LEASE

Her Majesty in Right of Canada

and

Gary Steuber and Linda Steuber
(in joint tenancy)

and

Margaret Sjodin

Quaaout Indian Reserve No. 1

Lot 181-9

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SCHEDULE A – DEFINITIONS

SCHEDULE B – BAND COUNCIL RESOLUTION

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RESIDENTIAL LEASE

This lease is made on January 1, 2010 between –

Her Majesty in Right of Canada, as represented by the Minister of Indian Affairs and Northern Development

(referred to as the *landlord*)

and:

Gary Steuber
RR1
Stony Plain, Alberta
T7Z 1X1

Linda Steuber
RR1
Stony Plain, Alberta
T7Z 1X1

(all in joint tenancy)

(referred to as the *tenant*)

and:

Margaret Sjodin
R.R. #2, Site 4, Comp 92
Chase, British Columbia V0M 1M0

(referred to as the *landholder*)

Background:

Title to the *land* is held by the *landlord* for the use and benefit of the *Band.*

The *landholder*, a member of the *Band*, has lawful possession of the *land*, as evidenced by Certificate of Possession No. 159178.

This lease is made under subsection 58(3) of the *Indian Act.*

The parties agree as follows:

1. GUIDE TO THIS LEASE

1.1 Lease Structure

1.1.1 These are the parts of this lease: article (1.), section (1.1), subsection (1.1.1), paragraph (1.1.1(a)), and subparagraph (1.1.1(a)(i)). Unless stated otherwise, any reference in this

lease to an article, section, subsection, paragraph, or subparagraph means the appropriate part of this *lease*.

1.1.2 Wording within square parentheses "[ ]" and headings are for convenience and reference only and are not to be used to interpret any part of this *lease*.

1.1.3 While an attachment to this *lease* labelled as a "Schedule" forms part of this *lease*, an attachment labelled as an "Appendix" is included only for the parties' information and does not form part of this *lease*.

1.2 Interpretation of Words and Phrases

1.2.1 Some words used in this *lease* are defined in Schedule A and are identified by italic type. A defined term may be read as having an appropriate corresponding meaning when it is used in the plural or verb form.

1.2.2 A word in the singular form may be read in the plural form if the context allows it and a word in the plural form may be read in the singular form if the context allows it.

1.2.3 The words include, includes, and including are to be read as if they are followed by the phrase "without limitation".

1.2.4 The phrases "when this *lease* ends" and "the ending of this *lease*" include an ending by cancellation or surrender.

1.2.5 Any reference to a statute means that statute, and any regulations made under it, all as changed or replaced over time.

1.2.6 When a party is required to consent to something under this *lease*, that consent must not be unreasonably withheld, unless the provision states otherwise.

2. THE LAND AND ITS USE

2.1 Use of the Property

2.1.1 The *landlord* hereby leases the *land* to the *tenant*, and the *tenant* is entitled to quiet enjoyment of the *property*, subject to every other part of this *lease*.

2.1.2 The *tenant* must obtain and maintain legal access to and from the *land*.

2.1.3 The *property* must only be used for **single family residential dwelling** purposes.

2.1.4 Except where reasonably required by the *permitted uses*, the *tenant* must not cause or allow a nuisance on the *property*.

2.1.5 The *tenant* must not cause or allow any waste of the *property*.

2.1.6 The *tenant* must not abandon the *property* without first getting the written consent of each of the *landlord* and the *landholder*, which consents may be withheld in their respective discretions.

2.1.7 If any burial site, human remains, or Indian artifact of archaeological or cultural interest is discovered on the *land*, then the *tenant* must promptly notify the *landholder* and the *Band*. If there are no applicable *Band* or federal *laws*, then the *tenant* must comply with the requirements set out in the Heritage Conservation Act, R.S.B.C. 1996, c. 187, to the extent possible, and the reasonable requirements of *Council*.

2.1.8 The *tenant* must ensure that any disturbed legal control survey monuments are replaced by a duly qualified surveyor to the satisfaction of the Surveyor General of Canada (or any successor).

2.1.9 The installation of billboards (or any other form of advertising device) is not allowed and is prohibited.

2.2 Representations About the Lands, Improvements and Uses

2.2.1 The *land* is leased "as is" and no representations or warranties are made about the *land* (including the application of *laws*, compliance with *laws*, and the land's condition, title, encumbrances, or suitability for the *tenant*).

2.2.2 The *tenant* represents the following:

(a) The *tenant* conducted all inspections of the *land* that it considered necessary.

(b) The *land* is suitable for the *tenant's* intended uses.

(c) The *tenant's* intended uses are within the scope of the *permitted uses*.

2.3 The Landlord May Create Other Interests on the Lands

2.3.1 The *landlord* may grant an easement (common law or statutory) on the *land* to an *authority* or utility company, as long as the easement has no material adverse affect on the *permitted uses*. On being given written notice of the easement by the *landlord*, the *tenant* must promptly sign and give the *landlord* the necessary documentation to subordinate the *tenant's* rights under this *lease* to the easement.

2.4 Minerals

2.4.1 The *landlord* reserves all minerals in the *land*, including –

(a) ore of metal and every natural substance that can be mined and that –

(i) occurs in fragments or particles lying on, above, or adjacent to the bedrock source from which it is derived (commonly described as talus); or

(ii) is in the place in which it was originally formed or deposited (as distinguished from loose, fragmentary, or broken rock or float, which, by decomposition or erosion of rock, is found in wash, loose earth, gravel, or sand), and

(b) coal, petroleum, and all other hydrocarbons (regardless of gravity and how or where recovered), gases (including natural gas, methane, coal bed methane), building and construction stone, limestone, dolomite, marble, shale, clay, sand, and gravel.

2.4.2 The *landlord* may authorize a *person* to enter the *property* to prospect for, drill for, or remove the substances referred to in subsection 2.4.1, as long as the activity has no material adverse affect on the *permitted uses*.

2.5 Trees

2.5.1 The *tenant* will preserve all trees on the *land* and the *tenant* will not allow them to be damaged or removed without the prior written consent of each the *landlord* and the *landholder*, and if any such consents are given, will carry out such work at the *tenant's* own expense.

2.5.2 If the *landlord* orders in writing the removal of trees, bushes or weeds, then the *tenant* will promptly comply at the *tenant's* own expense.

3. RENT

3.1 Rent to be Paid

3.1.1 The *tenant* must pay the *landlord* all *rent* due at the time and in the manner set out in this *lease*. *Rent* must be –

(a) paid in Canadian dollars;

(b) made payable to the Receiver General for Canada (or other *person* designated in writing by the *landlord*); and

(c) paid without any set-off, deduction, or prior demand.

3.2 Prepaid Rent

3.2.1 Total *prepaid rent* under this lease is $187,000.00, plus applicable *GST*. The *landholder* confirms that the *prepaid rent* is satisfactory.

3.2.2 The *tenant* and the *landholder* confirm that *prepaid rent* has been paid.

3.2.3 The *landholder* confirms receipt of the sum of *prepaid rent* prior to the execution of this *lease* and that the *prepaid rent* is satisfactory.

3.2.4 The *landholder* and her successors and assigns agree that the *prepaid rent* paid under this lease includes any period of use of the *land* by the *tenant* preceding the *effective date*, which use by the *tenant* the *landholder* confirms as having been at the invitation of the *landholder*.

3.2.5 The *landholder* and her successors and assigns agree to release the *landlord* from any claims, demands, actions, suits, or other proceedings, costs (including, but not limited to, solicitor-client costs, consultant fees, or expert fees), liabilities, or losses (including economic losses), of any kind, that the *landholder*, and her successors and assigns, has, or may have in the future on the sum of the *prepaid rent*.

3.2.6 As the *prepaid rent* is received for the sole benefit of the landholder, the *tenant* has no right to a refund of any *prepaid rent* if this lease ends early.

3.3 Additional Rent and Additional Fees

3.3.1 The *tenant* must pay any *additional rent* within 30 days after being given written notice of it.

3.3.2 The *tenant* must pay any *additional fees* within 30 days after being given written notice of them.

3.3.3 This section survives the ending of this *lease*.

3.4 Interest

3.4.1 If any *rent* is not paid when due or any *additional fees* are not paid when due, then the *tenant* must pay interest on the amount from the due date until the payment date. Interest is at the then prevailing "bank rate" set by the Bank of Canada, plus 10%. This section survives the ending of this *lease*.

3.5 Recovery of GST, Additional Rent, and Interest

3.5.1 The *landlord* may recover *GST*, *additional rent*, and interest due the *landlord* as if they were unpaid rent. This section survives the ending of this *lease*.

4. IMPROVEMENTS

4.1 No Construction Allowed Before Approvals and Consent

4.1.1 *Improvements* must not be constructed without first getting the required approvals referred to in section 4.2 and the *landlord's* consent to the *construction plan* referred to in section 4.3.

4.2 Approvals Must be Received from Authorities

4.2.1 The *tenant* must receive from each appropriate *authority* any required approvals necessary to construct any proposed *improvements.*

4.3 Process for Landlord's Consent to the Construction Plan

4.3.1 The *tenant* must give a *construction plan* for any proposed *improvements* to the *landlord* (with a copy to the *landholder*) for the *landlord's* consent.

4.3.2 After the *landlord* reviews the *construction plan*, the *landlord* must notify the *tenant* (with a copy to the *landholder*) of any changes that the *landlord* reasonably requires to the *construction plan*. The *tenant* must then change the *construction plan* and re-submit it to the *landlord* (with a copy to the *landholder*) for further review under this article. This process may continue until the *landlord* consents.

4.3.3 As the *tenant* are not relying on the *landlord's* judgment or expertise when the *landlord* reviews the *construction plan*, the *tenant* hereby releases the *landlord* from any liability for reviewing the *construction plan*. This subsection survives when this *lease* ends.

4.3.4 The requirements for, and references to, a *construction plan* do not apply if the *land* is no longer in a "reserve" (as that term is defined in the *Indian Act*).

4.4 Construction to Comply With Approvals and Consent

4.4.1 Upon receipt of the required approvals and the *landlord's* consent to the *construction plan*, the *tenant* must promptly construct the *improvements* in a proper and workmanlike manner in accordance with the *construction plan* and the applicable approvals.

4.5 Construction Insurance

4.5.1 From the start of any construction to *substantial completion* of construction of such *improvements* (and any other time *improvements* are being constructed), the *tenant* must obtain and maintain (or cause to be obtained and maintained) the following insurance:

(a) "Wrap-up" residential general liability insurance against claims for bodily injury (including death), personal injury, or property damage arising in connection with the use and occupation of the *property*. The liability limit must be at least $3,000,000.00 per occurrence (or any other higher amount that the *landlord* reasonably requires before construction begins).

(b) Builders risk property insurance to cover "all risks" (including the perils of earthquake, flood, lightning, explosion, wind, hail, civil disobedience, smoke, and sewer backup) of physical damage to, or loss of, the property on the project being constructed (including goods and materials to be incorporated in the project while in storage at the site or in transit to it) in an amount at least equal to its full replacement value plus "soft costs".

4.6 Occupation of the Improvements

4.6.1 The *improvements* must not be occupied until they are *substantially complete* and any required occupancy permit is received. *Improvements* may be occupied in stages or phases.

4.7 As-Built Plans

4.7.1 On request from the *landlord*, the *tenant* must promptly give the requesting party reproducible as-built plans for any completed *improvements*, certified correct by an *architect* or *engineer*.

4.8 Alterations and Further Construction

4.8.1 Any changes to, or repair or replacement of, any *improvements* and any further construction of *improvements* must comply with this article.

4.8.2 Any *improvements* changed, repaired, or replaced during the *term* must be to a standard at least substantially equal in quality of material and workmanship to the original materials and work.

4.9 Maintenance

4.9.1 The *tenant* must maintain the *property* in the condition that a prudent owner in occupation would maintain it.

4.10 Ownership of the Improvements During the Term

4.10.1 Despite any rule of law about the immediate vesting of fixtures to the *landlord*, title to any *improvements* constructed during the *term* vests with the *tenant*. Despite the *tenant's* title to the *improvements* during the *term*, *improvements* must not be removed from the *property* without first getting the written consent of each of the *landlord* and the *landholder*, which consents may be withheld in their respective discretions.

4.11 Damage to, or Destruction of, the Improvements

4.11.1 If any *improvements* are damaged or destroyed, then –

(a) the *tenant* must promptly notify the *landlord* and *landholder*;

(b) this *lease* will not be deemed to have ended;

(c) the *tenant* are not allowed to surrender possession;

(d) there will be no reduction or postponement of *rent*; and

(e) the *tenant* must repair or replace the *improvements* within a reasonable time and, to the extent possible, to a standard at least substantially equal in quality of material and workmanship to the original material and work.; to the extent that it is not possible to do so, the repair or replacement of the *improvements* must be such that the repairs or replacement are reasonably expected to result in an overall single residential dwelling of equivalent economic value.

4.11.2 If any *improvements* are destroyed and the *tenant* do not replace the *improvements* within a reasonable time, the *tenant* must ensure that the *land* is in good condition (as it would be maintained by a prudent owner in occupation) and free from all waste, debris, and things not owned by the *landlord* or the *landholder* (including personal property) within a reasonable time and to the reasonable satisfaction of each of the *landlord* and the *landholder*.

5. INSURANCE

5.1 General Liability Insurance

5.1.1 At all times during the *term*, the *tenant* must obtain and maintain (or cause to be obtained and maintained) residential general liability insurance against claims for bodily injury (including death), personal injury, or property damage arising in connection with the use and occupation of the *property*. The liability limit must be at least $3,000,000.00 per occurrence (or any other higher amount that the *landlord* reasonably requires.)

5.2 Residential Building Form Property Insurance

5.2.1 The *tenant* must obtain and maintain (or cause to be obtained and maintained) residential building form property insurance to cover "all risks" (including the perils of earthquake, flood, lightning, explosion, wind, hail, civil disobedience, smoke, and sewer backup) of physical damage to, or loss of, the *improvements* in an amount at least equal to their full replacement value.

5.3 Other Insurance

5.3.1 The *tenant* must obtain and maintain (or cause to be obtained and maintained) any other insurance that the *landlord* reasonably requires.

5.4 Insurance Provisions

5.4.1 The *tenant* must not use, or allow the use of, the *property* in any way that will cause any required insurance to be cancelled or any insurers generally to refuse to provide any required insurance.

5.4.2 All insurance required under this *lease* must include the features customarily included in that type of insurance on similar residential properties in British Columbia by prudent owners and any features that the *landlord* reasonably requires. The insurance must not include any non-standard, special, or unusual exclusions or restrictive endorsements without first getting the written consent of the *landlord.*

5.4.3 Any of the insurance referred to in paragraph 4.5.1(b) and section 5.2 may allow a deductible amount. The *tenant* are co-insurers to the extent of that amount and must pay it to the *lender* or the *trustee*, as the case may be, as part of the available insurance proceeds referred to in subsection 5.5.1.

5.4.4 The insurance required under subsection 4.5.1 and sections 5.1 and 5.2 must comply with the following:

(a) The *landlord* and the *landholder* must be listed as additional insureds.

(b) The insurance must provide loss payable to the *landlord*, *landholder*, *tenant*, and any *lender* as their respective interests may appear.

(c) The insurance must be primary, non-contributing with, and not in excess of, any other insurance available to each of the *landlord* and the *landholder.*

(d) If the insurance includes a co-insurance provision, then the insurance must be in an amount that prevents the parties from being co-insurers and permits full recovery from the insurer.

(e) The insurance must include a cross-liability provision and a waiver of subrogation provision in favour of each of the *landlord* and the *landholder*. If the *tenant* fails to obtain the waiver, then the *tenant* must pay the *landlord* (as *additional rent*) or the *landholder* (as *additional fees*), as the case may be, all money to which any insurer becomes entitled and any expenses for a legal defence of the subrogation.

(f) The insurance must include a provision that any release from liability entered into by the *tenant* before any loss will not affect the right of the *landlord* and the *landholder* to recover.

(g) The insurance must include a provision (or bear an endorsement) that the insurer will not cancel, refuse to renew, or change the policy to restrict coverage without first giving each of the *landlord* and the *landholder* 30 days written notice of its intention.

(h) The insurance must be in a form and with insurers that are satisfactory to the *landlord*.

5.5 Proceeds of Property Insurance

5.5.1 The insurance proceeds from the insurance required under paragraph 4.5.1(b) and section 5.2, must, despite any terms of the policy, be paid to the order of the *lender* first in priority that has entered into the agreement in Schedule B. Subject to section 4.11 [*Damage to, or Destruction of, the Improvements*], the *lender* must use the insurance proceeds for the repair of damaged *improvements* and may use the insurance proceeds for the replacement of destroyed *improvements* and, to the extent possible, the repair or replacement must be to a standard at least substantially equal in quality of material and workmanship to the original material and work. To the extent that it is not possible to do so, the repair or replacement of the *improvements* must be such that the repairs or replacements are reasonably expected to result in an overall single residential dwelling of equivalent economic value.

5.5.2 If the *improvements* are not repaired or replaced within a reasonable time after their damage or destruction, then the *landlord* or the *landholder* may have them repaired or replaced and the *lender* must pay the *landlord* or the *landholder* (as the case may be) the insurance proceeds in the same manner as it would have had the *tenant* repaired or replaced the *improvements*.

5.5.3 If there are no *mortgages*, then the *landlord* may appoint a trust company authorized to carry on business in British Columbia to fulfil the *lender's* obligations under this section.

5.6 Cancellation of Insurance

5.6.1 The *tenant* must promptly notify each of the *landlord* and the *landholder* if any insurance is cancelled or is threatened to be cancelled. The *tenant* must promptly fix anything that resulted in the cancellation or threat of cancellation and promptly provide reasonably satisfactory evidence to each of the *landlord* and the *landholder* that the insurance will not be cancelled or has been renewed.

5.7 Certificates and Policies

5.7.1 After an insurance policy required by this *lease* is issued, the *tenant* must promptly give each of the *landlord* and the *landholder* certificates showing evidence of the policy. No later than 15 days before the expiry of that policy, the *tenant* must give each of the *landlord* and *landholder* certificates showing that the policy has been renewed or replaced.

5.7.2 If requested by the *landlord* or the *landholder*, the *tenant* must promptly give the requesting party a certified copy of any insurance policy required by this *lease*.

5.7.3 If requested by the *landlord* or the *landholder*, the *tenant* must promptly give the requesting party reasonably satisfactory written evidence from a qualified professional that the insurance then in place meets the requirements of this *lease*.

5.8 Release from, and Indemnity for, Insured Liabilities

5.8.1 The *tenant* hereby releases each of the *landlord* and the *landholder*, and their respective employees, agents, contractors, and subcontractors, from all liability for any injury, death, loss, or expense in any way because of any of the perils or injury against which insurance is to be obtained and maintained under this *lease*.

5.8.2 To the extent that any required insurance is not obtained or maintained, then, without limiting article 13 [*Indemnity*], the *tenant* hereby indemnify each of the *landlord* and the *landholder*, and its respective employees, agents, contractors, and subcontractors, from all liability for any injury, death, loss, or expense in any way because of any of the perils or injury against which the required insurance was to be obtained and maintained.

5.9 Payment of Insurance Premiums

5.9.1 If the *tenant* do not pay (or cause of be paid) any insurance premiums when they become due, then –

(a) the *landlord* may pay them (or get any insurance that the *landlord* wants, in the *landlord's* discretion) and the *landlord's* expenses for this are *additional rent*; or

(b) the *landholder* may pay them (or get any insurance that the *landholder* wants, in the *landholder's* discretion) and the *landholder's* expenses for this are *additional fees*.

6. LAWS

6.1 Compliance, Notification, and Receipts

6.1.1 The *tenant* must comply with all *laws* that apply to this *lease*, the *property*, or any activity on the *property*. The *tenant* must require that any other *person* on the *property* because of the *tenant's* rights under this *lease* does the same.

6.1.2 The *tenant* must promptly give each of the *landlord* and the *landholder* copies of any notice from an *authority* requiring something to be done, or stop being done, on the *property*. Once it has been resolved to the *authority's* satisfaction, the *tenant* must promptly give each of the *landlord* and the *landholder* reasonably satisfactory evidence of the resolution.

6.1.3 Without limiting subsection 6.1.1, the *tenant* must pay, or cause to be paid, when due (subject to any appeals allowed by the *authority* or by law) all property or property transfer taxes that apply to this *lease* or the *property*. The *tenant* must promptly give each of the *landlord* and the *landholder* copies of official receipts (or other reasonably satisfactory evidence) showing payment of these taxes.

6.1.4 The *tenant* must pay, or cause to be paid, when due (subject to any appeals allowed by the utility provider or by law) all providers of utilities (including gas, electricity, water, sanitation, cable, and telephone) to the *property*.

6.2 Authorization to Receive Information

6.2.1 On a written request from the *landlord* or the *landholder*, the *tenant* must promptly give the requesting party written authorization to receive information from an *authority* about the *tenant's* compliance with applicable *laws* (including the payment of applicable taxes). The *tenant* must require that, on written request from the *landlord* or the *landholder*, any other *person* on the *property* because of the *tenant's* rights under this *lease* must promptly give the requesting party written authorization to receive information from an *authority* about that *person's* compliance with applicable *laws* (including the payment of applicable taxes).

7. ENVIRONMENT

7.1 Use of Contaminants on the Premises

7.1.1 If the *property* is exposed to a *contaminant*, then, upon becoming aware of the exposure, the *tenant* must do the following:

(a) The *tenant* must promptly give each of the *landlord*, the *landholder*, and *Council* the same information about the exposure that would be required under the Spill Reporting Regulation, B.C. Reg 263/90, for any similar exposure off-reserve or for any exposure to a *contaminant* that is not covered by that Regulation and is –

(i) a "dangerous good" under the Transportation of Dangerous Goods Act, 1992, S.C. 1992, c. 34;

(ii) a "deleterious substance" under the Fisheries Act, R.S.C. 1985, c. F-14, if the affected area is subject to the authority of that Act; or

(iii) a "toxic substance" under the Canadian Environmental Protection Act, 1999, S.C. 1999, c. 33.

(b) If the exposure originated on the *property* during the *term*, then the *tenant* must promptly –

(i) stop, contain, and minimize the effects of the *contaminant*;

(ii) reduce the level of the *contaminant* on the *property* or anywhere else on the *reserve* to a level that is at or below the more stringent of the *environmental benchmarks*; and

(iii) reduce the level of the *contaminant* outside the *reserve* to a level that is required by the applicable *laws* of that area.

(c) The *tenant* must promptly give each of the *landlord* and the *landholder* an independently-prepared report (which must be reasonably satisfactory to each of the *landlord* and the *landholder*) of the activities under paragraph (b) and the condition of the affected areas after those activities compared with, to the extent reasonably possible, the condition of those areas before exposure to the *contaminant*.

7.1.2 When this *lease* ends, the *tenant* must remove from the *property* all *contaminants* so that any that remain are at or below the more stringent of the *environmental benchmarks*. This obligation does not apply to the extent that a *contaminant* is proven to have been on the

property at the *effective date* (though it is the *tenant's* obligation to prove its existence to be able to rely on this exemption).

7.1.3 Despite anything else in this *lease* or any rule of law to the contrary, any *contaminant* coming on the *property* during the *term* does not, no matter its degree of affixation, become the property of the *landlord* or the *landholder*.

7.2 Environmental Site Assessment

7.2.1 Prior to the execution of the *lease* photographs were taken of the *land* and *neighbouring lands*, these photographs are attached as Schedule "C" to this *lease* and reflect the state of *land* as of the *effective date*.

7.2.2 The *tenant* represents and warrants that no construction activity has taken place on the *land* and that no environmental issues exist on the *land* as of the *effective date*.

7.2.3 At least 90 days (but no more than 180 days) before the *term* ends, or no later than 60 days after this *lease* ends early, the *tenant* must –

(a) ensure that an environmental site assessment is conducted (to the reasonable satisfaction of the *landlord*) by an individual approved of in advance by the *landlord* acting reasonably;

(b) ensure that a report is prepared assessing the environmental condition of the *property* at that time; and

(c) give each of the *landlord* and the *landholder* a copy of the report (the form and content of which must be reasonably acceptable to the *landlord*).

7.3 Environmental Representation

7.3.1 The *tenant* represent that the *tenant* has never been prosecuted for any offences, or received any administrative penalties or orders, under any *laws* that in any way regulate *contaminants* or protect the *environment*.

7.4 Environmental Indemnity

7.4.1 Without limiting subsection 13.1.1 [*the landlord's general indemnity*], on written notice being given by the *landlord*, the *tenant* must promptly pay the *landlord* for any losses or expenses (including legal fees on a solicitor-client basis) of the *landlord* and its employees, agents, contractors, and subcontractors in any way because of –

(a) the exposure of the *property* to *contaminants* during the *term*, except for those *contaminants* on the *property* from the activities or omissions outside the *property*

of a *person* other than the *tenant*; or

(b) the exposure of any other areas to *contaminants* migrating from the *property* in any way because of the activities or omissions during the *term* of the *tenant* or any other *person* on the *property* because of the *tenant's* rights under this *lease*.

7.4.2 Without limiting subsection 13.1.2 [*the landholder's general indemnity*], on written notice being given by the *landholder*, the *tenant* must promptly pay the *landholder* for any losses or expenses (including legal fees on a solicitor-client basis) of the *landholder* and its employees, agents, contractors, and subcontractors in any way because of –

(a) the exposure of the *property* to *contaminants* during the *term*, except for those *contaminants* on the *property* from the activities or omissions outside the *property* of a *person* other than the *tenant*; or

(b) the exposure of any other areas to *contaminants* migrating from the *property* in any way because of the activities or omissions during the *term* of the *tenant* or any other *person* on the *property* because of the *tenant's* rights under this lease.

7.5 General

7.5.1 To the extent that the Environmental Management Act, S.B.C. 2003, c.53, applies to this *lease*, this article is a private agreement about remediation between the parties.

7.5.2 This article survives the ending of this *lease*.

8. INSPECTION

8.1 Access to Inspect

8.1.1 The *tenant* must provide each of the *landlord* and the *landholder* with reasonable access to inspect the *property*. This right of access requires reasonable notice to the *tenant*, except in the case of emergency when no notice is required.

8.1.2 If the inspection is in response to a default of this *lease*, or discovers or confirms that there is a default of this *lease*, then –

(a) the *landlord's* reasonable expenses under this section are *additional rent*; and

(b) the *landholder's* reasonable expenses under this section are *additional fees*.

9. ASSIGNMENTS & SUBLEASES

9.1 General

9.1.1 The *tenant* must not assign, sublease, mortgage, or otherwise dispose of its interest in this *lease* (or any part of it), except as explicitly permitted in this *lease*.

9.1.2 If the *tenant* default on any of its obligations in a sublease or *mortgage*, then the *landlord* or the *landholder* may, without obligation, fix the default (or attempt to fix the default). Any of the *landlord's* expenses for this are *additional rent*. Any of the *landholder*'s expenses for this are *additional fees*.

9.2 Assignments

9.2.1 The *tenant* must not assign this *lease* without first getting the written consent for each assignment from each of the *landlord* and the *landholder* acting reasonably.

9.2.2 An assignment (other than a *mortgage* by way of assignment, in which case article 10 applies) is invalid unless the proposed assignee enters into a written agreement with the *landlord* and the *landholder* to be responsible for the *tenant's* obligations under this *lease*.

9.2.3 The *tenant* are not relieved from any of its obligations under this *lease* by an assignment unless the *landlord* and the *landholder* allows (in writing) the *tenant* to be relieved from them.

9.2.4 The *tenant* must ensure that each assignment is submitted to the *registry* in a form that is acceptable to the *registry*.

9.3 Subleases

9.3.1 The *tenant* must not sublet the *property* without first getting the written consent for each sublease from the *landlord* and the *landholder* acting reasonably.

9.3.2 Each sublease (other than a *mortgage* by way of sublease, in which case article 10 applies) must contain the following provisions:

(a) An acknowledgement by the subtenant for the benefit of the *landlord* that the subtenant is not relying on the *landlord's* judgment or expertise in the *landlord's* review of any *construction plan* and a release by the subtenant of the *landlord* from any liability for that review, which clause must survive when the sublease ends.

(b) A requirement to put a similar provision as set out in paragraph (a) in any sublease that the subtenant grants.

9.3.3 The *tenant* must ensure that each sublease is submitted to the *registry* in a form that is acceptable to the *registry*. The *landlord* is not deemed to have knowledge of any of the terms of any sublease by its submission to the *registry*

10. MORTGAGES

10.1 Mortgage Consent Requirements

10.1.1 Before any *improvements* are *substantially complete*, the *tenant* may *mortgage* its interest in this lease –

(a) without the consents of the *landlord* and the *landholder* if the *mortgage* is –

(i) solely to finance or refinance the *tenant's* acquisition of its interest in this lease and the construction of those *improvements*; and

(ii) with a bank, trust company, or credit union; or

(b) with the written consent of each of the *landlord* and the *landholder* if the *mortgage* is for any other purpose or with any other *person*.

10.1.2 After the *improvements* are *substantially complete*, the *tenant* may give a *mortgage* without the consent of the *landlord* or the *landholder*.

10.1.3 Except as provided in a Lender Agreement (substantially in the form in Schedule B) between the *landlord*, *tenant*, *landholder*, and a *lender*, that *lender's mortgage* is subject to the rights of the *landlord* under this *lease*.

10.1.4 A *lender* may enforce its *mortgage* and acquire the *tenant's* interest in the leasehold estate in any lawful way. If the *lender*, by its representative or by a *receiver*, takes possession of the *property*, then the *lender* is responsible for the *tenant's* obligations under this *lease* until the foreclosure of its *mortgage* is complete and the *lender* assigns this *lease* to another *person* in accordance with section 9.2 [*Assignments*].

10.1.5 For greater certainty, a subtenant may mortgage its interest in a sublease without the consent of the *landlord* or the *landholder*.

10.2 Mortgage Registration

10.2.1 Every *mortgage* must be submitted to the *registry* in a form that is acceptable to the *registry*.

10.3 Rights of a Lender

10.3.1 A *lender* will only obtain rights under this section by entering into an agreement substantially in the form attached as Schedule B.

10.3.2 Any re-entry, termination, acceptance of surrender, disclaimer, or forfeiture of this *lease* by the *landlord* or any *receiver* is not valid against a *lender* unless the *landlord* has first given the *lender* notice (if the *lender* has provided the *landlord* with an address for notice) of the relevant default. If the *lender* –

(a) cures the default within 60 days from the date the default notice is delivered; or

(b) promptly begins to cure the default and diligently proceeds to cure it if the default is other than a failure to pay *rent* and cannot reasonably be cured within 60 days,

then the *lender* is entitled to become the tenants of the *property* for the balance of the *term* if the *lender* attorns as tenants to the *landlord* and agrees (or has agreed) in writing with the *landlord* and the *landholder* to comply with all of the *tenant's* obligations under this *lease* until it assigns its interest in this *lease*. If there is more than one *lender*, then the rights under this subsection belong to the *lender* ranking higher in priority who cures the default. If any *lender* has commenced foreclosure proceedings, then this subsection does not apply and subsection 10.3.3 applies instead.

10.3.3 If a *lender* begins foreclosure proceedings against the *tenant*, then the *landlord* must not re-enter the *property* or cancel or forfeit this *lease* because of a default if the *lender* –

(a) first gives notice to the *landlord* and the *landholder* of the foreclosure proceedings;

(b) diligently prosecutes the foreclosure proceedings to conclusion without undue delay;

(c) cures the default within 60 days from the date the default notice is delivered or, if the default cannot reasonably be cured within 60 days, promptly begins to cure the default and diligently cures it; and

(d) complies with all of the *tenant's* obligations under this *lease*.

10.3.4 If a *lender* forecloses the *tenant's* interest in this *lease*, then the *lender* will have the rights of the *tenant* under this *lease* as long as it attorns to the *landlord* as tenants and agrees (or has agreed) in writing with the *landlord* and the *landholder* to comply with all of the *tenant's* obligations under this *lease* until it assigns its interest in this *lease*.

10.3.5 If the *landlord* intends to cancel this *lease* or re-enter the *property* under article 11 [*Bankruptcy and Insolvency*], then the *landlord* must give the *lender* notice and require the *lender* to cure any other defaults of this *lease*. These other defaults will be considered to be cured if the *lender* –

(a) begins foreclosure proceedings against the *tenant*, as more particularly set out in subsection 10.3.3;

(b) by its representative or a *receiver*, takes possession of the *property*;

(c) cures the default within 60 days from the date the default notice is delivered or, if the default cannot reasonably be cured within 60 days, promptly begins to cure the default and continues to diligently do so until it is cured; and

(d) attorns to the *landlord* as tenants and agrees (or has agreed) in writing with the *landlord* to comply with all of the *tenant's* obligations under this *lease* until it assigns its interest in this *lease*.

10.3.6 Any re-entry, cancellation, or forfeiture of this *lease* as against the *tenant* is valid against the *tenant* even though it is made subject to the rights of the *lender* under this section.

10.3.7 Each *lender* is granted access to the *property* for the purpose of curing defaults of this *lease* under this section. The *tenant* is not relieved from any of its obligations under this *lease* because of entry on the *property* by a *lender* under this section

10.3.8 If there is more than one *lender*, then the *lender's* rights under this section are given to the *lender* ranking higher in priority who wishes to exercise the rights.

11. BANKRUPTCY AND INSOLVENCY

11.1 Events of Bankruptcy or Insolvency

11.1.1 The following are considered to be events of bankruptcy or insolvency:

(a) When the *tenant* makes an assignment for the benefit of creditors or otherwise starts proceedings under any bankruptcy or insolvency *laws*.

(b) When a *receiver* is appointed, other than by a *lender*.

(c) When a court with jurisdiction declares the *tenant* bankrupt or insolvent.

11.2 Rights in a Bankruptcy or Insolvency Situation

11.2.1 If an event of bankruptcy or insolvency occurs, then a *receiver* (other than one acting for a *lender*) may –

(a) disclaim this *lease* if there are no subleases; or

(b) on the terms of this *lease* (including the continued payment of *rent*), hold the *property* for no more than six months from the effective date of appointment or until the end of the *term*, whichever comes first.

11.2.2 If the *receiver* holds the *property* under paragraph 11.2.1(b), then it may –

(a) surrender possession during the period referred to in paragraph 11.2.1(b), at which time this *lease* will end;

(b) assign the *tenant's* interest in this *lease* for the rest of the *term*, as long as the assignment complies with section 9.2 [*Assignments*] and is approved by a court with jurisdiction; or

(c) remain as the *tenant* under this *lease*, cure any defaults, and continue to comply with all of the *tenant's* obligations under this *lease*.

11.2.3 If the *receiver* disclaims this *lease* under paragraph 11.2.1(a) or surrenders possession of the *property* under paragraph 11.2.2(a), then –

(a) it is only liable for the period in which it is in possession of the *property*;

(b) it must execute a document to that effect in a form that is acceptable to the *registry*; and

(c) the *landlord* may re-enter the *property* and cancel this *lease* or, if this *lease* has previously been assigned, the *landlord* may either –

(i) re-enter the *property* and cancel this *lease*; or

(ii) call on any assignor to reoccupy the *property* for the balance of the *term*, unless there is written agreement between that assignor and the *landlord* to the contrary.

11.2.4 For greater certainty, the *receiver's* possession of the *property* so that it may perform its official duties is not considered to be evidence of an intention to retain the *property* or affect the *receiver's* right to disclaim or surrender this *lease* under this article.

12. DEFAULTS & THE END OF THIS *LEASE*

12.1 Defaults Affecting the Landlord

12.1.1 If the *tenant* default on any obligation owed to the *landlord* under this *lease*, then the *landlord* may give the *tenant* a written default notice and the *tenant* must promptly cure the default.

12.1.2 By a written cancellation notice given to the *tenant*, the *landlord* may end this lease early if the *tenant* default in any obligation and the default –

(a) can reasonably be cured within 30 days after the default notice is given but is not cured within that time; or

(b) reasonably needs more than 30 days after the default notice is given to be cured but the *tenant* do not begin to cure the default within the 30-day period or the default is not diligently cured.

12.2 Defaults Affecting the Landholder

12.2.1 If the *tenant* default on any obligation owed to the *landholder* under this lease, then the *landholder* may give the *tenant* a written default notice and the *tenant* must promptly cure the default. If the *tenant* do not promptly cure the default, then it is a dispute that may be resolved under section 14.2 [*Disputes Not Involving Canada*]. For greater certainty, the obligations between the *tenant* and the *landholder* are personal, contractual rights only and do not run with the land or give either party the right to cancel this lease for breach of any of those obligations, but, if the *landholder* becomes the lessor under this lease because of the operation of the First Nations Land Management Act, S.C. 1999, c. 24, or any other law, then the *landholder* has all of the rights of the *landlord*, including the rights of cancellation under section 12.1.

12.3 Curing of Defaults by the Landlord or Landholder

12.3.1 If a default under section 12.1 is not cured within the time allowed by this article, then the *landlord* may cure the default (with unrestricted access to the *property* to do so) and any of the *landlord's* expenses to do so are *additional rent*. If the *landlord* begins to cure the default, then the *landlord* has no obligation to continue to completion. The *landlord* is not liable for any of the *tenant's* losses or expenses (or those of any subtenants or other *person* having rights on the *land* through the *tenant*) because of the *landlord's* curing of (or attempt to cure) the default.

12.3.2 If a default under section 12.2 is not cured within the time allowed by this article, then the *landholder* may cure the default (with unrestricted access to the *property* to do so) and any of the *landholder's* expenses to do so are *additional fees*. If the *landholder* begins to

cure the default, then the *landholder* has no obligation to continue to completion. The *landholder* is not liable for any of the *tenant's* losses or expenses (or those of any subtenants or other *person* having rights on the *land* through the *tenant*) because of the *landholder's* curing of (or attempt to cure) the default.

12.4 Property Issues at the End of this *Lease*

12.4.1 If this *lease* ends early, then the *tenant's* interest in the *land* ends and the *landlord* will be considered to have re-entered the *land* without any requirement for the *landlord* to physically re-enter the *property*, start any legal proceeding, or do anything else.

12.4.2 Whenever this lease ends, title to the *improvements* (except those required to be removed under subsection 12.4.3) vests with the *landlord* for the use and benefit of the *landholder*, free of all encumbrances, and the *tenant* must promptly surrender the *property* to the *landlord* in the condition it was required to be kept under this lease, except as otherwise expressly provided for in this lease, without any compensation for doing so.

12.4.3 In the event the *lessee* has failed to surrender the *property* to the *landlord* in the condition it was required to be kept under this lease, on written notice from the *landlord* or the *landholder* given within a reasonable time after this lease ends, the *tenant* must promptly –

(a) remove specified *improvements* that either of them notifies the *tenant* to remove;

(b) fix all damage to the *property* caused by the removal of the *improvements*; and

(c) leave the rest of the *property* in good condition (as it would be maintained by a prudent owner in occupation) and free from all waste, debris, and things not owned by the *landlord* or the *landholder* (including other personal property) to the reasonable satisfaction of each of the *landlord* and the *landholder*.

12.4.4 If the particular *improvements*, waste, debris, and things required to be removed under subsection 12.4.3 are not removed, then the *landlord* or the *landholder* may remove and dispose of them in their respective discretions. Neither the *landlord* nor the *landholder* is liable to the *tenant* (or any *person* who has an interest in the removed *improvements* or things) for any losses or expenses because of this removal and disposal. The *landlord's* expenses under this subsection are *additional rent*. The *landholder's* expenses under this subsection are *additional fees*.

12.4.5 The *landlord* and the *landholder* agree with each other that, if the *landlord* wants certain *improvements* or things removed and the *landholder* wants them to remain, then those *improvements* or things may remain and, in that case –

(a) the *improvements* or things are held at the sole risk and liability of the *landholder*;

and

(b) the *landholder* will promptly pay the *landlord* (on written notice) for any losses or expenses (including legal fees on a solicitor-client basis) of the *landlord* and its employees, agents, contractors, and subcontractors, because of, or related to, the *works* or things remaining on the *land*.

12.4.6 This section survives after this lease ends.

12.5 Amounts Owing at the End of this *Lease*

12.5.1 Despite this *lease* ending early, the *tenant* must pay the following:

(a) The *tenant* must pay the *landlord* –

(i) all outstanding *rent* to the end of the *term*; and

(ii) any other amounts allowed by law.

(b) The *tenant* must pay the *landholder* –

(i) all outstanding *additional fees*;

(ii) all of the *landholder's* prospective losses and expenses, including those arising from the *tenant's* failure to carry on business; and

(iii) any other amounts allowed by law.

12.6 Survival of Obligations and Access to the Property

12.6.1 The *tenant* are entitled to access the *property* after this *lease* ends only at the reasonable times and on the reasonable conditions set by the *landlord* or the *landholder* and only to be able to perform any of the *tenant's* obligations that survive after this *lease* ends. The *tenant* is not in possession of the *property* because of any activities for this purpose.

12.6.2 This section survives after this *lease* ends.

12.7 Remedies are Cumulative

12.7.1 All remedies under this *lease* or at law may be exercised at the same time. Any action taken for one default does not prevent any action being taken for any other default.

13. INDEMNITY

13.1 Obligation to Cover Some Losses and Expenses

13.1.1 The *tenant* must promptly pay the *landlord* (on written notice) for any losses or expenses (including legal fees on a solicitor-client basis) of the *landlord* and its employees, agents, contractors, and subcontractors in any way because of–

(a) the injury, death, loss, or expense of any *person* in any way because of the use of the *property* (however, the *landlord* is not indemnified for the wilful or negligent acts or omissions of the *landlord* or its employees, agents, contractors, and subcontractors, unless it involves a peril against which the *tenant* is obligated to obtain and maintain insurance, in which case the release set out in section 5.8 [*Release from, and Indemnity for, Insured Liabilities*] absolves the *landlord* of all liability for those acts or omissions);

(b) the *landlord's* removal and disposal of any *improvements* or things under 12.4.4; or

(c) the *landlord's* curing of (or attempt to cure) a default of this *lease* under subsection 12.3.1.

13.1.2 The *tenant* must promptly pay the *landholder* (on written notice) for any losses (including economic losses) or expenses (including legal fees on a solicitor-client basis) of the *landholder* and its employees, agents, contractors, and subcontractors in any way because of–

(a) the injury, death, loss, or expense of any *person* in any way because of the use of the *property* (however, the *landholder* is not indemnified for the wilful or negligent acts or omissions of the *landholder* or its employees, agents, contractors, and subcontractors, unless it involves a peril against which the *tenant* is obligated to obtain and maintain insurance, in which case the release set out in section 5.8 [*Release from, and Indemnity for, Insured Liabilities*] absolves the *landholder* of all liability for those acts or omissions);

(b) the *landholder's* removal and disposal of any *improvements* or things under subsection 12.4.4; or

(c) the *landholder's* curing of (or attempt to cure) a default of this lease under subsection 12.3.2.

13.1.3 This article survives after this *lease* ends.

14. DISPUTE RESOLUTION

14.1 Disputes Involving Canada

14.1.1 Any dispute under this *lease* that involves Her Majesty in Right of Canada as *landlord* and is not resolved by negotiation must be resolved by referral, in the first instance, to the Federal Court of Canada (or any replacement or successor court having jurisdiction). Any decision of the court is final and binding on the parties. If the court refuses jurisdiction or does not determine the dispute, then a party may refer the dispute to any other court that has jurisdiction and the parties may exercise any other right or remedy they have under this *lease* or otherwise.

14.2 Disputes Not Involving Canada

14.2.1 Any dispute under this *lease* that does not involve Her Majesty in Right of Canada as *landlord* must be resolved as follows:

(a) Negotiation: The party who wishes a dispute to be resolved must give a dispute notice to the other party. Each party will promptly designate a senior representative who will attempt in good faith to resolve the dispute by negotiation.

(b) Mediation: If negotiation does not resolve the dispute within 15 business days of delivery of the dispute notice, then either party may give a mediation notice to the other party. The parties must then promptly appoint a qualified, impartial, and experienced mediator, the cost of which will be paid equally by both parties. If the parties cannot agree on a mediator within 15 business days of delivery of the mediation notice, then the mediator will be appointed by the British Columbia International Commercial Arbitration Centre (or its successor, or a similar body if neither is available). Within 10 business days of appointment of a mediator, each party must provide the mediator and each other with a written statement of its position about the dispute and summary of the arguments supporting its position. The mediator will meet with the parties is his or her sole discretion in an attempt to resolve the dispute. The parties must provide any additional information requested by the mediator. The mediator may hire experts, the cost of which must be paid equally by both parties unless the mediator orders a different division.

(c) Arbitration: If the dispute is not resolved within 30 business days of the appointment of a mediator, then, on application by any party, the dispute may be referred to a single arbitrator under the *Commercial Arbitration Act*, R.S.B.C. 1996, and c.55. The decision of the arbitrator is final and binding on the parties. The cost of the arbitrator must be paid equally by both parties unless the arbitrator orders a different division.

15. GENERAL PROVISIONS

15.1 Delivery

15.1.1 Any notice or other thing to be given from one party to another must be delivered in accordance with this section to the following addresses:

To the *landlord*:

Director
Lands and Economic Development
Indian and Northern Affairs Canada
600 – 1138 Melville Street
Vancouver, BC V6E 4S3
Fax: (604) 775-7149

To the *tenant*:

Gary Steuber and Linda Steuber
RR1
Stony Plain, Alberta
T7Z 1X1

To the *landholder*:

Margaret Sjodin
R.R. #2, Site 4, Comp 92
Chase, British Columbia V0M 1M0

15.1.2 If there is a postal interruption, or threat of interruption, then deliveries must be given by means other than mail.

15.1.3 Any change in contact information will take effect 10 days after the notice is delivered.

15.1.4 If the delivery date is disputed, then it is considered to be given as follows:

(a) If sent by fax, e-mail, or other electronic means before 3:00 p.m. Pacific time on a business day, it is considered to be delivered on the day of transmission.

(b) If sent by fax, e-mail, or other electronic means after 3:00 p.m. Pacific time on a business day, or on a day that is not a business day, it is considered to be delivered on the next business day.

(c) If sent by regular mail, it is considered to be delivered on the third business day after it is postmarked.

15.2 This *Lease* is the Entire Agreement

15.2.1 This *lease* is the entire agreement between the *landlord* and the *tenant* about the subject matter of this *lease*. It supersedes and revokes all previous negotiations, arrangements, letters of intent, and offers to *lease*.

15.2.2 Any modifications of this *lease* must be in writing.

15.3 Tenants' Obligations and Representations

15.3.1 This is a triple-net *lease*.

15.3.2 All of the *tenant's* obligations are conditions as well as covenants.

15.3.3 All of the *tenant's* representations survive after this *lease* ends.

15.4 Governing Law

15.4.1 This *lease* is governed by, and is to be interpreted in accordance with, the applicable laws of Canada and British Columbia.

15.5 Time is of the Essence

15.5.1 Time is of the essence.

15.6 Ambiguity & Invalidity

15.6.1 This is not a standard form document. If any part of this *lease* is ambiguous, then it is not to be presumed to be interpreted in favour of any party.

15.6.2 If any part of this *lease* is invalid, then the rest of this *lease* will continue in effect and be interpreted as if this *lease* had been made without the invalid part.

15.7 This *Lease* Benefits and Binds Successors

15.7.1 This *lease* benefits and binds each party's heirs, executors, administrators, successors, assigns, and other legal representatives.

15.8 Waivers

15.8.1 Any waiver of an obligation must be in writing. No waiver is to be inferred from anything done or omitted to be done.

15.9 Not a Joint Venture

15.9.1 The *landlord* and *tenant* have an arms-length relationship of lessor and lessee and do not have any relationship of agency, partnership, joint venture, or other similar association.

15.10 Execution by counterpart

15.10.1 This *lease* may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Following their respective execution of the *lease*, each of the *tenant* and the *landholder* will then promptly deliver their originally executed *lease* to the *landlord*.

The parties have signed the *lease* on the date set out below.

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

Kathy Hanrin

Manager,
Lands and Economic Development, BC Region
DATED: May 29, 2012, 2011

[Signature page to a lease dated January 1, 2010]

TENANTS (in joint tenancy)

Ethel Bauer
Witness as to the *tenant's* signature

Gary Steuber
Gary Steuber
DATED: May 15, 2012

Ethel Bauer
Witness as to the *tenant's* signature

Linda Steuber
Linda Steuber
DATED: May 15, 2012

LANDHOLDER

Witness as to the *landholder's* signature

Margaret Sjodin
DATED: _____, 2011.

[Signature page to a lease dated January 1, 2010]

TENANTS (in joint tenancy)

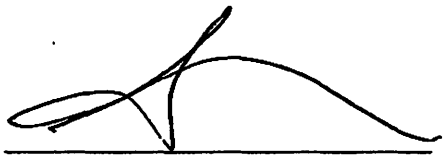
Witness as to the *tenant's* signature

Gary Steuber
DATED: _____, 2011

Witness as to the *tenant's* signature

Linda Steuber
DATED: _____, 2011

LANDHOLDER



Witness as to the *landholder's* signature

Margaret Sjodin
DATED: Jan. 30, ~~2011~~ 2012 M.S. SA

[Signature page to a lease dated January 1, 2010]

SCHEDULE A – DEFINITIONS

"***additional fees***" means any of the *landholder's* expenses (and those of the *landholder's* agents, contractors, and subcontractors), together with an administration fee of 10% of the expenses, referred to as additional fees under this *lease.*

"***additional rent***" means any of the *landlord's* expenses (and those of the *landlord's* agents, contractors, and subcontractors), together with an administration fee of 10% of the expenses, referred to as additional rent under this *lease.*

"***architect***" means an individual who is registered or licensed as an architect in British Columbia.

"***authority***" means any government (including any governmental or quasi-governmental authority, commission, or board) having jurisdiction.

"***Band***" means the Little Shuswap Indian Band and its successors.

"***construction plan***" includes such information as may be reasonably required by the *landlord,* and may include complete and detailed conceptual plans, as-built plans, design briefs, construction specifications, cost estimates, and any other documents that the *landlord* may reasonably requires, of any *improvements*, which the *landlord* may require be prepared by an *architect* or *engineer*, where in the *landlord's* reasonable determination the services of an *architect* or *engineer* are required, and includes all site plans drawn to scale showing the following required features, as applicable, with appropriate dimensions:

(a) boundary lines with dimensions and acreage;

(b) natural and artificial features of the *property* and adjacent *property*, including *improvements*;

(c) required set back from the high water mark;

(d) "North" arrow;

(e) title block, including drawing scale, date, builder's name and address and reference numbers; and

(f) location, dimension, size and construction specifications of roads, buildings, sewer connections and water mains.

"***contaminant***" includes –

(a) a substance regulated under any federal, provincial, or *Band laws* that, in whole or in part, regulate waste, pollution, or contaminants, protect the *environment*, or relate to the health or safety of humans; and

(b) any biological organism (including fungi, mould, and spores) or other irritant in sufficient concentration to negatively affect human health.

"***Council***" means the *Band*'s "council of the band", as that term is defined in the *Indian Act*, or any successor.

"***effective date***" means January 1, 2010.

"***engineer***" means an individual who is registered or licensed as an engineer in British Columbia.

"***environment***" has the meaning given to it in the Canadian Environmental Protection Act, 1999, S.C. 1999, c.33.

"***environmental benchmarks***" means –

(a) the level set out in the Canadian Environmental Quality Guidelines (or any replacement guidelines) established by the Canadian Council of Ministers of the Environment, or any successor or replacement body or federal standard, for the more stringent of residential or agricultural uses;

(b) the level set out in the Contaminated Sites Regulation, B.C. Reg. 375/96 for the more stringent of residential or agricultural uses;

(c) the level set out in any *laws* of the *Band* for the more stringent of residential or agricultural uses; or

(d) if no level is set out in any of them, a level that is consistent with the ambient level of the *contaminant* in the nearby area.

"***GST***" means any tax that applies to the payment of any *rent*.

"***improvements***" means buildings, structures, and improvements (including hard landscaping, fixtures, and ancillary facilities).

"***Indian Act***" means the Indian Act, R.S.C. 1985, c. I-5.

"***landlord***" means the party identified as the "landlord" on page one of this *lease*, acting by that party's authorized representatives.

"***land***" means the lands described as –

> Lot 181-9 in Quaaout Indian Reserve No. 1, in the Province of British Columbia, Kamloops Division of the Yale District, as shown on Plan 91466 CLSR deposited in the Canada Lands Surveys Records at Ottawa, Ontario,

subject to all pre-existing encumbrances.

"***landholder***" means **Margaret Sjodin**, a member of the *Band.*

"***laws***" includes –

(a) legislation, rules, codes, guidelines, and standards; and

(b) specifications, mitigative measures, and environmental protection measures set out or referred to in any environmental assessment, or any written decision by the *landlord*, about a "project", as that term is used in the Canadian Environmental Assessment Act, S.C. 1992, c. 37, on the *property*.

"***lease***" means this lease.

"***lender***" means a lender or mortgagee under a *mortgage.*

"***mortgage***" means a mortgage (including a debenture, deed of trust, bond, assignment of rents, or any other instrument) of and charging the *tenant's* leasehold interest in the *property* as security for a debt.

"***neighbouring lands***" means the lands described as –

> Lot 181-8 in Quaaout Indian Reserve No. 1, in the Province of British Columbia, Kamloops Division of the Yale District, as shown on Plan 91466 CLSR deposited in the Canada Lands Surveys Records at Ottawa, Ontario,
>
> Lot 181-10 in Quaaout Indian Reserve No. 1, in the Province of British Columbia, Kamloops Division of the Yale District, as shown on Plan 91466 CLSR deposited in the Canada Lands Surveys Records at Ottawa, Ontario, and

Lot 181-11 in Quaaout Indian Reserve No. 1, in the Province of British Columbia, Kamloops Division of the Yale District, as shown on Plan 91466 CLSR deposited in the Canada Lands Surveys Records at Ottawa, Ontario.

"***permitted uses***" means the uses set out in paragraph 2.1.3.

"***person***" includes an individual, corporation, partnership, *authority*, and any heirs, executors, administrators, successors, or other legal representatives of any of them.

"***prepaid rent***" means the rent payable under section 3.2.

"***property***" means any or all of the *land* and *improvements*.

"***receiver***" means any receiver, interim receiver, receiver-manager, trustee, liquidator, or other custodian of any of the *tenant's* interest in the *property*.

"***registry***" means the Surrendered and Designated Lands Register, established under the *Indian Act*, or any successor or replacement registry with registration jurisdiction over the *land*.

"***rent***" means *additional rent*, *additional fees* and *prepaid rent*.

"***reserve***" means Quaaout Indian Reserve No. 1.

"***substantial completion***" means the date on which the *landlord* and the *landholder* are provided with a written opinion by an *architect* or *engineer* certifying to them that –

(a) the *improvements* are ready for occupation for the *permitted uses* in all material respects in accordance with this *lease*; and

(b) any work left to be done is capable of being done at a cost of not more than 3% of the first $500,000, 2% of the next $500,000, and 1% of the balance of the value of the *improvements* at the time this cost is calculated.

"***tenant***" means the party identified as the "tenant" on page one of this *lease*.

"***term***" means the 49 year period from January 1, 2010 to and including December 31, 2058.

SCHEDULE B – BAND COUNCIL RESOLUTION

(A copy of the Band Council Resolution to follow this page.)

Little Shuswap Indian Band

BOX 1100, CHASE, B C V0E 1M0 TEL. 250-679-3203 FAX 250-679-3220

BAND COUNCIL RESOLUTION

The Council of the: **LITTLE SHUSWAP INDIAN BAND**	BCR Number **3137**
Agency: **CENTRAL** Province: **BRITISH COLUMBIA**	A quorum for this Band is **TWO**
Dated at **SQUILAX this 22nd day of June AD 2011**	

DO HEREBY RESOLVE:

THAT, Gary Steuber and Linda Steuber (in joint tenancy) (the "tenants") want to lease Lot 181-9 Plan 91466 CLSR, Quaaout IR#1. (the "land")

Margaret Sjodin (the "landholder") a member of the Little Shuswap Indian Band, has lawful possession of the land, as evidenced by Certificate of Possession #159179.

We have been provided with and unexecuted form of the lease (the "lease") to be entered into between Canada, the landholder and the tenants.

BE IT RESOLVED that the Chief and Council on behalf of the Little Shuswap Indian Band does not have any concerns with the execution of the lease.

Chief Felix Arnouse

Councillor Brian Finlay

Councillor Teresa Tomma

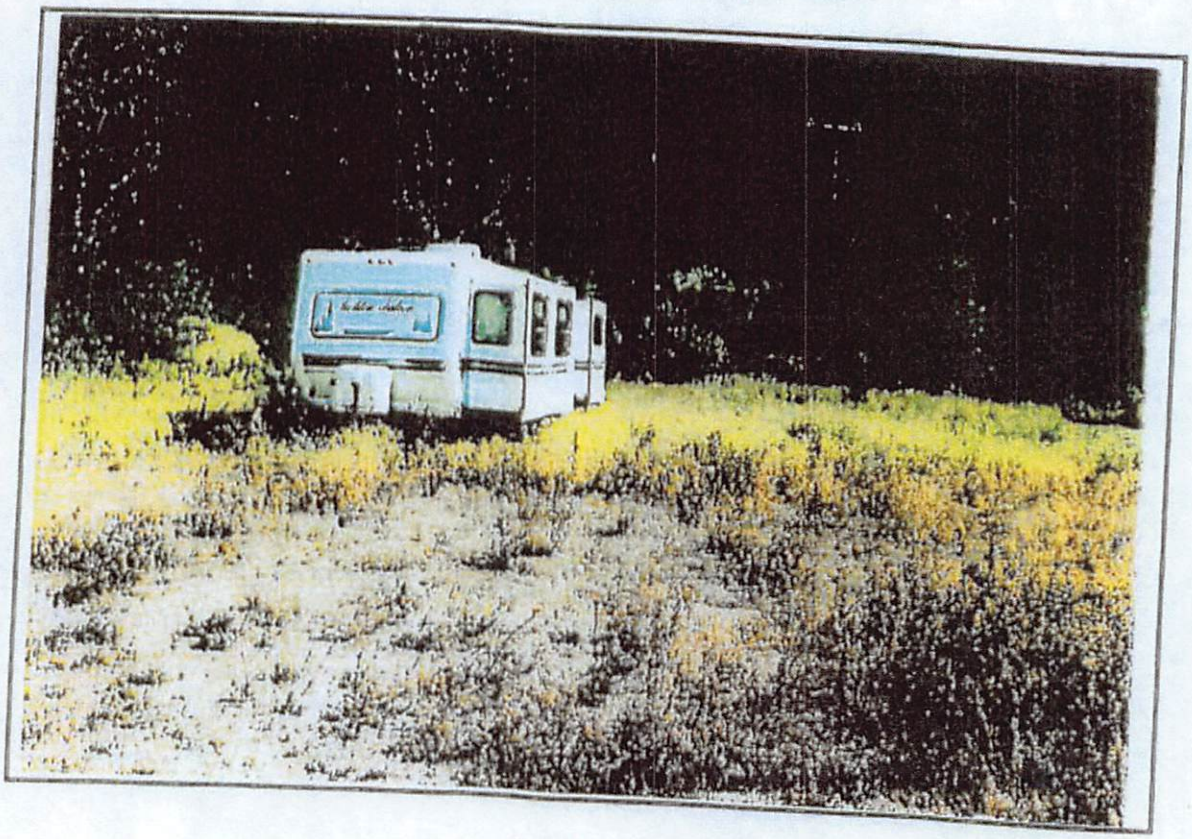
FOR DEPARTMENTAL USE ONLY

SCHEDULE C – PHOTOGRAPHS

(Photographs to follow to follow this page.)



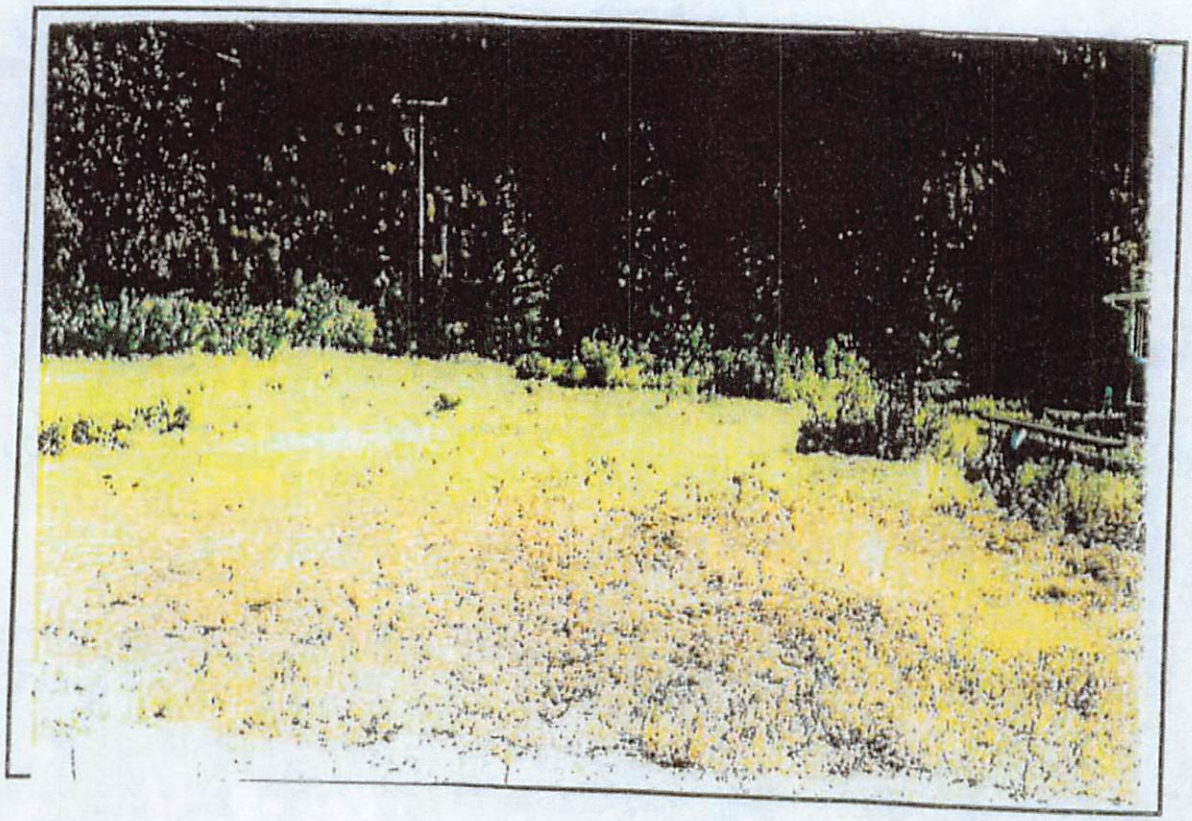
Lot 181 – 8
View South to North, front top of bank



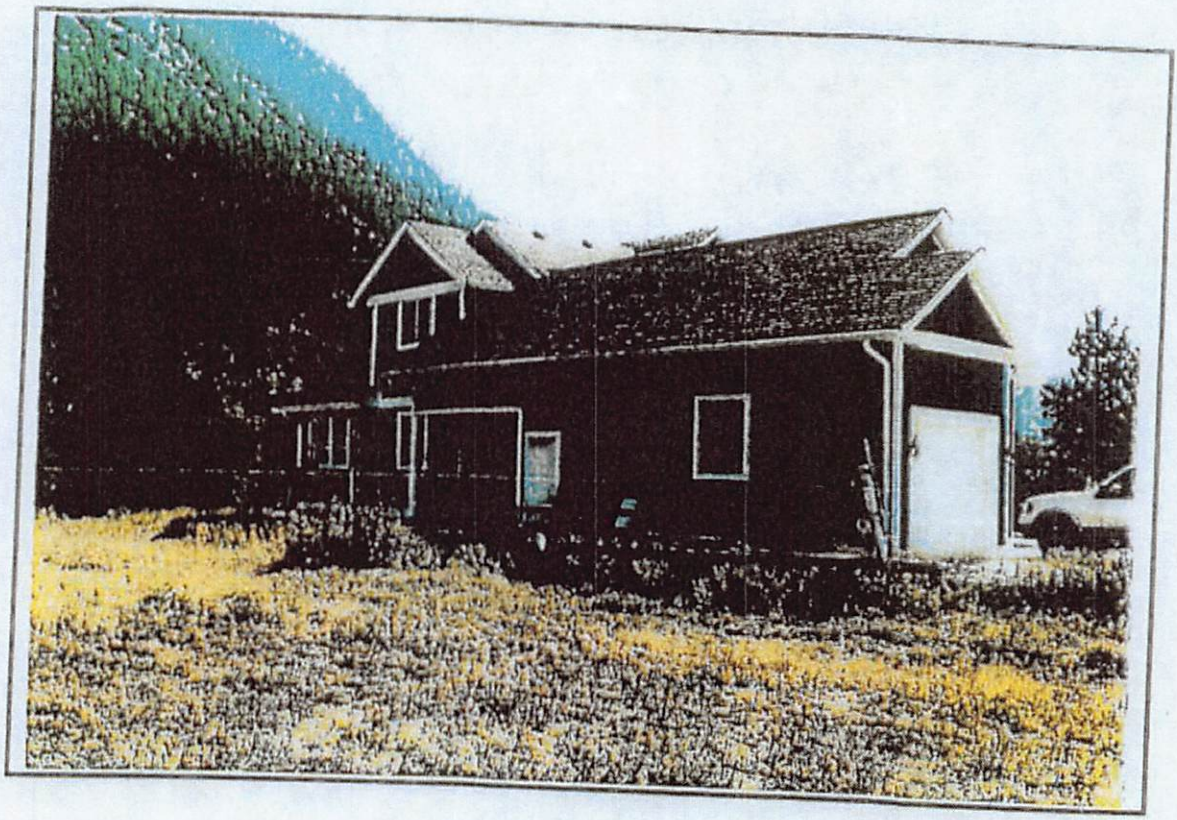
Lot 181 – 8
View North to South, from Right of way



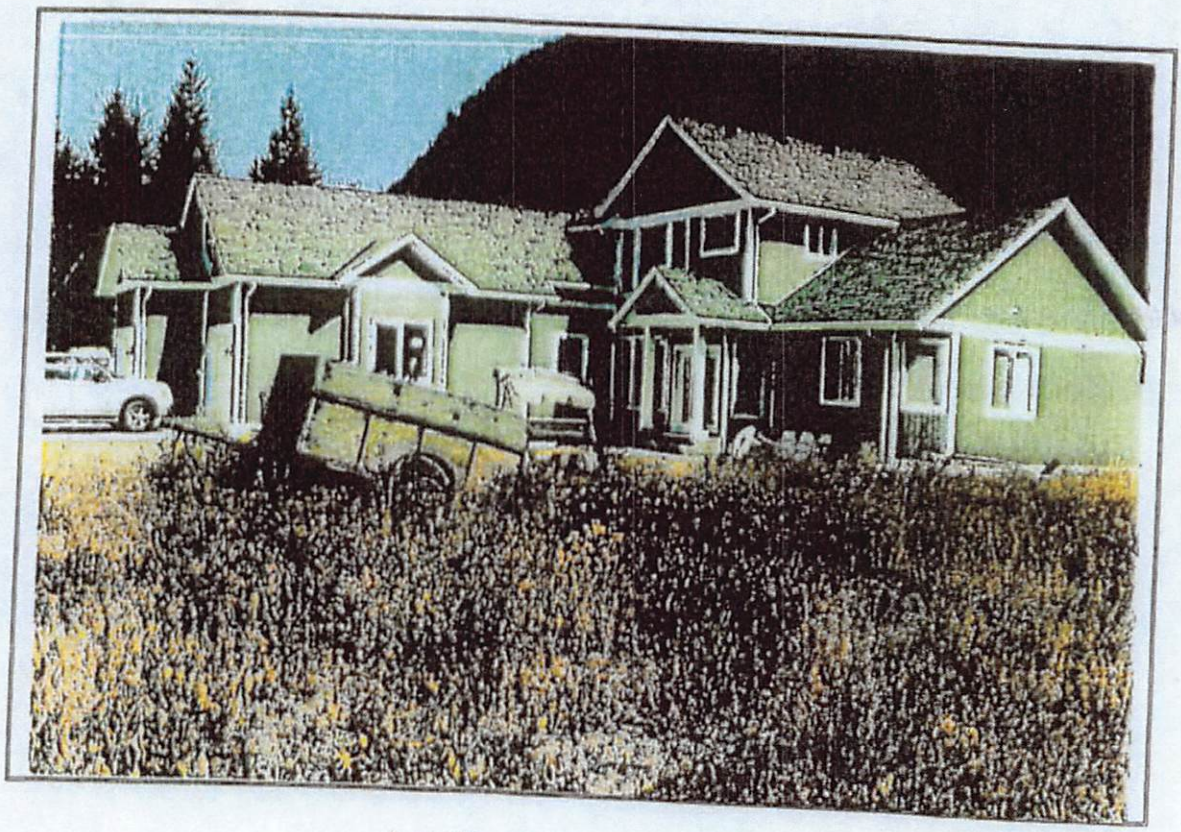
Lot 181 – 9
View South to North



Lot 181 – 9
View North to South from Right of Way, Lot 181 – 10 (to right)



Lot 181 – 10, from Lot 181 -9
East to West



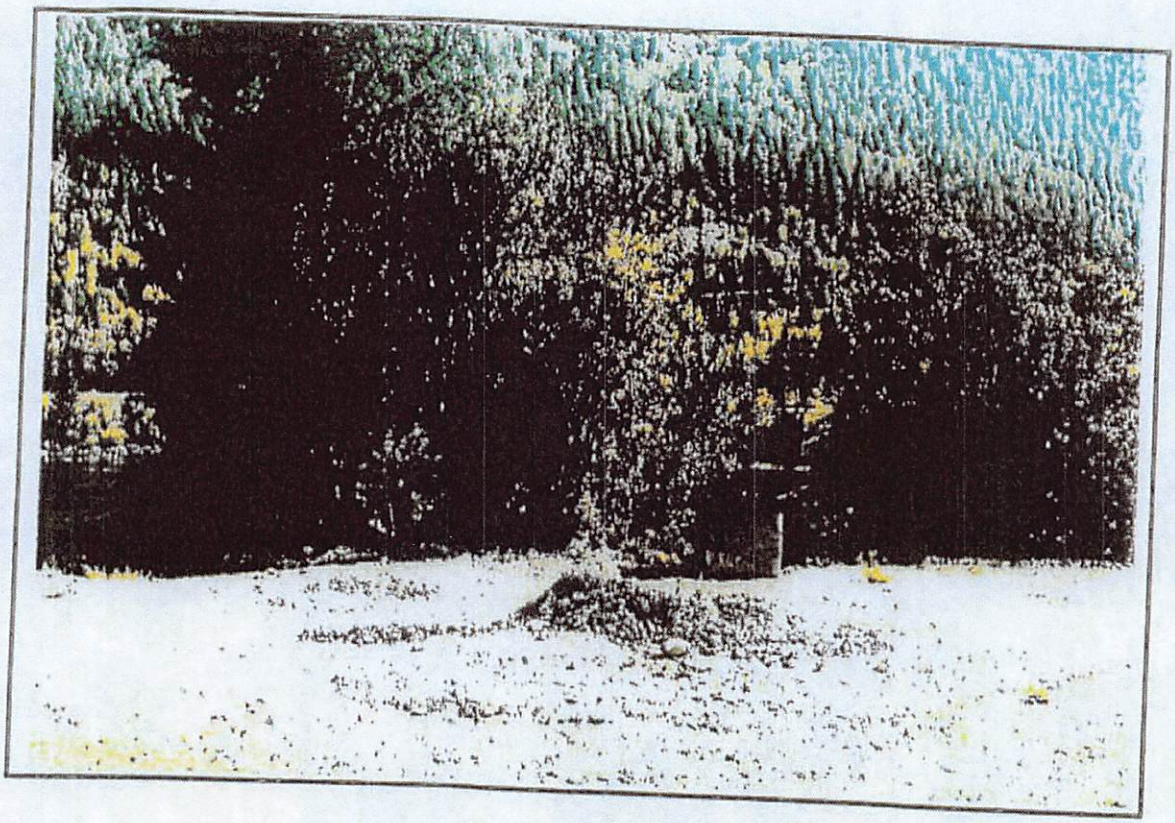
Lot 181 – 10 from Lot 181 – 11
West to East



House from Top of Bank, View North



Lot 181 – 11
View South to North, Lot 181 – 16, Margaret Sjodin residence in view



House to Top of Bank Lot 181 – 10
View South



Top of Bank, Down Slope Access
View South



Lot 181 – 11
View North to South
From Road Access

AFFIDAVIT OF WITNESS

I, Ethel Bauer *(name)*, of
Stony Plain *(name of city, town, village, etc. where you live)*,
Alberta *(name of province where you live)*, make oath and say:

1. I saw **Gary Steuber** sign the *lease.*

2. I know the persons referred to in paragraphs 1, and I believe that that they are at least 19 years old.

3. I am the person who signed my name as witness on the *lease* and I am at least 19 years old.

SWORN before me in the Town of Stony Plain, in the Province of Alberta this 15th day of MAY, 2012

Leona Mychajlunow
A Notary Public in and for the Province of Alberta or a Commissioner for taking Oaths.

RR 2, Carvel, Alberta
Address

780-963-1546
Telephone # / Fax #

Notary's Authority
LEONA MYCHAJLUNOW
Ex: AUG 3-2013

Ethel Bauer
Witness

** Must be signed by a person who is not a party to the *lease.*

AFFIDAVIT OF WITNESS

I, Ethel Bauer *(name)*, of
Stony Plain *(name of city, town, village, etc. where you live)*,
Alberta *(name of province where you live)*, make oath and say:

1. I saw **Linda Steuber** sign the *lease*.

2. I know the person referred to in paragraph 1 and I believe that that person is at least 19 years old.

3. I am the person who signed my name as witness on the *lease* and I am at least 19 years old.

SWORN before me in the town of Stony Plain, in the Province of Alberta this 15 day of May, 2012

Leona Mychajlunow
A Notary Public in and for the Province of Alberta or a Commissioner for taking Oaths.

RR2, Carvel, Alberta
Address
780-963-1546
Telephone # / Fax #

Notary's Authority
LEONA MYCHAJLUNOW
EL: AUG 3-2013

Ethel Bauer
Witness

** Must be signed by a person who is not a party to the *lease*.

AFFIDAVIT OF WITNESS

I, STEWART ADAMSON (*name*), of
VILLAGE of CHASE (*name of city, town, village, etc. where you live*),
BRITISH COLUMBIA (*name of province where you live*), make oath and say:

1. I saw **Margaret Sjodin** sign the *lease*.

2. I know the person referred to in paragraph 1 and I believe that that person is at least 19 years old.

3. I am the person who signed my name as witness on the *lease* and I am at least 19 years old.

SWORN before me in the VILLAGE of SQUILAX, in the Province of BC this 30 day of January, 2012

A Notary Public in and for the Province of _____ or a Commissioner for taking Oaths.

Address

250 679-3203 250 679-3220
Telephone # / Fax #

Notary's Authority

Witness

** Must be signed by a person who is not a party to the *lease*.

Joan Arnouse

JOAN ARNOUSE
LITTLE SHUSWAP INDIAN BAND
COMMISSIONER FOR TAKING OATHS
IN THE PROVINCE OF BC
MY APPT EXPIRES: MARCH 31, 2013

Indian Lands Registry / Registre des terres indiennes 2/4

Registration Control Sheet / Fiche de contrôle des enregistrements

Received / Reçue

REGISTERED
AUG 10 2012

Sec 53 and/or 60 Bands
Bandes visées par l'article 53 et/ou 60 _____

Registration No./ No d'enregistrement 6067651

Date: Oct 2/12.

Time/ Heure: 2:25 *AM / PM*

Pending File No. / N° du dossier en attente : 6067651

Region / Région : BC

Reserve Name / Nom de la réserve : QUAAout 1

Instrument Type / Type d'instrument : Lease 014

Purpose/ Objet : _____

Term / Durée: _____

From / Du : _____

To / Au: _____

Retire PIN / Retirer le NIP *Yes / Oui* ☐ *No / Non* ☐

EOT Required: PDT exigée : *Yes / Oui* ☐ *No / Non* ☐

Cancels EOT / PDT annulée: _____

PIN(s) / NIP(s)

Legal Description/Land Affected / Description légale/Terre affectée

Remarks/Registration Numbers Affected / Observations/Numéros d'enregistrement touchés

Examined By/ Examinée par : b Ralf. *Date:* Oct 2/12

Verified By:/ Vérifiée par : _____ *Date:* _____

CIDM#4060466