This Sealand Phaseout Agreement dated for reference December   , 1992

Between:

> **The Corporation of the District of Oak Bay**, 2167 Oak Bay Avenue, Victoria, B.C., V8R 1G2
>
> (the "Municipality")

And:

> **Oak Bay Marina Ltd.**, a British Columbia company, Inc. No. 51515 and **Oak Bay Marina (1992) Ltd.**, a British Columbia company, Inc. No. 326013, both with registered office at 1327 Beach Drive, Victoria, B.C., V8S 2N4
>
> (the "Marina")

Whereas the Municipality and the Marina have each executed and delivered a Marina Lease dated for reference January 1, 1993, part of the consideration for which is this Agreement.

Witness:

1.   The Marina will pay the Municipality $625 per month until all whales have been removed from Oak Bay Marina. The Municipality will set aside these monies for a municipal heritage foundation. No other rent will be payable to the Municipality in respect of the barge facility formerly operated as Sealand Of The Pacific, subject to Section 2 of this Agreement.

2.   The Marina will not reopen Sealand Of The Pacific and will exercise its best efforts to remove the Sealand barge facility from Oak Bay Marina well before December 31, 1993. If for any reason it has not been moved by that date:

2.1   The Marina will pay the Municipality $625 per month from that date until removal.

2.2   The Municipality will be entitled to arrange removal at the expense of the Marina.

2.3 The Municipality will be entitled to recover such expense from the Marina as Additional Rent pursuant to the Marina Lease.

3. This Agreement is to apply and be enforceable between the parties notwithstanding Section 15.1 of the Marina Lease.

4. The covenants and agreements of the Marina in this Agreement are joint and several.

The corporate seal of The Corporation
of the District of Oak Bay was affixed by:

C/S

_____
Mayor

_____
Municipal Clerk

The corporate seal of Oak Bay
Marina Ltd. was affixed by:

C/S

_____
Authorized signatory

The corporate seal of Oak Bay
Marina (1992) Ltd. was affixed by:

C/S

_____
Authorized signatory