

BV063626

21 FEB 2003 15 00

BV063629

**LAND TITLE ACT
FORM C**

(Section 219.81)

Province of British Columbia

GENERAL INSTRUMENT - PART 1

(This area for Land Title Office use)

Page 1 of 17 pages

1. APPLICATION: (Name, address, phone number and signature of applicant, applicant's solicitor or agent)

4#

Kathy Shum, c/o Lando & Company, Barristers & Solicitors, PO Box 11140,
2010 - 1055 West Georgia Street, Vancouver, BC, V6E 3P3
(Client No. 010394)
Phone: 604-682-6821

NANCY RINTOUL, AGENT #11506

Signature of Authorized Agent

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:*

(PID)

(LEGAL DESCRIPTION)

SEE SCHEDULE

3. NATURE OF INTEREST: * DOCUMENT REFERENCE PERSON ENTITLED TO INTEREST
DESCRIPTION:

SEE SCHEDULE

4. TERMS: Part 2 of this instrument consists of (select one only):

38 03/02/21 15:00:53 01 LM 439185
CHARGE \$220.00

- (a) Filed Standard Charge Terms D.F. Number
- (b) Express Charge Terms Annexed as Part 2
- (c) Release There is no Part 2 of this instrument

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument.
If (c) is selected, the charge described in Item 3 is released or discharged as a charge on the land described in Item 2.

5. TRANSFEROR(S):*

SEE SCHEDULE

6. TRANSFEREE(S): (including postal address(es) and postal code(s))*

SEE SCHEDULE

7. ADDITIONAL or MODIFIED TERMS: * N/A

8. EXECUTION(S): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)

TAMARA A. HUCULAK
P.O. BOX 11140 PHONE 682-6821
2010 - 1055 WEST GEORGIA STREET
VANCOUVER, B.C. V6E 3P3
SOLICITOR

448770003

Execution Date

Y	M	D
2003	01	29

Transferor/Party Signature(s)

OCEAN PROMENADE DEVELOPMENTS INC.
by its authorized signatories

Name: HANS DAVE

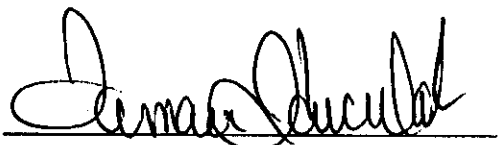
Name:

2/2

**LAND TITLE ACT
FORM D
EXECUTIONS CONTINUED**

USE BLACK INK ONLY

Officer Signature(s)



TAMARA A. HUCULAK
P.O. BOX 11140 PHONE 682-6821
2010 - 1055 WEST GEORGIA STREET
VANCOUVER, B.C. V6E 3P3
SOLICITOR



TAMARA A. HUCULAK
P.O. BOX 11140 PHONE 682-6821
2010 - 1055 WEST GEORGIA STREET
VANCOUVER, B.C. V6E 3P3
SOLICITOR

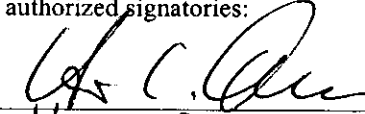
Execution Date

Y	M	D
2003	01	29
2003	02	05

USE BLACK INK ONLY

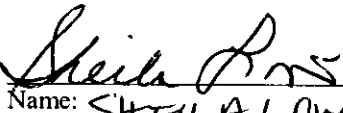
Transferor/Borrower/Party
Signature(s)

OCEAN PROMENADE DEVELOPMENTS INC.
by its authorized signatories:


Name: HANS DUVE

Name: _____

**SUNRAY ADVANCED HOTEL
MANAGEMENT INC.**, by its authorized
signatories:


Name: SHEILA LOW

Name: _____

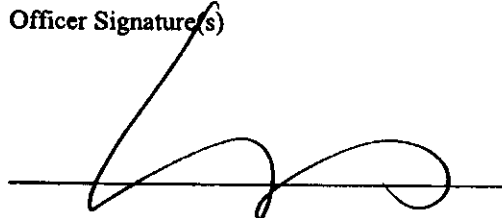
OFFICER CERTIFICATION: Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1979, c. 116, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

- If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.
- If space in any box insufficient, continue executions on additional page(s) in Form D.

**LAND TITLE ACT
FORM D
EXECUTIONS CONTINUED**

USE BLACK INK ONLY

Officer Signature(s)



DOUGLAS H. BRAUN
Barrister & Solicitor
#301 - 15117 - 101st Avenue
Surrey, B.C. V3R 6P7
Tel: 588-5344

As To The Signature Of Norm Krannitz


Execution Date


Y	M	D
2003	2	5

USE BLACK INK ONLY

Party Signature(s)

COAST CAPITAL SAVINGS CREDIT UNION
by its authorized signatories: (DF BT229132)


Name: DANIELLE LAXEL


Name: NORM KRANNITZ

OFFICER CERTIFICATION: Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1979, c. 116, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

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**LAND TITLE ACT
FORM D
EXECUTIONS CONTINUED**

USE BLACK INK ONLY

Officer Signature(s)



PETER NIKOLICH
Barrister & Solicitor
#300 - 1005 Langley Street
Victoria, B.C. V8W 1V7
(250) 388-6600

Execution Date

Y	M	D
2003	02	05

USE BLACK INK ONLY

Party Signature(s)

**CAREVEST CAPITAL INC., formerly
VENSTAR FINANCIAL INC.** by its authorized
signatories:



Name: **Jill Plasteras**
Controller

Name:

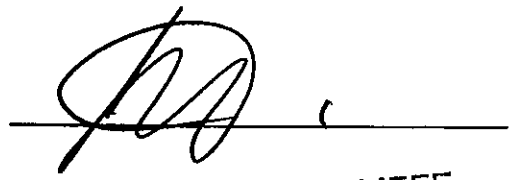
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If space in any box insufficient, continue executions on additional page(s) in Form D.

**LAND TITLE ACT
FORM D
EXECUTIONS CONTINUED**

USE BLACK INK ONLY

Officer Signature(s)



**JAMES E. SUTCLIFFE
P.O. BOX 11130 ROYAL CENTRE
1055 WEST GEORGIA STREET
VANCOUVER, B.C. V6E 3R3
BARRISTER & SOLICITOR**

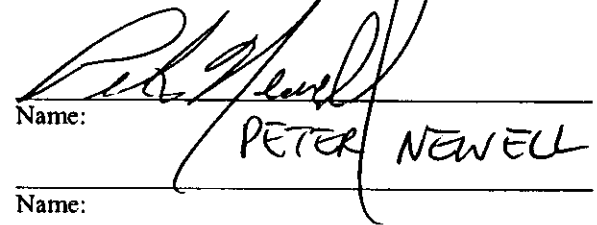
Execution Date

Y	M	D
2003	02	17

USE BLACK INK ONLY

Party Signature(s)

BALLENAS PROJECT MANAGEMENT LTD.
by its authorized signatories:


Name: PETER NEWELL
Name: _____

OFFICER CERTIFICATION: Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act, R.S.B.C. 1979, c. 116*, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

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LAND TITLE ACT**FORM E
SCHEDULE**

Page 6

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM OR GENERAL DOCUMENT FORM.

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:*
(PID) (LEGAL DESCRIPTION)

025-585-461	Strata Lot 1 Section 11 Township 1 NWD Plan BCS226
025-585-479	Strata Lot 2 Section 11 Township 1 NWD Plan BCS226
025-585-487	Strata Lot 3 Section 11 Township 1 NWD Plan BCS226
025-585-495	Strata Lot 4 Section 11 Township 1 NWD Plan BCS226
025-585-509	Strata Lot 5 Section 11 Township 1 NWD Plan BCS226
025-585-517	Strata Lot 6 Section 11 Township 1 NWD Plan BCS226
025-585-525	Strata Lot 7 Section 11 Township 1 NWD Plan BCS226
025-585-533	Strata Lot 8 Section 11 Township 1 NWD Plan BCS226
025-585-541	Strata Lot 9 Section 11 Township 1 NWD Plan BCS226
025-585-550	Strata Lot 10 Section 11 Township 1 NWD Plan BCS226
025-585-568	Strata Lot 11 Section 11 Township 1 NWD Plan BCS226
025-585-576	Strata Lot 12 Section 11 Township 1 NWD Plan BCS226
025-585-584	Strata Lot 13 Section 11 Township 1 NWD Plan BCS226
025-585-592	Strata Lot 14 Section 11 Township 1 NWD Plan BCS226
025-585-606	Strata Lot 15 Section 11 Township 1 NWD Plan BCS226
025-585-614	Strata Lot 16 Section 11 Township 1 NWD Plan BCS226
025-585-622	Strata Lot 17 Section 11 Township 1 NWD Plan BCS226
025-585-631	Strata Lot 18 Section 11 Township 1 NWD Plan BCS226
025-585-649	Strata Lot 19 Section 11 Township 1 NWD Plan BCS226
025-585-657	Strata Lot 20 Section 11 Township 1 NWD Plan BCS226
025-585-665	Strata Lot 21 Section 11 Township 1 NWD Plan BCS226
025-585-673	Strata Lot 22 Section 11 Township 1 NWD Plan BCS226
025-585-681	Strata Lot 23 Section 11 Township 1 NWD Plan BCS226
025-585-690	Strata Lot 24 Section 11 Township 1 NWD Plan BCS226
025-585-703	Strata Lot 25 Section 11 Township 1 NWD Plan BCS226
025-585-711	Strata Lot 26 Section 11 Township 1 NWD Plan BCS226
025-585-720	Strata Lot 27 Section 11 Township 1 NWD Plan BCS226
025-585-738	Strata Lot 28 Section 11 Township 1 NWD Plan BCS226
025-585-746	Strata Lot 29 Section 11 Township 1 NWD Plan BCS226
025-585-754	Strata Lot 30 Section 11 Township 1 NWD Plan BCS226
025-585-762	Strata Lot 31 Section 11 Township 1 NWD Plan BCS226
025-585-771	Strata Lot 32 Section 11 Township 1 NWD Plan BCS226
025-585-789	Strata Lot 33 Section 11 Township 1 NWD Plan BCS226
025-585-797	Strata Lot 34 Section 11 Township 1 NWD Plan BCS226
025-585-801	Strata Lot 35 Section 11 Township 1 NWD Plan BCS226
025-585-819	Strata Lot 36 Section 11 Township 1 NWD Plan BCS226
025-585-827	Strata Lot 37 Section 11 Township 1 NWD Plan BCS226
025-585-835	Strata Lot 38 Section 11 Township 1 NWD Plan BCS226
025-585-843	Strata Lot 39 Section 11 Township 1 NWD Plan BCS226

44877\0003

LAND TITLE ACT

FORM E
SCHEDULE

Page 7

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM OR GENERAL DOCUMENT FORM.

025-585-851	Strata Lot 40 Section 11 Township 1 NWD Plan BCS226
025-585-860	Strata Lot 41 Section 11 Township 1 NWD Plan BCS226
025-585-878	Strata Lot 42 Section 11 Township 1 NWD Plan BCS226

- | 3. NATURE OF INTEREST:*
INTEREST
DESCRIPTION | DOCUMENT REFERENCE
(page and paragraph) | PERSON ENTITLED TO |
|---|--|---|
| (a) Restrictive Covenant over
Strata Lots 1-39 | Page 11, paragraph 2 | Registered Owner of Strata Lots 40,
41, and 42, Strata Plan No.
BCS226 and
Tenant under Lease <u>BV63625</u> |
| (b) Restrictive Covenant over
Strata Lots 40, 41 & 42 | Page 12, paragraph 10 | Registered owner of Strata Lots
1 to 39, Strata Plan BCS226 |
| (c) Priority Agreement(s) granting
Restrictive Covenants
<u>BV63626 + BV63627</u> over
Mortgage BT199502 and Assignment of Rents BT199503;
Mortgage BT73150 and Assignment of Rents BT73151
Mortgage BR286843 and Assignment of Rents BR286844 | | |
4. TRANSFEROR(S):
- OCEAN PROMENADE DEVELOPMENTS INC. (as to grant of covenant in item 3(a) in its capacity as registered owner of Strata Lots 1-39); OCEAN PROMENADE DEVELOPMENTS INC. (as to grant of covenant in item 3(b) in its capacity as registered owner of Strata Lots 40, 41 and 42)
5. TRANSFEREE(S): (including postal address(es) and postal code(s)):
- OCEAN PROMENADE DEVELOPMENTS INC., (Inc. No. 627601) of #206-145 West 15th Street, North Vancouver, British Columbia, V7M 1R9 (as to grant of covenant in item 3(b) in its capacity as registered owner of Strata Lots 40, 41 & 42; and
- SUNRAY ADVANCED HOTEL MANAGEMENT INC. (Inc. No. 604152) of 1160 King George Highway, Surrey, British Columbia, V4A 4Z2 (as to grant of covenant in item 3(a)); and
- OCEAN PROMENADE DEVELOPMENTS INC. (Inc. No. 627601) of #206-145 West 15th Street, North Vancouver, British Columbia, V7M 1R9 (as to grant of covenant in item 3(a) in its capacity as registered owner of Strata Lots 1-39);

TERMS OF INSTRUMENT – PART 2**HOTEL USE COVENANT**

THIS COVENANT is made as of January 29, 2003

BETWEEN:

OCEAN PROMENADE DEVELOPMENTS INC.
(Inc. No. 627601) of #206-145 West 15th Street
North Vancouver, British Columbia
V7M 1R9

(the "Hotel Strata Lot Owner")

AND:

OCEAN PROMENADE DEVELOPMENTS INC.
(Inc. No. 627601) of #206-145 West 15th Street
North Vancouver, British Columbia
V7M 1R9

(the "Commercial Retail Lots Owner")

AND:

SUNRAY ADVANCED HOTEL MANAGEMENT INC.
(Inc. No. 604152) of 1160 King George Highway
Surrey, British Columbia, V4A 4Z2

("Sunray")

(the Commercial Retail Lots Owner and Sunray are collectively referred to herein as the "Transferees")

WHEREAS:

A. The Hotel Strata Lot Owner is the registered owner in fee simple of those strata lots located in the City of White Rock in the Province of British Columbia, legally described as:

Strata Lots 1 to 39
Section 11 Township 1 NWD Plan BCS226

(collectively, the "Hotel Strata Lots");

B. The Commercial Retail Lots Owner is the registered owner in fee simple of those strata lots located in the City of White Rock in the Province of British Columbia, legally described as:

Strata Lots 40, 41 & 42
Section 11 Township 1 NWD Plan BCS226

(the "Commercial Retail Lots")

C. Sunray is the tenant of the Commercial Retail Lots pursuant to a lease (the "Commercial Retail Lots Lease") dated February 5, 2003 and registered in the Vancouver/New Westminster Land Title Office and is responsible under the Commercial Retail Lots Lease for the control, management and administration of the Commercial Retail Lots;

D. The development containing the Hotel Strata Lots and the Commercial Retail Lots is intended to be operated as a hotel (the "Hotel");

E. It is desirable, for the greater benefit and enjoyment of the Commercial Retail Lots and the Hotel Strata Lots, that certain restrictions be placed on the use of the Hotel Strata Lots and the Commercial Retail Lots so as to ensure that, at all times, the Hotel Strata Lots will be available for and operated in a collective manner as a hotel, and that the Commercial Retail Lots will be used to provide facilities considered necessary or desirable in the operation of a hotel and accordingly, the Hotel Strata Lot Owner and Commercial Retail Lots Owner have agreed to enter into this Covenant;

F. Section 79 of the *Strata Property Act* (British Columbia) provides that to grant a restrictive covenant affecting the land that is a common asset, a strata corporation must proceed as follows:

- (1) a resolution approving the disposition must be passed by a $\frac{3}{4}$ vote at an annual or special general meeting; and
- (2) any document needed to effect the disposition must be executed by the strata corporation and delivered to the land title office accompanied by a Certificate of Strata Corporation in prescribed form, stating that the resolution has been passed and that the document conforms to the resolution;

G. A Certificate of Strata Corporation in Form E under the *Strata Property Act* (British Columbia) stating that the resolution approving the grant of the restrictive covenant has been passed and that this document conforms to the resolution is attached as Schedule B hereto; and

H. Pursuant to subsection 78(3) of the *Strata Property Act* (British Columbia), a strata corporation may, without prior approval, accept a grant of a restrictive covenant benefiting land included in a strata plan.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises and the sum of Ten (\$10.00) Dollars, now paid by each party hereto to the other (the receipt and sufficiency whereof are hereby acknowledged), each party hereto covenants and agrees with the other as follows:

Definitions

1. In this Covenant, the following terms shall have the following meanings:
 - 1.1. the term "Commercial Retail Lot" means any one of the Commercial Retail Lots and the term "Commercial Retail Lots" means all of them;
 - 1.2. the term "Commercial Retail Lot Owner" means the Registered Owner of a Commercial Retail Lot and the spouse, children and parents of such Registered Owner and the parents and children of the Registered Owner's spouse; and where there is more than one Registered Owner of a Commercial Retail Lot, all the Registered Owners and their spouses, children, parents and the parents of their spouses shall together constitute the "Commercial Retail Lot Owner" for that Commercial Retail Lot and, where the Registered Owner is a corporation or corporations, all directors, officers, shareholders and employees and the spouses, children, parents and parents of spouses of each of them shall together with the corporation or corporations constitute the "Commercial Retail Lot Owner" for that Commercial Retail Lot;
 - 1.3. the term "Day" means any period of 24 consecutive hours, commencing at 2:00 p.m. on any day and ending at 2:00 p.m. on the immediately following day;
 - 1.4. the term "Public" means all persons other than the Hotel Strata Lot Owner;
 - 1.5. the term "Public Hotel Use" means the use of a Hotel Strata Lot for commercial rental to the Public for the transient accommodation of tourists, visitors and travellers;
 - 1.6. the term "Hotel Booking System" means a management system or arrangement to provide for the orderly and assured management of reservations and use of Hotel Strata Lots by the Public and by the Hotel Strata Lot Owner;
 - 1.7. the term "Registered Owner" means the person registered in the register of the Land Title Office as owner in fee simple of the Hotel Strata Lot or Commercial Retail Lot;
 - 1.8. the term "Seasonal Vacation Use" means use of a Hotel Strata Lot by the Hotel Strata Lot Owner as a vacation residence on a limited seasonal or periodic basis pursuant to Section 2 of this Covenant;
 - 1.9. the term "Summer Period" means the period from 2:00 p.m. May 1 to 2:00 p.m. September 30 of each year;
 - 1.10. the term "Hotel Strata Lot" means any one of the Hotel Strata Lots and the term "Hotel Strata Lots" means all of them;
 - 1.11. the term "Hotel Strata Lot Owner" means the Registered Owner of a Hotel Strata Lot and the spouse, children and parents of such Registered Owner and the parents and children of the Registered Owner's spouse; and where there is more than one Registered Owner of a Hotel Strata Lot, all the Registered Owners and their spouses, children, parents and the parents of their spouses shall together constitute

the "Hotel Strata Lot Owner" for that Hotel Strata Lot and, where the Registered Owner is a corporation or corporations, all directors, officers, shareholders and employees and the spouses, children, parents and parents of spouses of each of them shall together with the corporation or corporations constitute the "Hotel Strata Lot Owner" for that Hotel Strata Lot;

- 1.12. the term "Personal Use" means the use of a Strata Lot by the Hotel Strata Lot Owner and its successors in title permitted by the Manager;
- 1.13. the word "Used" includes the purpose to which a Hotel Strata Lot is put, and includes to reside, sleep, inhabit or otherwise occupy, as the context requires;
- 1.14. the term "Weekly Period" means any seven consecutive days;
- 1.15. the term "Winter Period" means any period from 2:00 p.m. on September 30 to 2:00 p.m. on May 1 in the immediately following Year; and
- 1.16. "Year" means a calendar year.

Use of Hotel Strata Lots

2. The Hotel Strata Lot Owner covenants and agrees, with the intent that this Covenant shall run with and burden each of the Hotel Strata Lots and with the intent that this Covenant shall be for the benefit each of the Commercial Retail Lots and the Commercial Retail Lots Lease, that for so long as the Commercial Retail Lots are used in the operation of the Hotel Booking System and/or to provide services to the Hotel Strata Lots, the Hotel Strata Lot Owner will not occupy, use or permit or cause to be occupied or used, all or any portion of any Hotel Strata Lot for any purpose whatsoever other than for Public Hotel Use or Personal Use;
3. A Hotel Strata Lot Owner shall not use his or her Hotel Strata Lot for more than 42 Days in any Year (hereinafter called the "Permitted Annual Allotment") and for clarification, where there is more than one person who is a Hotel Strata Lot Owner, not each Hotel Strata Lot Owner is entitled to a Permitted Annual Allotment and instead, all the Hotel Strata Lot Owners are together entitled to one Permitted Annual Allotment and all other restrictions in this Covenant are collective restrictions
4. Of the Permitted Annual Allotment, not more than 28 days shall be in the Winter Period (hereinafter called the "Permitted Winter Allotment") of which there shall not be more than 4 Weekly Periods and not more than 14 Days shall be in the Summer Period (hereinafter called the "Permitted Summer Allotment") of which there shall not be more than 2 Weekly Periods.
5. A Hotel Strata Lot Owner shall not book his or her Hotel Strata Lot without specifying in writing to the Hotel Booking System at least 90 days prior to the Hotel Strata Lot Owner's desired use of the Hotel Strata Lot for periods of at least one Weekly Period and at least 7 days prior to the Hotel Strata Lot Owner's desired use of the Hotel Strata Lot for periods of less than one Weekly Period. In the event the Hotel Strata Lot Owner fails to reserve his or her Hotel Strata Lot as provided in this Section, the Hotel Strata Lot must continue to be made available to the Public and the Hotel Strata Lot may not be later reserved for use by a Hotel Strata Lot Owner if the Hotel Strata Lot has previously been booked by a Public

guest unless prior to the arrival of the guest, the guest is able to be accommodated in another equivalent Hotel Strata Lot for the duration of the guest's stay.

6. In the event the Hotel Strata Lot Owner reserves his or her Hotel Strata Lot pursuant to Section 2.2 but does not actually use the Hotel Strata Lot during the Day or Days so reserved, the Hotel Strata Lot Owner shall still be deemed to have used the Hotel Strata Lot for the Day or Days so reserved unless at least 48 hours prior to the Hotel Strata Lot Owner's scheduled use of the Hotel Strata Lot the Registered Owner cancels such reservation, with the approval of the manager or operator of the Hotel Booking System.
7. In the event the Hotel Strata Lot Owner does not use the full amount of Days permitted to be used by the Hotel Strata Lot Owner pursuant to this Section 2 an any Year, Winter Period or Summer Period, as the case may be, the Hotel Strata Lot Owner shall not be entitled to accumulate or otherwise use the unused Days in any future Year, Winter Period or Summer Period.
8. Subject to the use by Hotel Strata Lot Owners permitted by this Section 2 or any approval of the City of White Rock, all Hotel Strata Lots must be made available at all times to the Public for Public Hotel Use. The Hotel Booking System shall be free to accept reservations at any time from the Public for the use of any Hotel Strata Lot for any future Day or Days, unless the Hotel Strata Lot Owner shall prior to the request for a reservation from the Public have already reserved that Day or those Days pursuant to Section 5.
9. Notwithstanding Section 5, a Hotel Strata Lot Owner may through the Hotel Booking System reserve and use his or her Hotel Strata Lot on such other terms and conditions as may from time to time be approved in writing by the City of White Rock.

Use of Commercial Retail Lots

10. The Commercial Retail Lots Owner covenants and agrees, with the intent that this covenant shall run with and burden each of the Commercial Retail Lots and with the intent that this covenant shall be for the benefit of each of the Hotel Strata Lots, that for so long as the Hotel Strata Lots are used for Public Hotel Use or Personal Use, the Hotel Strata Lot Owner will not occupy, use or permit or cause to be occupied or used, all or any portion of the Commercial Retail Lots for any purpose whatsoever other than in the operation of the Hotel Booking System and/or to provide services to the Hotel Strata Lots.

Postponement

11. No mortgage, assignment of rents or other security, including any renewals, modifications, replacements or extensions thereof (collectively, the "Security"), will be registered against title to the Hotel Strata Lots or the Commercial Retail Lots which ranks or purports to rank in priority to this Covenant.

Exercise of Transferees' Rights

12. Notwithstanding anything contained in this Agreement, so long as the Manager holds a leasehold interest in the Commercial Retail Lots, any decision by the Transferees as to whether a Hotel Strata Lot Owner is in default in the performance of its obligations hereunder or, in the event of such default, the action to be taken or remedies to be pursued by the Transferees will be made solely by the Manager. In that regard, the Hotel Strata Lot

Owner hereby irrevocably appoints the Manager as the agent, authorized signatory and attorney of the Hotel Strata Lot Owner for the purpose of:

- 12.1. exercising, enforcing, deferring or waiving all of the rights of the Transferees under this Agreement as and when considered appropriate by the manager in its sole discretion; and
- 12.2. executing and delivering all documents, instruments, notices, agreements and further assurances deemed necessary or desirable by the Manager in exercising its rights under this section, including any modifications or amendments of this Agreement,

without any obligation to consult with, notify or obtain the consent or approval of the Hotel Strata Lot Owner. The Hotel Strata Lot Owner hereby unconditionally releases and forever discharges the Manager from all present and future liability to the Hotel Strata Lot Owner for any loss, cost, damage or expense arising out of any action taken by the Manager on behalf of the Hotel Strata Lot Owner pursuant to this Section 12 including any decision by the Manager not to take any action against a Hotel Strata Lot Owner as contemplated above.

General Matters

13. The Hotel Strata Lot Owner shall ensure that each Hotel Strata Lot shall only be available and offered for rental to the transient public through the Hotel Booking System operated by the Manager.
14. The Commercial Retail Lot Owner shall ensure that the Commercial Retail Lots shall only be made available to the Manager and the Manager's agents, employees, licensees and permitted assignees for the operation of the Hotel Booking System and/or to provide services to the Hotel Strata Lots.
15. The Hotel Strata Lot Owner and the Commercial Retail Lots Owner shall each do and shall cause to be done all things and shall execute and cause to be executed all plans, documents and other instruments which may be necessary to give proper effect to the intention of this Covenant. Without limitation, the Registered Owner from time to time of any Hotel Strata Lot will, prior to and as a condition of the sale, transfer or assignment of the Strata Lot or any interest therein of which the Registered Owner is the owner, require the purchaser, transferee or assignee to duly execute and deliver to the Manager an agreement whereby such purchaser, transferee or assignee agrees to assume the Registered Owner's responsibilities under the Hotel Management and Rental Pool Agreement or, if required by the Manager, a new Hotel Management and Rental Pool Agreement in the Manager's standard form from time to time. Notwithstanding this obligation, if the Registered Owner from time to time of any Hotel Strata Lot or Commercial Retail Lot sells, transfers or assigns its Strata Lot or any interest therein without concurrently obtaining an assumption agreement from such purchaser, transferee or assignee, then the interest of such Registered Owner under the Hotel Management and Rental Pool Agreement will automatically be assigned to and assumed by the purchaser, transferee or assignee of such Registered Owner's interest in its Strata Lot.
16. No amendment to this Covenant is valid unless in writing and executed by the parties. It is understood and agreed that the Hotel Management and Rental Pool Agreement may be

modified, amended, superseded or replaced from time to time as may be permitted or required pursuant to the terms of the Hotel Management and Rental Pool Agreement. In the event that the Hotel Management and Rental Pool Agreement is so modified, amended, superseded or replaced, each of the Hotel Strata Lot Owners will, if requested by the Manager from time to time, promptly execute an amendment to this Covenant in registrable form to reflect any amendment or modification to the Hotel Management and Rental Pool Agreement.

17. All provisions of this Covenant are to be construed as covenants and should any section, or part thereof of this Covenant, be held invalid or unenforceable by a court of competent jurisdiction, the invalid or unenforceable part shall be severed and the invalidity or unenforceability of such section or part shall not affect the validity of the remainder which shall remain binding on the Hotel Strata Lot Owners and shall charge the Hotel Strata Lots and the Commercial Retail Lots and be enforceable to the fullest extent of the law.
18. Time is of the essence of this Covenant.
19. The covenants of each grantor contained herein shall be personal and binding upon such party only during its ownership of any interest in the Hotel Strata Lots or part thereof or the Commercial Retail Lots or part thereof, as the case may be, but the Hotel Strata Lots and the Commercial Retail Lots shall nevertheless be and remain at all times charged herewith, to the intent that upon the transfer of all interest of the grantor in the Hotel Strata Lots or part thereof or the Commercial Retail Lots or part thereof, as the case may be, the grantor shall be freed and discharged from the observance and performance thereafter of the covenants on its part in respect of the Hotel Strata Lots or part thereof or the Commercial Retail Lots or part thereof, as the case may be, on its part to be observed and performed.
20. This Covenant shall charge the Hotel Strata Lots and the Commercial Retail Lots and the burden of all the covenants herein shall run with the Hotel Strata Lots and the Commercial Retail Lots and charge the Hotel Strata Lots and the Commercial Retail Lots and every part into which the Hotel Strata Lots and the Commercial Retail Lots may be divided or subdivided.
21. This Covenant shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. Without limiting the foregoing, this Covenant will bind any Registered Owner from time to time of any Strata Lot to the same extent as if that Registered Owner had executed and delivered this Covenant as the act and deed of such Registered Owner.

IN WITNESS WHEREOF the parties have executed this Covenant on the Form C and Form D attached hereto.

CONSENT AND PRIORITY AGREEMENT OF CHARGE HOLDERS:**COAST CAPITAL SAVINGS CREDIT UNION, (DF BT229132)**

HOLDER OF A MORTGAGE AND ASSIGNMENT OF RENTS REGISTERED UNDER NUMBERS BT199502 AND BT199503 respectively
WHEREAS BY AN INSTRUMENT REGISTERED IN THE NEW WESTMINSTER LAND TITLE OFFICE ON THE 10TH DAY OF JUNE, 2002, UNDER NUMBERS BT199502 AND BT199503, COAST CAPITAL SAVINGS CREDIT UNION (THE "PRIOR CHARGE") WAS GRANTED A MORTGAGE AND AN ASSIGNMENT OF RENTS (THE "PRIOR CHARGE") IN RESPECT OF THE LAND DESCRIBED IN THE ATTACHED SECTION 219 COVENANT (THE "SUBSEQUENT CHARGE")

AND WHEREAS THE PRIOR CHARGEE CONSENTS TO AND AGREES THAT THE SUBSEQUENT CHARGE SHALL HAVE PRIORITY OVER THE PRIOR CHARGE. THEREFORE IN CONSIDERATION OF ONE (\$1.00) DOLLAR AND OTHER GOOD AND VALUABLE CONSIDERATION (THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED), THE PRIOR CHARGE HEREBY APPROVES OF, JOINS IN, CONSENTS TO AND GRANTS THE TRANSFEREE (THE "SUBSEQUENT CHARGE") PRIORITY OVER THE INTEREST OF THE PRIOR CHARGE IN THE LAND AND POSTPONES THE RIGHT, TITLE AND INTEREST OF THE PRIOR CHARGE IN THE LAND TO THE SUBSEQUENT CHARGE AS IF THE PRIOR CHARGE HAD BEEN REGISTERED IMMEDIATELY AFTER THE REGISTRATION OF THE SUBSEQUENT CHARGE AND NOTWITHSTANDING THE RESPECTIVE DATES AND TIME OF EXECUTION AND REGISTRATION OF THE CHARGES OR THE RESPECTIVE DATES OF ADVANCEMENT OF MONEYS UNDER THEM.

AS EVIDENCE OF THEIR AGREEMENT TO BE BOUND BY THE ABOVE TERMS, THE PARTIES EACH HAVE EXECUTED AND DELIVERED THIS AGREEMENT UNDER SEAL BY EXECUTING PART 1 OF THE *LAND TITLE ACT* FROM C TO WHICH THIS AGREEMENT IS ATTACHED AND WHICH FORMS PART OF THIS AGREEMENT.

CONSENT AND PRIORITY AGREEMENT OF CHARGE HOLDERS:**CAREVEST CAPITAL INC. (formerly VENSTAR FINANCIAL INC.)****HOLDER OF A MORTGAGE AND ASSIGNMENT OF RENTS REGISTERED UNDER NUMBERS BT73150 AND BT73151 respectively****WHEREAS BY AN INSTRUMENT REGISTERED IN THE NEW WESTMINSTER LAND TITLE OFFICE ON THE 4TH DAY OF MARCH, 2002, UNDER NUMBERS BT73150 AND BT73151, CAREVEST CAPITAL INC. (formerly VENSTAR FINANCIAL INC.) (THE "PRIOR CHARGE") WAS GRANTED A MORTGAGE AND AN ASSIGNMENT OF RENTS (THE "PRIOR CHARGE") IN RESPECT OF THE LAND DESCRIBED IN THE ATTACHED SECTION 219 COVENANT (THE "SUBSEQUENT CHARGE")****AND WHEREAS THE PRIOR CHARGEE CONSENTS TO AND AGREES THAT THE SUBSEQUENT CHARGE SHALL HAVE PRIORITY OVER THE PRIOR CHARGE. THEREFORE IN CONSIDERATION OF ONE (\$1.00) DOLLAR AND OTHER GOOD AND VALUABLE CONSIDERATION (THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED), THE PRIOR CHARGEE HEREBY GRANTS THE TRANSFEREE (THE "SUBSEQUENT CHARGE") PRIORITY OVER THE INTEREST OF THE PRIOR CHARGEE IN THE LAND AND POSTPONES THE RIGHT, TITLE AND INTEREST OF THE PRIOR CHARGEE IN THE LAND TO THE SUBSEQUENT CHARGE AS IF THE PRIOR CHARGE HAD BEEN REGISTERED IMMEDIATELY AFTER THE REGISTRATION OF THE SUBSEQUENT CHARGE AND NOTWITHSTANDING THE RESPECTIVE DATES AND TIME OF EXECUTION AND REGISTRATION OF THE CHARGES OR THE RESPECTIVE DATES OF ADVANCEMENT OF MONEYS UNDER THEM.****AS EVIDENCE OF THEIR AGREEMENT TO BE BOUND BY THE ABOVE TERMS, THE PARTIES EACH HAVE EXECUTED AND DELIVERED THIS AGREEMENT UNDER SEAL BY EXECUTING PART 1 OF THE *LAND TITLE ACT* FROM C TO WHICH THIS AGREEMENT IS ATTACHED AND WHICH FORMS PART OF THIS AGREEMENT.**

CONSENT AND PRIORITY AGREEMENT OF CHARGE HOLDERS:**BALLENAS PROJECT MANAGEMENT LTD.**

HOLDER OF A MORTGAGE AND ASSIGNMENT OF RENTS REGISTERED UNDER NUMBERS BR286843 AND BR286844 respectively

WHEREAS BY AN INSTRUMENT REGISTERED IN THE NEW WESTMINSTER LAND TITLE OFFICE ON THE 30TH DAY OF OCTOBER, 2001, UNDER NUMBERS BR286843 AND BR286844, BALLENAS PROJECT MANAGEMENT LTD. (THE "PRIOR CHARGE") WAS GRANTED A MORTGAGE AND AN ASSIGNMENT OF RENTS (THE "PRIOR CHARGE") IN RESPECT OF THE LAND DESCRIBED IN THE ATTACHED SECTION 219 COVENANT (THE "SUBSEQUENT CHARGE")

AND WHEREAS THE PRIOR CHARGEE CONSENTS TO AND AGREES THAT THE SUBSEQUENT CHARGE SHALL HAVE PRIORITY OVER THE PRIOR CHARGE. THEREFORE IN CONSIDERATION OF ONE (\$1.00) DOLLAR AND OTHER GOOD AND VALUABLE CONSIDERATION (THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED), THE PRIOR CHARGEE HEREBY CONSENTS TO AND GRANTS THE TRANSFEREE (THE "SUBSEQUENT CHARGE") PRIORITY IN RESPECT OF THE SUBSEQUENT CHARGE'S RIGHT, TITLE AND INTEREST IN THE LAND PURSUANT TO THE SUBSEQUENT CHARGE OVER THE INTEREST OF THE PRIOR CHARGEE IN THE LAND PURSUANT TO THE PRIOR CHARGE AND POSTPONES THE RIGHT, TITLE AND INTEREST OF THE PRIOR CHARGEE IN THE LAND PURSUANT TO THE PRIOR CHARGE TO THE RIGHT, TITLE AND INTEREST OF THE SUBSEQUENT CHARGE PURSUANT TO THE SUBSEQUENT CHARGE AS IF THE PRIOR CHARGE HAD BEEN REGISTERED IMMEDIATELY AFTER THE REGISTRATION OF THE SUBSEQUENT CHARGE AND NOTWITHSTANDING THE RESPECTIVE DATES AND TIME OF EXECUTION AND REGISTRATION OF THE CHARGES OR THE RESPECTIVE DATES OF ADVANCEMENT OF MONEYS UNDER THEM.

AS EVIDENCE OF THEIR AGREEMENT TO BE BOUND BY THE ABOVE TERMS, THE PARTIES EACH HAVE EXECUTED AND DELIVERED THIS AGREEMENT UNDER SEAL BY EXECUTING PART 1 OF THE *LAND TITLE ACT* FROM C TO WHICH THIS AGREEMENT IS ATTACHED AND WHICH FORMS PART OF THIS AGREEMENT.

END OF DOCUMENT