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Goldman Sloan Wash + Haber

PO Box 95
Ste 2100
181 University Ave
Toronto Ont Canada
M5H 3M7 LAKE TAHOE
Unit 204
Tahoe Summit Village

LEASE

This LEASE made the 15th day of May, 1992.

BETWEEN:

MONYX PROPERTIES LTD.

(hereinafter referred to as the "Lessor"),

OF THE FIRST PART,

- and -

PRODUCTOS SUNCOAST LTD.

(hereinafter referred to as the "Lessee"),

OF THE SECOND PART.

- and -

GEOPREMIERE DEVELOPMENTS LTD.

(hereinafter referred to as "GDL")

OF THE THIRD PART.

WITNESSETH that in consideration of the demise and rent herein contained and the mutual covenants and agreements herein contained (the receipt and sufficiency which is acknowledged by both of the parties hereto) the parties hereto covenant and agree as follows:

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1. DEMISE

The Lessor, being the beneficial owner of and, being or being entitled to be the registered or legal owner of the interval ownership interests or time share interests as particularly described in Schedule "A" hereto including any personal property, improvements and chattels situated thereon from time to time (collectively the "Units") hereby demises and leases unto the Lessee the Units to have and to hold the Units for and during the term of forty-nine (49) years commencing as of June 15, 1992 (the "Commencement Date") and to be fully completed and ended on June 14, 2041 (the "Term").

2. BASIC RENT

The Lessee hereby covenants and agrees to pay to the Lessor, as basic minimum rent for the Units the sum of One Dollar (\$1.00) in lawful money of Canada, payable in full, in advance on or before the Commencement Date.

3. NET LEASE

In this Lease "Acquisition Financing" means the original indebtedness incurred or assumed by the Lessor in acquiring the Units, including all renewals and/or replacements thereof secured by mortgage or like charge on the Units, but excluding any such renewals and/or replacements to the extent same increase the principal sum of the original indebtedness outstanding as at time of such renewal and/or replacement, and "Acquisition Lender" means the holder of such mortgage or charge. This Lease is a completely net lease to the Lessor and except as stated in

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this Lease, the Lessor shall not be responsible for any costs, charges or expenses relating to the Units except as specifically otherwise stated in this Lease. The Lessor shall be responsible for the payment and discharge of the Acquisition Financing in accordance with its terms and this section will not be interpreted to make the Lessee responsible for the Lessor's interest or principal payments applicable to the Acquisition Financing. Accordingly, the Lessee shall pay during the Term hereof as and when due, as additional rent (with the agreement that such payment shall be recoverable by the Lessor in the same manner as rent in arrears):

- (a) all real property taxes, writs, duties and assessments (including local improvements), impost charges or levies that are levied, rated, charged or assessed against the Units or a part thereof from time to time (including, but not limited to, portions of the interval ownership interest and/or time share interest assessed against or applicable to the Units) by taxing authority, whether federal, state, municipal or otherwise and any taxes or the amounts that are imposed instead of, or in addition to, real property taxes whether similar or not or whether in existence at the Commencement Date or not, and any real property taxes levied or assessed against the Lessor on account of its ownership of or interest in the Units or interval ownership and/or time share regime applicable to the Units;

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- (b) without duplicating the fees payable pursuant to the provisions of Subparagraph 3(c) hereof, commencing on July 1, 1992, the cost of insuring, operating, lighting, heating, air-conditioning, cleaning, supervising, maintaining, repairing and refurbishing the Units;
- (c) commencing on July 1, 1992, all fees, including without limitation, all maintenance, common area, management and like fees, payable to any interval ownership and/or time share corporation or association relating to the Units in accordance with the constating documents thereof;
- (d) any and all taxes, sales taxes, value-added taxes, or any other taxes imposed on the Lessor with respect to rent, additional rent or any other amounts payable by the Lessee to the Lessor under this Lease, whether characterized as a goods and services tax, sales tax, value added tax, or otherwise (collectively, the "Sales Taxes"); it being the intention of the parties that the Lessor shall be fully reimbursed by the Lessee with respect to any and all Sales Taxes payable by the Lessor; and
- (e) any and all other costs and expenses, including, without limitation, any and all ground and/or surface lease payments and/or rents, relating to the ownership, leasing, use or occupancy of the Units;

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Subject to making the payment referred to in Subparagraph 3(a) hereof, the Lessee shall have the right to contest, by appropriate legal proceedings, the validity of any tax, rate, assessment, charge or levy; provided that all such proceedings shall be prosecuted with all due diligence and dispatch.

4. USE AND MAINTENANCE

The Lessee covenants and agrees that the Units shall be utilized solely for vacation and recreation purposes. The Lessee shall comply with or cause compliance with the requirements of all laws, orders, ordinances, rules, by-laws and regulations of any governmental authorities, or of the interval ownership and/or time share corporation or association establishing or applicable to the Units. The Lessee covenants and agrees to keep the Units and maintain them (and all of the chattels situate therein or forming a part thereof from time to time) in a good condition and state of repair, subject to reasonable wear and tear, all at the Lessee's sole cost and expense. The Lessee covenants and agrees that the Lessor shall have the right to enter into the Units, or any of them, at all reasonable times and upon reasonable notice for the purpose of viewing the condition thereof. The Lessee covenants not to make any alterations whatsoever to the Units without the express prior consent of the Lessor and the Acquisition Lender, except for such alterations or repairs as are required in the ordinary course to maintain the Units in the same condition and state of repair as when it was received, subject to reasonable wear and tear.

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5. QUIET POSSESSION

The Lessor covenants and agrees that upon payment of the rent hereby reserved and the performance by the Lessee of its covenants herein contained, the Lessee may peaceably possess and enjoy the Units for the Term without any interruption or disturbance from the Lessor except as herein expressly provided to the contrary. The Lessor covenants to use its best efforts to discharge the Acquisition Financing, in accordance with its term, as it applies to the Units. Pending payment of principal, interest and costs of the Acquisition Financing, GDL agrees to indemnify and save harmless the Lessee from and against any claims, demands, actions, causes of actions, damage, loss, costs, liability or expense (herein referred to as a "Claim" or "Claims") which may be made or brought against the Lessee by the Acquisition Lender in connection with the Acquisition Financing and GDL shall provide security to the Lessee pursuant to a security agreement (the "Security Agreement") to protect the Lessee from any Claims with respect to the Acquisition Financing.

6. ASSIGNMENT

The Lessee shall have the right to assign this Lease or sublet the Units or grant periodic (time share) use rights or any of them for vacation or recreation purposes only with the express prior written consent of the Lessor, not to be unreasonably withheld.

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7. INSURANCE

The Lessee will, at its sole cost and expense, maintain the insurance described below throughout the Term and each policy of such insurance will name, as insureds, the Lessee and the Lessor (and any Acquisition Lender if applicable) as their respective interests may appear. The insurance which the Lessee is required to maintain is as follows:

- (a) "all risk" (including flood and earthquake, to the extent available) property and casualty insurance in an amount of at least the full replacement cost of the Units and all chattels, fixtures and improvements situate thereon or forming part thereof;
- (b) public liability and property damage insurance including personal injury liability insurance, with coverage including the activities and use of the Units by the Lessee and any other person for whom the Lessee is in law responsible for such policy to be written on a comprehensive basis with inclusive limits of at least \$1 Million (Cdn. Funds) per occurrence; and
- (c) any other form of insurance and with whatever higher limits the Lessor, acting reasonably, or any Acquisition Lender may require from time to time. All policies will be taken out with insurers acceptable to

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the Lessor, be in a form satisfactory to the Lessor and contain an undertaking by the insurers to notify the Lessor and any Acquisition Lender in writing not less than thirty (30) days before any material change, cancellation or termination. The Lessee will deliver certificates of insurance in the form approved by the Lessor, duly executed by the insurers' evidencing that the required insurance is in force, or, if required by the Lessor, the Lessee will deliver certified copies of each insurance policy as soon as possible after placing the insurance. The Lessee will comply promptly with any directive or requirement of the insurers pertaining to the Units.

8. DAMAGE OR DESTRUCTION

In the event of any damage or destruction of the Units however so arising the Lessee shall replace and rebuild the Units to their original design and specifications as directed by any Acquisition Lender and the Lessor. Following such rebuilding, the Lessor shall quit claim its interest in any insurance proceeds applicable to the Units.

9. EMINENT DOMAIN

(a) If the Units or the interval ownership or time share regime or association establishing or applicable to the Units is expropriated or taken by eminent domain, then the Lessee shall replace the Units, but only to the extent of utilizing any available condemnation proceeds, with a Units of

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similar quality, finishing and location in a location to be agreed to by the Lessor and Lessee, and failing such agreement, to be determined by arbitration in accordance with Paragraph 14 hereof. In the event of such condemnation or taking, the Lessor shall quit claim its interest in any condemnation proceeds or compensation in favour of the Lessee for the sole purpose of permitting the Lessee to replace the Units in accordance with the foregoing. In the event of any such expropriation and replacement by the Lessee, the Lessee shall replace all furniture, fixtures and improvements situated on or forming part of the Units. Following such replacement, the Lessee shall cause the Lessor to be provided with title to such rebuilt Units in the name of the Lessor in exchange for the Lessor leasing such Units to the Lessee upon the same terms and conditions as this Lease for a term equal to the unexpired Term existing hereunder immediately prior to such damage or destruction. Upon the Lessor and the Lessee executing a new lease for the replacement Units, this Lease shall be deemed to be cancelled, and the Lessor and the Lessee shall execute the appropriate documents confirming same.

10. STATUS REPORT

Within ten (10) days following a request from the Lessor or any Acquisition Lender, the Lessee will deliver to the Lessor or the Acquisition Lender, as the case may be, on a form supplied to the Lessee, a status statement or certificate to the addressee thereof stating:

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- (a) that this Lease is in full force and effect, except only for any modifications that are set out in the statement of certificate;
- (b) the commencement and expiry dates of the Lease;
- (c) the date to which rent has been paid under the Lease and the amount of any prepaid rent or any deposits held by the Lessor;
- (d) that there is not any unremedied default on the part of the Lessor or if there is a default, the certificate will state the particulars;
- (e) whether there are any set offs, defenses or counter-claims against enforcement of the obligations to be performed by the Lessee under this Lease;
- (f) with reasonable particularity, details concerning the Lessee's financial standing; and
- (g) any other information or statements that a proposed mortgagee, purchaser or dispossesee may reasonably require.

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11. SUBORDINATION AND ATTORNMENT

This Lease is and will remain subordinate to the Acquisition Financing and every mortgage, charge, trust deed, and instruments securing or evidencing the Acquisition Financing (collectively, "Acquisition Encumbrances") applicable against the Units or the interval ownership or time share corporation or association applicable to the Units and the Lessee will, on request, subordinate this Lease in the form requested by the Lessor to any Acquisition Encumbrance. The Lessee will attorn to the holder of any Acquisition Encumbrance or to the Lessor. Any aforementioned subordination and attornment shall automatically cease upon the extinguishment and/or repayment of the Acquisition Financing, and shall not apply to any subsequent mortgage or charge securing any other indebtedness incurred by the Lessor. The Lessee shall not take any steps to register this Lease in any manner whatsoever until the Acquisition Financing has been paid in full.

12. DEFAULT

In the event of the breach or non-performance of any of the covenants or provisions of this Lease on the part of the Lessee which is not remedied or otherwise settled by the Lessee within thirty (30) days after the Lessor gives the Lessee written notice thereof, or otherwise in good faith disputed or contested by the Lessee, then it shall be lawful for the Lessor at any time thereafter, without notice to the Lessee, to re-enter upon the Units or any of them and to terminate this Lease, or, alternatively at the sole option of the Lessor, without terminating this Lease or the Lessee's obligations hereunder, to make alterations and repairs considered by the

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Lessor necessary to facilitate a re-letting and re-let the Units as agent of the Lessee for such term or terms at such rental or rentals, and upon such other conditions as the Lessor shall reasonably consider advisable.

13. ARBITRATION

If any dispute shall occur between the Lessor and Lessee hereto relating to the interpretation or implementation of any of the provisions of this Lease, such dispute shall be resolved by arbitration. Such arbitration shall be conducted by a single arbitrator, if the parties can agree upon one, failing which such arbitrator shall be appointed by a Judge of a court of competent jurisdiction in Ontario upon the application of any of the said parties and a Judge of the said Court shall be entitled to act as such arbitrator, if he so desires. The arbitration shall proceed in accordance with the provisions of The Arbitration Act (Ontario). The decision arrived at by the arbitrator shall be final and binding and no appeal shall lie therefrom. All costs incurred in connection with the arbitration shall be borne equally by the Lessor and Lessee.

14. REMEDIES

Any monies due hereunder by the Lessee shall be payable with interest at the rate of one and one half (1-1/2%) percent per month as and when the same shall first become due. The remedies under this Lease are cumulative. No remedy is exclusive or dependent upon any other remedy. Any one or more remedies may be

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exercised generally or in combination. The specifying or use of a remedy under this Lease does not limit rights to use other remedies available at law generally.

15. ACKNOWLEDGEMENT BY LESSOR

The Lessor hereby represents and warrants to the Lessee that the amount required to discharge the Acquisition Financing is not greater than Cdn. \$900,000.

16. ACKNOWLEDGEMENT BY GDL

GDL hereby represents and warrants that the Units are furnished and have been approved by Resort Condominiums International Inc. and, to the best knowledge of GDL, as of the date hereof, continue to meet the standards for approval by Resort Condominiums International Inc.

17. FURTHER ASSURANCES

Each party hereto covenants and agrees to do or cause to be done all things, and to execute and deliver all such documents, instruments and assurances, as may be required in order to properly and validly effectuate this Lease.

18. SUCCESSORS

Rights and obligations under this Lease extend to the successors and assigns of the Lessor, and the permitted successors and assigns of the Lessee.

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19. WAIVER

Waiver by the Lessor or the Lessee of a default under this Lease is not a waiver of any subsequent default. The Lessor's acceptance of rent after default is not a waiver of any preceding default under this Lease notwithstanding the Lessor knows of the preceding default at the time of acceptance of the rent. No term, covenant or condition of this Lease will be considered to have been waived by the Lessor or the Lessee unless the waiving is in writing.

20. NOTICES

Notices, demands, requests or other instruments under this Lease will be delivered in person, or sent by registered mail, postage prepaid, addressed:

(a) if to the Lessor, at:
319 - 7100 Woodbine Avenue
Markham, Ontario
L3R 5J2

Attention: President

(b) if to the Lessee, at:
P.O. Box 675
Puerto Plata
Dominican Republic

Attention: Mr. James Hastie

A notice, demand, request or consent will be considered to have been given on the day that it is delivered or, if mailed, seven (7) days after the date of mailing. Either

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party may notify the other in writing of a change of address, and the address specified in the notice will be considered to be the address of the party for the giving of notices under this Lease.

21. APPLICABLE LAW

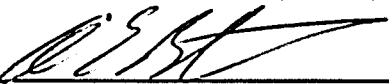
This Lease shall be interpreted according to the laws of the Province of Ontario and all proceedings applicable thereto shall be instituted in the applicable Ontario court(s) and each of the parties attorns to the jurisdiction of such court(s).

22. EFFECTIVE DATE

Notwithstanding the date of execution of this Lease, the Lessor and Lessee acknowledge and agree that this Lease sets forth their respective agreement with each other commencing on the 15th day of June, 1992 and shall be effective as and from that date.

IN WITNESS WHEREOF the parties hereto have executed this Lease this 15th day of May, 1992.

MONYX PROPERTIES LTD.

By: 
Name: Alex Burstein
Title:

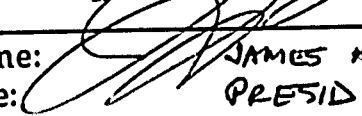
By: _____
Name:
Title:

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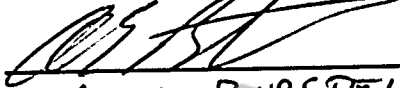
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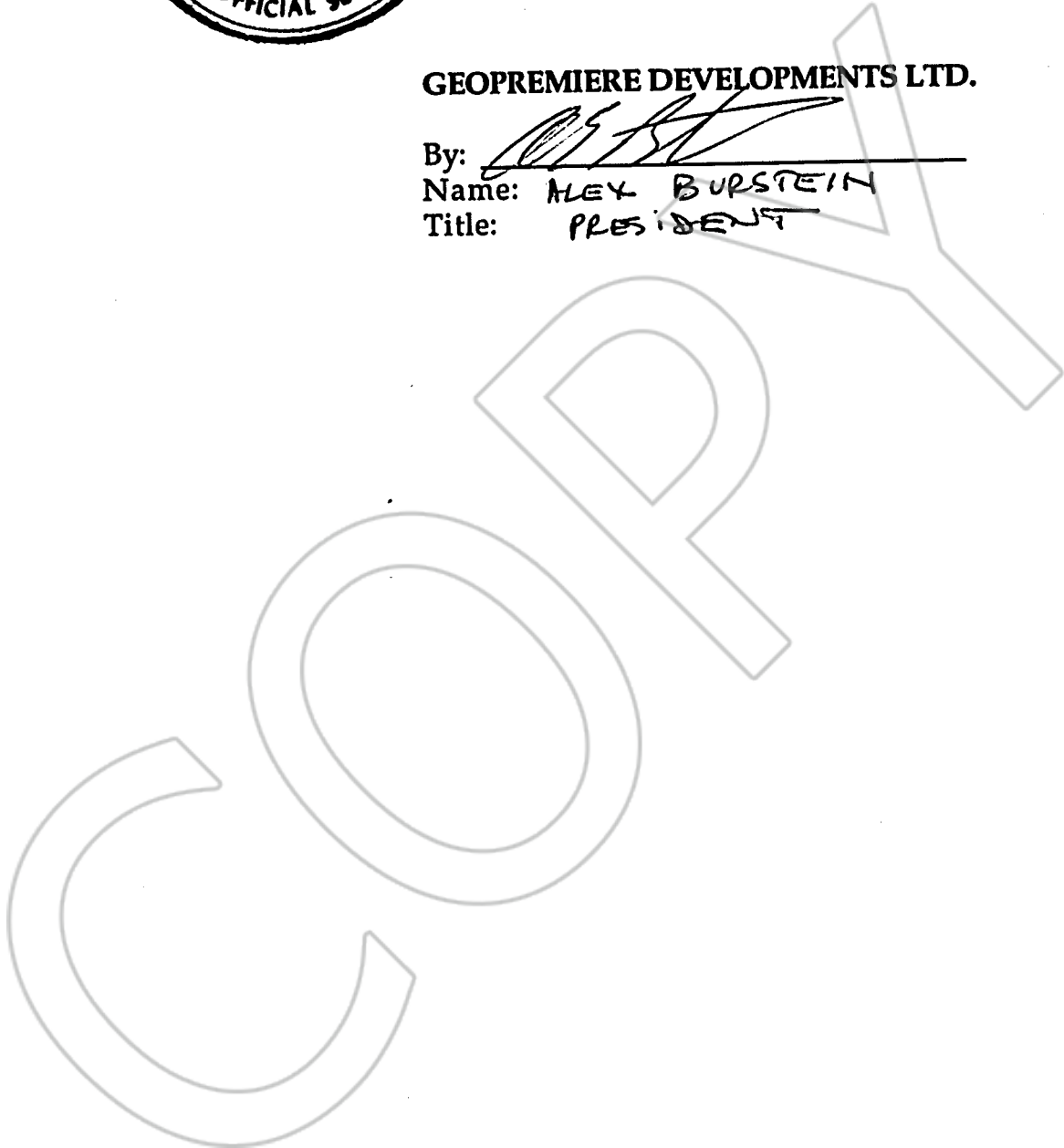


PRODUCTOS SUNCOAST LTD.

By: 
Name: JAMES HASTIE
Title: PRESIDENT

GEOPREMIERE DEVELOPMENTS LTD.

By: 
Name: ALEX BURSTEIN
Title: PRESIDENT



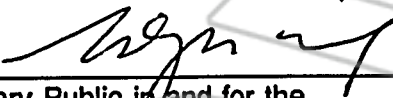
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PROVINCE OF ONTARIO
JUDICIAL DISTRICT OF YORK
TO WIT:

On or before this 21st day of July, 1993, before me personally appeared **JAMES HASTIE**, representing **PRODUCTOS SUNCOAST LTD.**, known to me to be the person whose name is subscribed to the within Lease made as of the 15th day of May, 1992 between **MONYX PROPERTIES LTD.** as Lessor, **PRODUCTOS SUNCOAST LTD.** as Lessee and **GEOPREMIERE DEVELOPMENTS LTD.**, who acknowledged to me that he executed the same and that he has authority to bind the same corporation.

WITNESS my hand and official seal.



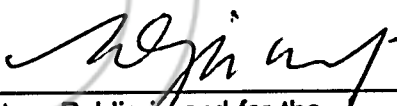
Notary Public in and for the
Province of Ontario

SEAL

PROVINCE OF ONTARIO
JUDICIAL DISTRICT OF YORK
TO WIT:

On or before this 21st day of July, 1993, before me personally appeared **ALEX BURSTEIN**, representing **GEOPREMIERE DEVELOPMENTS LTD.** and **MONYX PROPERTIES LTD.**, known to me to be the person whose name is subscribed to the within Lease made as of the 15th day of May, 1992 between **MONYX PROPERTIES LTD.** as Lessor, **PRODUCTOS SUNCOAST LTD.** as Lessee and **GEOPREMIERE DEVELOPMENTS LTD.**, who acknowledged to me that he executed the same and that he has authority to bind the same corporation.

WITNESS my hand and official seal.



Notary Public in and for the
Province of Ontario

SEAL

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This is SCHEDULE "A" to that certain Lease made the 15th day of May, 1992 between Monyx Properties Ltd., as Lessor, Productos Suncoast Ltd. as Lessee and GeoPremiere Developments Ltd.

Description of Units

A total of eighteen (18) "Summer" weeks, nineteen (19) "Winter" weeks and fourteen (14) "Swing" weeks as defined in the Declaration of Time-Share Covenants, Conditions and Restrictions for Tahoe Summit Village recorded on October 24, 1983, in Book 1083, Page 3380, Document No. 89976 of Official Records of Douglas County, Nevada, in Unit 4 as set forth on the Condominium Map of LOT 29, Tahoe Village Unit No. 2, filed for record February 26, 1981, as Document No. 53846, Official Records of Douglas County, State of Nevada, said "Summer", "Winter" and "Swing" weeks to be in said Unit 4 as follows:

	<u>"Summer"</u>	<u>"Winter"</u>	<u>"Swing"</u>
Unit 4	18	19	14

TOGETHER WITH an undivided 51/468th interest in and to those portions designated as Common Areas, as set forth on said LOT 29 Condominium Map.

REQUESTED BY
Goldman, Sloan, Nash +
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA *Haber*

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SUZANNE BEAUDREAU
RECORDER

2200 PAID *Kg* DEPUTY