

EXHIBIT "Q"

EASEMENT

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THIS AGREEMENT is made as of ◆,

BETWEEN:

THE OWNERS, STRATA PLAN _____,
a Strata Corporation constituted under the laws of British Columbia

(the "Strata Corporation")

AND:

WALNUT BEACH RESORT RENTAL POOL OWNERS ASSOCIATION, a Society
incorporated under the laws of British Columbia

(the "Rental Management Strata Lot Owner")

AND:

LAKESHORE DEVELOPMENTS LTD, a Company incorporated under the
laws of British Columbia

(the "Residential Lots Owner")

WHEREAS:

A. The Strata Corporation is a strata corporation and is responsible for managing and maintaining the common property of the Strata Corporation which is located in Osoyoos, British Columbia. The common property of the Strata Corporation is that part of the lands and buildings that is not part of a strata lot or limited common property and is legally described as: Common Property of Strata Plan _____ (the "Common Property");

B. The Rental Management Strata Lot Owner is the owner of those lands and premises in the Town of Osoyoos which is legally described as: Strata Lot 1 of Strata Plan _____, together with the limited common property shown on the filed strata plan and an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form V (the "Rental Management Strata Lot");

C. The Residential Lots Owner is the owner of those lands and premises in the Town of Osoyoos which is legally described as: Strata Lots 3 to 113 inclusive all of Strata Plan _____, together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form V (collectively the "Residential Lots")

D. The Rental Management Strata Lot and the Common Property will be used together with the Residential Lots for the purposes of offering a rental pool (the "Rental Pool") and the management of the resort known as the Walnut Beach Resort (the "Resort") wherein some of the Residential Lots will participate in the Rental Pool and some of the Residential Lots will choose not to participate in the Rental Pool. When a Residential Lot is participating in the Rental Pool pursuant to the terms of the rental management agreement entered into between Lakeshore Developments Ltd, Walnut Beach Resort Rental Pool Owners Association, Atlific Inc. and the Residential Lots Owners dated _____, such Residential Lot shall be called a "Resort Strata Lot".

E. In order to effectively operate the Rental Pool, the Rental Management Strata Lot Owner or the rental management company (the "Rental Manager") responsible for the Rental Pool requires an easement over the Common Property and the Residential Lots in order to carry out its duties, responsibilities and functions relating thereto. Further, the Residential Lots Owner requires an easement over the Rental Management Strata Lot for purposes of access whether or not such Residential Lot is participating in the Rental Pool.

F. The Strata Corporation has agreed to enter into this Agreement in order to grant such easement over the Common Property, all on the terms and conditions contained herein.

G. The Rental Management Strata Lot Owner has agreed to enter into this Agreement in order to grant an easement over the Rental Management Strata Lot on the terms and conditions contained herein.

H. Pursuant to Section 80 of the *Strata Property Act* (British Columbia) (the "Strata Property Act"), a strata corporation may, by a resolution passed by a 3/4 vote, direct the strata corporation to grant an easement burdening the Common Property included in a strata plan.

I. A certificate of the Strata Corporation as to the resolution directing the Strata Corporation to grant the easement herein in Form E under the Strata Property Act is attached as Schedule "A" hereto.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises, the sum of \$1.00 now paid by each party to the other, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), each party hereto covenants and agrees with the other as follows:

1. Grant of Easement by Strata Corporation

The Strata Corporation hereby grants, transfers and conveys to the Rental Management Strata Lot Owner, for the benefit of and to be appurtenant to the Rental Management Strata Lot, the non-exclusive, full, free, continuous and uninterrupted right, licence, liberty, easement and right-of-way for the Rental Management Strata Lot Owner, the Rental Manager, their successors and assigns, and their respective employees, servants, agents, contractors, subcontractors, tenants, invitees, licensees, permittees and guests, in perpetuity and at all times hereafter, by day and by night, and at their will and pleasure, to enter upon, go across, pass over and repossess over, within, upon and along the Common Property, including limited Common Property for the benefit of all or any of the Rental Management Strata Lot, for the purposes of carrying out the duties and functions associated with the Rental Pool and maintaining, managing, operating and repairing the Resort. The Rental Management Strata Lot Owner may install, locate, remove, maintain and replace its equipment, machinery, fixtures and furnishings on the Common Property (including limited Common Property for the Resort Strata Lots), for the purpose of maintaining, managing, operating and repairing the Resort.

2. Grant of Easement by Resort Strata Lots Owners

The Residential Lots Owner hereby grants, transfers and conveys to the Rental Management Strata Lot Owner, for the benefit of and to be appurtenant to the Rental Management Strata Lot, the non-exclusive, full, free, continuous and uninterrupted right, licence, liberty, easement and right-of-way for the Rental Management Strata Lot Owner, the Rental Manager, their successors and assigns, and their respective employees, servants, agents, contractors, subcontractors, tenants, invitees, licensees, permittees and guests, in perpetuity and at all times hereafter, by day and by night, and at their will and pleasure, to enter upon, go across, pass over and repossess over, within, upon and along the Residential Lots, including any and all limited Common Property related to the Residential Lots, for the purposes of carrying out the duties and functions associated with the Rental Pool and maintaining, managing, operating and repairing the Resort. The Rental Management Strata Lot Owner may install, locate, remove, maintain and replace its equipment, machinery, fixtures and furnishings on the Residential Lots (including limited Common Property designated for the exclusive use of the owners of the Residential Lots), for the purpose of maintaining, managing, operating and repairing the Resort.

3. Grant of Easement by Rental Management Strata Lot Owner

The Rental Management Strata Lot Owner hereby grants, transfers and conveys to the Residential Lots Owner, for the

benefit of and to be appurtenant to the Residential Lots, the non-exclusive, full, free, continuous and uninterrupted right, licence, liberty, easement and right-of-way for the Residential Lots their successors and assigns, and their respective employees, servants, agents, contractors, subcontractors, tenants, invitees, licensees, permittees and guests, in perpetuity and at all times hereafter, designated by the Rental Manager, acting as a reasonable manager of the Resort, to enter upon, go across, pass over and re-pass over, within, upon and along the Rental Management Strata Lot, including any and all limited Common Property related to the Rental Management Strata Lot, for the purposes of access to and from the Residential Lots.

4. Arbitration

Except as otherwise provided in this Section 4, all disputes, controversies, claims or disagreements arising out of or relating to this Agreement (singularly, a "Dispute" and collectively, "Disputes"), will be settled by arbitration as follows:

a) such Dispute may be submitted to arbitration by any party giving written notice to the other parties to the Dispute that the party giving the notice has elected to have the Dispute submitted to arbitration.. Such arbitration will be carried out by a single arbitrator mutually agreed upon by the parties.. If the parties fail to agree upon an arbitrator within 15 days after a party has notified the other parties of the name of the person it nominates to carry out the arbitration, then any party to the Dispute may apply to a judge of the Supreme Court of British Columbia for the appointment of an arbitrator and such appointment will be binding on the parties. Any arbitrator nominated or selected will be independent of each of the parties to the Dispute;

b) it is the intention of the parties that the arbitration will be conducted, and that the determination or award of the arbitrator be made and communicated in writing to the parties, as expeditiously as possible and this will be reflected in choice of and directions given to and by the arbitrator. The arbitrator will conduct the arbitration of the dispute as expeditiously as reasonably possible and will provide written reasons for his decision. The decision of the arbitrator duly appointed pursuant to this Section 4 will be final and binding upon the parties hereto;

c) the arbitration will be held in Vancouver, British Columbia; and

d) no limitation imposed by or pursuant to the *Commercial Arbitration Act* (British Columbia) on the remuneration of the arbitrator will apply. The arbitrator is authorized to include in his determination or award an award in favour of either party in respect of any costs incurred in connection with or in respect of the arbitration, including the cost of the arbitration and the arbitration and all legal and other professional costs and disbursements and although such an award must be made on a judicial basis, it need not be based on any court-approved tariff basis and may be on a complete indemnity basis, in all other respects the arbitration will be governed by the *Commercial Arbitration Act* (British Columbia), as the same may be amended or replaced from time to time.

Notwithstanding anything contained in this Section 4, each of the parties hereto will be entitled to (i) commence legal proceedings seeking such mandatory, declaratory or injunctive relief as may be necessary to define or protect the rights and enforce the obligations contained herein pending the settlement of a Dispute, (ii) commence legal proceedings involving the enforcement of an arbitration decision or award arising out of this Agreement, or (iii) join any arbitration proceeding arising out of this Agreement with any other arbitration proceeding arising out of this Agreement.

5. Further Assurances

Each party hereto will at all times and from time to time and upon reasonable request do, execute and deliver all further assurances, acts and documents which may be necessary to give proper effect to the intent of this Agreement.

6. Run with the Land

This Agreement runs with the Common Property, Rental Management Strata Lot, and Residential Lots and every part or parts thereof, and shall attach to and run with the Common Property, Rental Management Strata Lot, and Residential Lots and each and every part to which the Common Property, Rental Management Strata Lot, and Residential Lots may be divided or subdivided whether by subdivision plan, strata plan, fractured interest or otherwise howsoever.

7. Amendment

No amendment to this Agreement is valid unless in writing and executed by all the parties hereto, if the Rental Management Strata Lot Owner and the Rental Manager are not one and the same, then this Agreement must not be amended or discharged without the prior written consent of the Rental Manager.

8. Binding Effect

This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors and assigns. The Strata Corporation, the Rental Management Strata Lot Owner and the Residential Lots Owner each covenant and agree that this Agreement is entered into, inter alia, for the benefit of the Rental Manager as well as the Rental Management Strata Lot Owner and that if the Rental Management Strata Lot Owner and the Rental Manager are not one and the same, then the Rental Manager shall be entitled to enjoy and exercise all of the rights and benefits of the Rental Management Strata Lot Owner hereunder as if for such purpose, the Rental Management Strata Lot Owner and the Rental Manager were one and the same, so long as the Rental Manager also carries out the obligations, duties and responsibilities of the Rental Management Strata Lot Owner hereunder.

9. No Restriction

Nothing in this Agreement will be interpreted so as to restrict or prevent the Strata Corporation from using the Common Property, or the Rental Management Strata Lot Owner from using the Rental Management Strata Lot, or the Residential Lots Owner from using the Residential Lots in any manner which does not interfere with the rights of the Rental Management Strata Lot Owner hereunder or the operation of the Resort, subject always to the provisions of any other agreements, registered or otherwise, between the Strata Corporation, the Residential Lots Owner, the Rental Management Strata Lot Owner or the Rental Manager including, without limitation, the restrictive covenant registered in the Land Title Office under number ♦.

10. Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia.

11. Notices

Any demand or notice to be given pursuant to this Agreement will be duly and properly given if personally delivered, transmitted by telecopy or sent by postage prepaid mail and addressed, in the case of the Strata Corporation, to the address for the Strata Corporation as set out on the Strata Property Act Form X (Strata Corporation Mailing Address) filed at the Land Title Office from time to time, and as follows to:

The Rental Management Strata Lot Owner

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To the address of such Owner as notified
by such Owner to the Rental Manager

or such other address as a party may from time to time designate by notice in writing to the other party. The time of

giving and receiving any such demand or notice will be deemed to be on the day of delivery or transmittal if delivered or sent by telecopy, or on the third business day after the day of mailing thereof if sent by mail, In the event of any disruption of mail services, all demands or notices will be delivered or sent by telecopy rather than mail.

12. General Clauses

a) The easement granted by the Residential Lots Owner in paragraph 2 herein, shall not be effective for such times that an Residential Lot is not in the Rental Pool.

b) Whenever the singular or masculine is used in this Agreement, the same will be deemed to include the plural or the feminine or the body politic or corporate as the context so requires.

The captions and headings appearing in this Agreement have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Agreement or any provisions hereof.

c) No failure or delay on the part of any party in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

e) The provisions hereof are severable and if any of them is found to be void or unenforceable at law, the remaining provisions hereof will not be affected thereby.

IN WITNESS WHEREOF the parties have executed this Easement on the Form C and Form D attached hereto and forming part hereof on the date first above written.