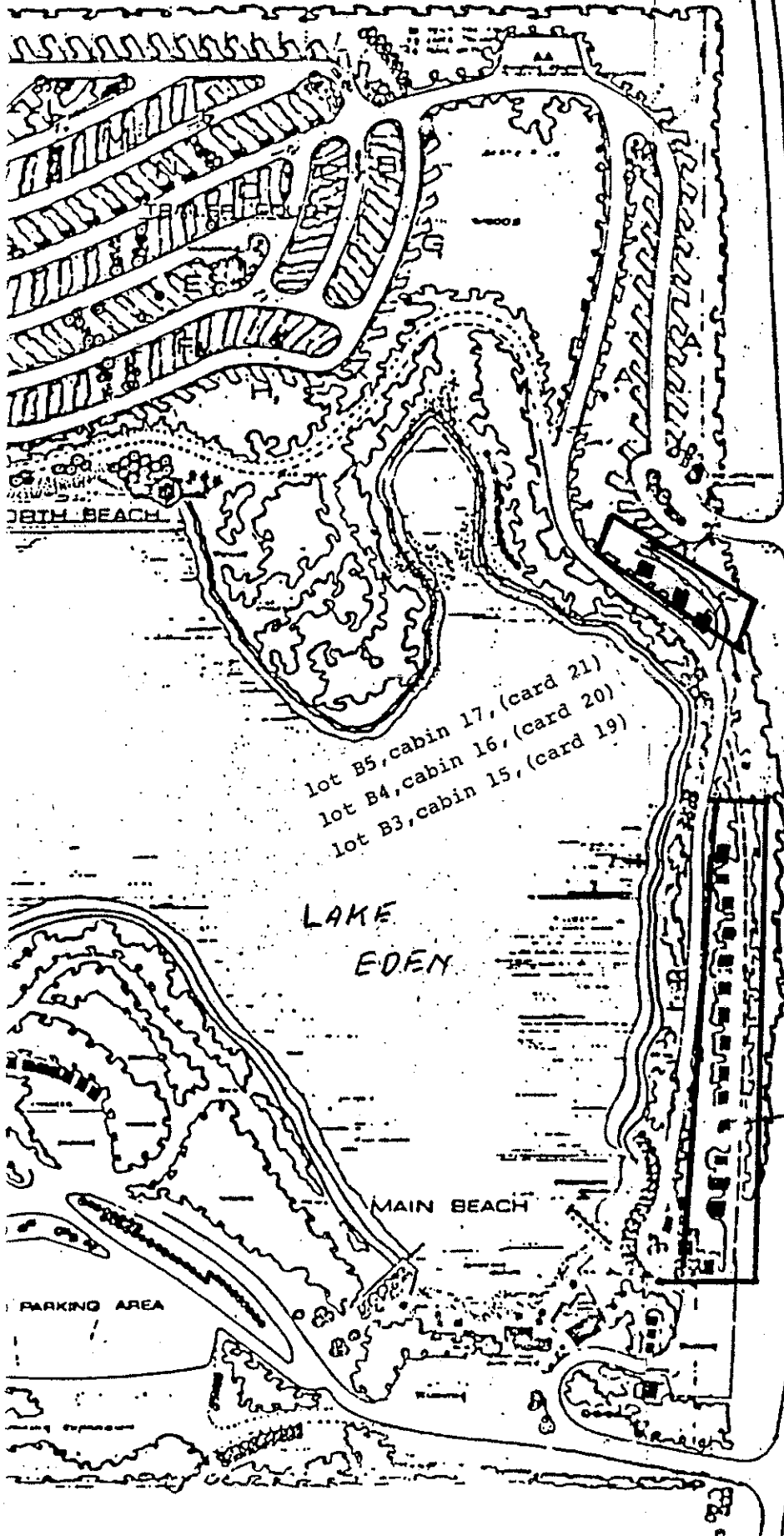
MELVILLE HOBBS

ELIZABETH HOBBS

M.K. Hobbs

M. Elizabeth Hobbs

NE 13-53 - 2 - W 5th.



SCHEDULE "A"
LEASE DATED 1 MAY 1989
BETWEEN
395134 ALBERTA LTD
&
SHARCO CAPITAL CORP
AND
MELVILLE HOBBS
&
ELIZABETH HOBBS

TRAILER
COURT
ENTRANCE
ONLY

- lot 32, cabin 14, (card 18)
- lot 31, cabin 13, (card 17)
- lot 30, cabin 12, (card 16)
- lot 29, cabin 11, (card 15)
- lot 28, cabin 10, (card 14)
- lot 27, cabin 9, (card 13)
- lot 26, cabin 8, (card 12)
- lot 25, cabin 7, (card 11)
- lot 24, cabin 6, (card 10)
- lot 23, cabin 5, (card 9)
- lot 22, cabin 4, (card 8)
- lot 21, cabin 3, (card 7)
- lot 20, cabin 2, (card 6)
- lot 19, cabin 1, (card 5)

RESORT
ENTRANCE