

RESTRICTIVE COVENANT
(SECTION 219, LAND TITLE ACT)

TERMS OF INSTRUMENT – PART 2

THIS AGREEMENT made the day of , 2001

BETWEEN: Hot Springs Cove Holdings Ltd
(hereinafter called the "Covenantor")

OF THE

FIRST PART

AND: HER MAJESTY THE QUEEN in the Right of the Province of British Columbia, as represented by the Regional Fish and Habitat Manager, Ministry of Environment, Lands and Parks.

(hereinafter called the "Covenantee")

OF THE

SECOND PART

WHEREAS:

A. The Covenantor is the registered owner a certain parcel of land and premises situate, lying and being in the Port Alberni Assessment Area, of the Alberni Clayoquot Regional District, in the Province of British Columbia, and more particularly described as: "District Lot 1371, Clayoquot Land District, except Plan 10335, INCL the area designated on SRW Plan 46956"

(hereinafter called "said lands")

B. Section 219 of the Land Title Act provides, inter alia, that there may be registered as a charge against the title to land a covenant, whether of a negative or positive nature, in respect of the use of the land or the use of a building or to be erected on land, in favour of a municipality of the Crown.

C. Hot Springs Cove and Sydney Inlet as shown on the plan prepared by the Alberni- Clayoquot Regional District, a true copy of which is annexed hereto as Schedule 'A' to this Agreement.

D. The Covenantor has applied to the Regional District for Zoning of the said lands pursuant to proposed bylaw P1035 and P1036, has agreed to restrictions on the use of a portion of the said lands adjacent to the said waters, to be effective as and from the date of such Zoning (the "Effective Date").

NOW THEREFORE THIS AGREEMENT WITNESSETH that pursuant to Section 219 of the Land title Act, and in consideration of the sum of one dollar (\$1.00) now paid to the Covenantor to the Covenantee (the receipt and sufficiency whereof is hereby acknowledged), the parties hereto hereby covenant and agree each with the other as follows:

1. THE COVENANTOR COVENANTS AND AGREES with the Covenantee that from and after the Effective Date:

(a) no building or structure, fencing or any part thereof, including any fixed equipment, mobile home or modular home other than as may already exist, shall be constructed, reconstructed, moved, extended or located nor shall any

landfill, land clearing or other environmentally deleterious disturbances take place within 15 metres of the natural boundary excepting for necessary access docks that may, in the future be applied for with written permission received from the Covenantee;

(b) the Covenantor shall not, without the prior written consent of the Covenantee, which consent to be in the Covenantees sole discretion, cut down, defoliate, alter, remove or in any way tamper with or work on any trees, shrubs, plants, bushes, ground cover, vegetation or any other form of plant life within that portion of the said lands within a distance of 15 meters from the natural boundary as shown on Schedule 'A', so that the said trees, shrubs, plants, bushes, groundcover, vegetation and other forms of plant life remain for the most part, in a naturally vegetated state in perpetuity, except for reasonable water access trails and very limited pruning;

(c) the Covenantor shall ensure that any clearing and/ or excavation done on the said lands shall be completed in such a manner to ensure that the release of silt, concrete, leachate or any other deleterious substances shall not fall into said water bodies, ditches, storm sewers or overland flow. And the Covenantor shall further ensure that all construction and excavation wastes, over burden, soil , or other substances deleterious to aquatic life shall be disposed of or placed in such a manner as to prevent their entry into any watercourse or storm sewer system; and

(d) the Covenantor shall, at the expense of the Covenantor, do or cause to be done all acts reasonably necessary to grant priority to this Agreement over all charges and encumbrances which may have been registered against the title to the said lands in the Victoria Land Title Office save and except those specifically approved in writing by the Covenantee or in favour of the Covenantee;

(e) the Covenantor shall not construct dwellings within 15 meters of the covenant boundary as boldly outlined the Sketch Plan annexed hereto as Schedule 'A';

(f) the Covenantor shall not construct any dwelling where the lowest habitable floor is less than 4 meters above the natural boundary

2. IT IS MUTUALLY UNDERSTOOD AND AGREED by and between the parties here that;

(a) In this agreement the term:

1. "natural boundary" means the mean natural water boundary of Hot Springs Cove and Sydney Inlet

(b) nothing contained or implied herein shall prejudice or affect the right and powers of the Covenantee in the exercise of its functions under any public and private statutes, bylaws, orders and regulations, all of which may be fully and effectively exercised in relation to the said lands as if this Agreement had not been executed and delivered by the Covenantor;

(c) the covenants set forth herein shall charge the said lands pursuant to Section 219 of the Land Title Act and shall be covenants the burden of which shall run with the said lands. It is further expressly agreed that the benefit of all covenants made by the Covenantor herein shall accrue solely to the

Covenantee and that this Agreement may only be modified or discharged by agreement of the Covenantee, pursuant to the provisions of Section 219(5) of the Land Title Act;

(d) notwithstanding anything contained herein, the Covenantor shall not be liable under any of the covenants and agreements contained herein where such liability arises by reason of an act or omission occurring after the Covenantor ceases to have any further interest in the lands;

(e) wherever the singular or masculine is used herein, the same shall be construed as meaning the plural, feminine or body corporate or politic where the context or the parties so require;

(f) this Agreement shall ensure to the benefit of and be binding upon the parties hereto, their respective successors and assigns; and

(g) the parties hereto shall do and cause to be done all things and execute and cause to be executed all documents which may be necessary to give proper effect to the intention of this Agreement.

IN WITNESS WHEREOF the Covenantor has executed this Agreement as of the day and year first above written

Hot Springs Cove Holdings Ltd.

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

This is the Instrument creating the covenant entered into under Section 219 of the Land Title Act by the registered owner referred to herein and shown on the print of the plan annexed hereto and initialled by me.

Approving Officer