

**DISCLOSURE STATEMENT FOR
Baynes Island Waterfront Properties
(the "Development")**

Developer: Baynes Island Holdings Inc.
Developer's Business Address: 186 Medical Center, Vanderhoof, BC V0J 3A0
Address for Service in British Columbia: 614, 1488 – 4th Avenue, Prince George, BC,
V2L 4Y2

The Developer will not be using a real estate brokerage to market the subdivision lots referred to in this offering. The Developer will use its own employee(s) to market the Subdivision Lots and such employees are not licensed under the *Real Estate Services Act*. The Developer reserves the right to utilize a licensed real estate brokerage firm to market the subdivision lots which are the subject of this Disclosure Statement.

Date of Disclosure Statement: August 17, 2018

This Disclosure Statement has been filed with the Superintendent of Real Estate, but neither the Superintendent, nor any other authority of the government of the Province of British Columbia, has determined the merits of any statement contained in the Disclosure Statement, or whether the Disclosure Statement contains a misrepresentation or otherwise fails to comply with the requirements of the *Real Estate Development Marketing Act*. It is the responsibility of the developer to disclose plainly all material facts, without misrepresentation

RIGHT OF RESCISSION

Under section 21 of the *Real Estate Development Marketing Act*, the purchaser or lessee of a development unit may rescind (cancel) the contract of purchase and sale or contract to lease by serving written notice on the developer or the developer's brokerage, with 7 days after the later of the date the contract was entered into or the date the purchaser or lessee received a copy of this Disclosure Statement.

The rescission notice may be served by delivering or sending by registered mail, a signed copy of the notice to:

- (a) the developer at the address shown in the disclosure statement received by the purchaser,
- (b) the developer at the address shown in the purchaser's purchase agreement,
- (c) the developer's brokerage, if any, at the address shown in the disclosure statement received by the purchaser, or
- (d) the developer's brokerage, if any, at the address shown in the purchaser's purchase agreement.

The developer must promptly place purchasers' deposits with a brokerage, lawyer or notary public who must place the deposits in a trust account in a savings institution in British Columbia. If a purchaser rescinds their purchase agreement in accordance with the Act and regulations, the developer or the developer's trustee must promptly return the deposit to the purchaser.

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1.0 THE DEVELOPER

1.1 Corporate Information

The Developer, Baynes Island Holdings Inc., (the "Developer") is a company incorporated pursuant to the laws of the Province of British Columbia on June 18, 2014 under incorporation number BC1005697 pursuant to the *Business Corporations Act* (British Columbia).

1.2 Purpose

The Developer was incorporated specifically for the purpose of developing the Subdivision Lots, as herein defined, and the Developer has no other assets other than the Subdivision Lots.

1.3 Registered and Records Office

The address of the Developer's registered and records office is:

#614 – 1488 – 4th Avenue, Prince George, BC, V2L 4Y2

1.4 Directors

The name of the directors of the Developer required to sign this Disclosure Statement are:

William David McIntosh
Rudolf John Dean Nielsen

1.5 Disclosure

- (1) The Developer is a single-purpose corporation that has not previously been used to develop land in British Columbia.

William David McIntosh is a director and the President, Secretary and Treasurer of the Developer and is a registered British Columbia Land Surveyor who has approximately 38 years of experience in the bare land subdivision industry and has developed several properties in British Columbia that are similar to the Development.

Rudolf John Dean Nielsen is a director of the Developer who has approximately 30 years of experience in the British Columbia recreational/bare land subdivision industry and has developed several properties in British Columbia that are similar to the Development.

- (2) To the best of the Developer's knowledge, the Developer, the principal holders of the Developer, the directors and officers of the Developer or principal holder, within the ten years before the date of the Developer's declaration attached to this Disclosure Statement, have not been subject to any penalties or sanctions imposed by a court or regulatory authority, relating to the sale, lease, promotion or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud.

- (3) To the best of the Developer's knowledge, the Developer, the principal holders of the Developer and the directors and officers of the Developer or principal holder, within the last five years before the date of the Developer's declaration attached to this Disclosure Statement have not been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency and have not been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that person.
- (4) To the best of the Developer's knowledge, the directors and principal holders of the Developer, and the directors or officers of the principal holder, within the five years prior to the date of the Developer's declaration attached to this Disclosure Statement, have not been a director, officer or principal holder of any other developer that, while that person was acting in that capacity, that other developer:
 - (a) was subject to any penalties or sanctions imposed by a court or regulatory authority relating to the sale, lease, promotion or management of real estate or securities, or to lending money secured by a mortgage of land, or to arranging, administering or dealing in mortgages of land, or to theft or fraud; or
 - (b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets.

1.6 No Potential Conflicts

There are no existing or potential conflicts of interest among the Developer, manager, any directors, officers and principal holders of the Developer and manager, any directors and officers of the principal holders, and any person providing goods or services to the Developer, manager or holders of the development units in connection with the Development which could reasonably be expected to affect the purchaser's purchase decision to purchase a Subdivision Lot.

2.0 GENERAL DESCRIPTION

2.1 General Description of the Development

The Development is a lakeshore lot development consisting of 18 water access subdivision lots (collectively, the "Subdivision Lots", and, individually, a "Subdivision Lot") and is located on Baynes Island in Stuart Lake, approximately 28.5 kilometres NW (17.7 miles) from the district municipality of Fort Saint James, British Columbia. There is a Common Lot located within the center of the development whereas Lots 1 to 18 equally share in the ownership of the Common Lot for the purpose of providing common access and services to Lots 1 to 18. The nearest public boat launch to the Development is on Hibiscus Road, approximately 4.1 kilometers NW (2.5 miles), where a dedicated parking area is provided for the exclusive use of the owners of lots 1-18 of the Development.

A copy of the plan of subdivision EPP66397 showing the layout of the Development and the approximate dimensions or areas of the Subdivision Lots is attached hereto as Exhibit A.

2.2 Permitted Uses

The Development and the Subdivision Lots have been developed according to applicable regulations and bylaws of the Regional District of Bulkley Nechako (the "RDBN"). The Development is unzoned; there are no defined usage or building restrictions for the Subdivision Lots. Further details about the regulations and bylaws applicable to this Development can be obtained from the Regional District of Bulkley Nechako at:

37 3rd Avenue, PO Box 820
Burns Lake, British Columbia V0J 1E0
Email: inquiries@rdbn.bc.ca
Phone: 250-692-3195 / 1-800-320-3339
Fax: 250-692-3305

2.3 Building Construction

Purchasers are responsible for the construction and placement of dwellings and related buildings or structures (hereinafter described as the "Improvements") upon their respective Subdivision Lot. A Purchaser should review their intended use and plan for Improvements with:

The Regional District of Bulkley Nechako
37 – 3rd Avenue, P.O. Box 820
Burns Lake, British Columbia V0J 1E0
Tel: (250) 692-3195;

The Northern Health Authority
2000 – 15th Avenue
Prince George, British Columbia V2M 1S2
Tel: (250) 565-2649; and

B.C. Electrical Inspector
189 East Stewart Street
Vanderhoof, British Columbia V0J 3A0
Tel: (250) 567-6307.

Purchasers are responsible for obtaining all necessary permits and approvals from the applicable authority and are responsible for constructing the Improvements in compliance with the aforementioned agencies and any registered encumbrances as disclosed in this Disclosure Statement.

Geotechnical Assessment of the subdivision identified that lots 10-17 have moderate to steep slopes down to Stuart Lake and recommended building setbacks on these slopes to establish suitable building areas. Covenant CA6898213, as shown in Exhibit D, establishes no build zones on the identified slopes of lots 10-17.

Pursuant to the Section 219 Covenant CA6898209 (attached hereto as Exhibit F) registered on title to Lots 1, 4, 5, 12 & 18, portions of the Lands as identified on Reference Plan EPP66397, attached

as "Schedule A" to the Covenant, are not to be built on and are reserved as potential sewerage disposal areas, until such time that the areas are developed for the intended purpose or alternate areas are identified and a Letter of Certification has been accepted by the Local Health Authority for development of sewerage disposal areas.

3.0 SERVICING INFORMATION

3.1 Utilities and Services

(a) Water

The Development is not serviced with a water system. It is the responsibility of the Purchaser of each Subdivision Lot, at his or her own cost, to determine and obtain a water source for each Subdivision Lot.

The Subdivision Lots all have access to water from Stuart Lake. Any water obtained from Stuart Lake must be treated and dealt with pursuant to the Section 219 Covenant CA6898216 (Water Filtration) also registered on title to each Subdivision Lot (attached hereto as Exhibit C).

(b) Electricity

The Development is not serviced with electricity. It is unlikely that such service will be available to the Development in the foreseeable future.

(c) Sewerage

The Development is not serviced by a sewer system. It is the responsibility of the Purchaser of a Subdivision Lot, at his or her own expense, to obtain approval from the Northern Health Authority to install a septic tank or such other sewage system in compliance with the applicable laws.

(d) Gas

The Development is not serviced with domestic gas. It is unlikely that such service will be available to the Development in the foreseeable future.

(e) Sidewalks and Street Lighting

No sidewalks or street lighting will be installed by the Developer.

(f) Garbage Collection

There is no garbage collection service for the Development.

(g) Fire Protection

There is no fire protection for the Development.

(h) Police Protection

Police protection for the Development is currently provided by the Royal Canadian Mounted Police. Police protection facilities are located in Fort St. James, British Columbia.

(i) School Facilities

The following are a list of school facilities available in Fort St. James and approximate distance of each from the Development:

<u>School</u>	<u>Distance from Development</u>
Elementary	30 kilometres
Secondary	30 kilometres

To determine whether school facilities can provide accommodation and transportation, Purchasers are advised to contact the offices of the School Board of School District 91, Phone: (250) 567-2284.

(j) Public Transport

There is no public transportation in the vicinity of the Development.

(k) Telephone

The development is not serviced with telephone. It is unlikely that such service will be available to the development in the foreseeable future.

(l) Access

Access to the Development is by water access only, on Stuart Lake, pursuant to Section 10 of B.C. Reg. 334/79.

Stuart Lake has multiple public access boat launches available. The nearest public boat launch to the Development is on Hibiscus Road, approximately 4.1 kilometers NW (2.5 miles), where a dedicated parking area is also provided by easement over Lot 24 DL 3037 Range 5 Coast District Plan 9825, for each of the owners of lots 1-18 of the Development by Section 219 Covenant CA6898208 (attached hereto as Exhibit E).

4.0 TITLE AND LEGAL MATTERS

4.1 Legal Description

The legal descriptions of the Subdivision Lots are:

Parcel Identifier: 030-517-567

Lot 1 and an undivided 1/18th share in Lot 19 District Lot 4339 Range 5

Coast District Plan EPP66397 (See plan as to limited access)

Parcel Identifier: 030-517-575

Lot 2 and an undivided 1/18th share in Lot 19 District Lot 4339 Range 5
Coast District Plan EPP66397 (See plan as to limited access)

Parcel Identifier: 030-517-583

Lot 3 and an undivided 1/18th share in Lot 19 District Lot 4339 Range 5
Coast District Plan EPP66397 (See plan as to limited access)

Parcel Identifier: 030-517-591

Lot 4 and an undivided 1/18th share in Lot 19 District Lot 4339 Range 5
Coast District Plan EPP66397 (See plan as to limited access)

Parcel Identifier: 030-517-605

Lot 5 and an undivided 1/18th share in Lot 19 District Lot 4339 Range 5
Coast District Plan EPP66397 (See plan as to limited access)

Parcel Identifier: 030-517-613

Lot 6 and an undivided 1/18th share in Lot 19 District Lot 4339 Range 5
Coast District Plan EPP66397 (See plan as to limited access)

Parcel Identifier: 030-517-621

Lot 7 and an undivided 1/18th share in Lot 19 District Lot 4339 Range 5
Coast District Plan EPP66397 (See plan as to limited access)

Parcel Identifier: 030-517-630

Lot 8 and an undivided 1/18th share in Lot 19 District Lot 4339 Range 5
Coast District Plan EPP66397 (See plan as to limited access)

Parcel Identifier: 030-517-648

Lot 9 and an undivided 1/18th share in Lot 19 District Lot 4339 Range 5
Coast District Plan EPP66397 (See plan as to limited access)

Parcel Identifier: 030-517-656

Lot 10 and an undivided 1/18th share in Lot 19 District Lot 4339 Range 5
Coast District Plan EPP66397 (See plan as to limited access)

Parcel Identifier: 030-517-664

Lot 11 and an undivided 1/18th share in Lot 19 District Lot 4339 Range 5
Coast District Plan EPP66397 (See plan as to limited access)

Parcel Identifier: 030-517-672

Lot 12 and an undivided 1/18th share in Lot 19 District Lot 4339 Range 5
Coast District Plan EPP66397 (See plan as to limited access)

Parcel Identifier: 030-517-681

Lot 13 and an undivided 1/18th share in Lot 19 District Lot 4339 Range 5
Coast District Plan EPP66397 (See plan as to limited access)

Parcel Identifier: 030-517-699

Lot 14 and an undivided 1/18th share in Lot 19 District Lot 4339 Range 5
Coast District Plan EPP66397 (See plan as to limited access)

Parcel Identifier: 030-517-702

Lot 15 and an undivided 1/18th share in Lot 19 District Lot 4339 Range 5
Coast District Plan EPP66397 (See plan as to limited access)

Parcel Identifier: 030-517-711

Lot 16 and an undivided 1/18th share in Lot 19 District Lot 4339 Range 5
Coast District Plan EPP66397 (See plan as to limited access)

Parcel Identifier: 030-517-729

Lot 17 and an undivided 1/18th share in Lot 19 District Lot 4339 Range 5
Coast District Plan EPP66397 (See plan as to limited access)

Parcel Identifier: 030-517-737

Lot 18 and an undivided 1/18th share in Lot 19 District Lot 4339 Range 5
Coast District Plan EPP66397 (See plan as to limited access)

4.2 Ownership

The Developer is the beneficial and legal owner of the Subdivision Lots.

4.3 Existing Charges, Liens and Interests and Legal Notations

Financial Encumbrances:

Mortgage Registration Number CA389433 – Registered Owner of Charge: 275737 British Columbia Ltd.

The Developer will ensure that no Purchaser will take title to a Lot unless the above-referenced financial charge is discharged from the Purchaser's Lot or undertakings are in place to permit such discharge.

Non-Financial Encumbrances:

1. Section 219 Covenant registered under number CA6898204 (attached as Exhibit B) creating a common lot, whereas Lots 1 to 18 equally share in the ownership of the common lot, to provide common access and services to Lots 1 to 18.
2. Section 219 Covenant registered under number CA6898216 (attached as Exhibit C) setting out requirements for water filtration.
3. Section 219 Covenant registered under number CA6898213 (attached as Exhibit D) setting out requirements for setback requirements for Lots 10-17 for safe building sites relating to portions of the Lands that are not to be built on with respect to moderate to steep gradient

slopes down to Stuart Lake as defined in reference plan EPP66399 attached to Covenant CA6898213 as Schedule B (see Exhibit D).

4. Section 219 Covenant registered under number CA6898208 (attached as Exhibit E) setting out an easement for a dedicated parking area for the owners of each of lots 1-18 of the Development, in a location that is nearby to the Hibiscus Road public access boat launch.
5. Section 219 Covenant registered under number CA6898209 (attached as Exhibit F) setting out requirements for Lots 1, 4, 5, 12 & 18 whereas certain portions of the lands are not to be built on, and are reserved as potential sewerage disposal areas, until such time that the areas are developed for the intended purpose or alternate areas are identified and a Letter of Certification has been accepted by the Local Health Authority.
6. Section 219 Covenant registered under number CA6898211 (Attached as Exhibit G) setting out building set-back requirements from Stuart Lake to address high water flood requirements.

4.4 Proposed Encumbrance

No encumbrances, covenants, or liens are proposed or are anticipated to be registered or filed in respect of the Development other than those set out above and any easements and rights of way in favour of and which may be required by utility providers, public authorities, the Regional District of Bulkley Nechako or any other applicable government authority or public or private utility with respect to provision of utilities to the Development or in connection with the construction and occupation of the Development and the Subdivision Lots.

4.5 Outstanding or Contingent Litigation or Liabilities

To the knowledge of the Developer, there is no outstanding litigation in respect of the Development or the Developer.

4.6 Environmental Matters

Based on a physical examination of the Development lands by Geonorth Engineering Ltd, and pursuant to the Section 219 Covenant CA6898213 (attached hereto as Exhibit D), registered on Lots 10 to 17, the Developer is aware of certain setback requirements for safe building sites relating to portions of the Lands that are not to be built on with respect to moderate to steep gradient slopes down to Stuart Lake.

The Developer is not aware of any other environmental matters affecting the Development but Purchasers need to be aware of the Flood Covenant requirements set out in Section 219 Covenant CA6898211, the requirement for water quality as set out in Section 219 Covenant CA6898216, and the Section 219 No Build – Sewage requirement set out in Covenant CA6898209.

Efforts have been made to minimize changes from the natural state of the Subdivision Lots. Each purchaser of a Subdivision Lot will be responsible for identifying and effectively mitigating the

effects of any changes made by such a purchaser to the natural state, terrain and drainage within a Subdivision Lot.

5.0 CONSTRUCTION AND WARRANTIES

5.1 Construction Dates

The date of completion of the Development was July 26, 2018, the date that the subdivision plan was filed at the Land Title Office.

5.2 Warranties

The Developer will not construct Improvements for any purchaser and no warranty as to the Subdivision Lots is given or implied. Purchasers may need to have contractors who construct Improvements comply with the *Homeowner Protection Act* (British Columbia) which requires mandatory warranties in some cases which do not apply to this offering of Subdivision Lots only.

6.0 APPROVALS AND FINANCES

6.1 Development Approval

A plan of subdivision was filed in the Prince Rupert Land Title Office under Plan No. EPP66397, as attached hereto as Exhibit A. The Developer has satisfied all development requirements established by the Ministry of Transportation and Infrastructure and the Regional District of Bulkley Nechako.

6.2 Construction Financing

Any costs which are the responsibility of the Developer have been paid for in full from the Developer's resources.

7.0 MISCELLANEOUS

7.1 Deposits

All deposits received by the Developer from a Purchaser will be held in trust by Robert A. Traxler of Traxler Haines Barristers & Solicitors, #614 - 1488 4th Avenue, Prince George, B.C., V2L 4Y2, in the manner required by the *Real Estate Development Marketing Act* until an instrument evidencing the interest of the purchaser in a Subdivision Lot has been registered in the applicable Land Title Office, provided that in the event a purchaser fails to complete the purchase of a Subdivision Lot that he or she has agreed to buy, the Developer may be entitled to retain all of any deposit paid by such purchaser.

All deposits must be held in trust by a real estate brokerage, lawyer or notary public, unless the developer has entered into a deposit protection contract

7.2 Purchase Agreement

The Developer intends to use the standard form of Contract of Purchase and Sale as provided by the British Columbia Real Estate Association (attached as Exhibit H).

7.3 Developer's Commitments

The Developer has no commitments to be met after the completion of the sale of a Subdivision Lot.

7.4 Other Material Facts

- (a) Each Lot owner is responsible for real property taxes for his Lot. Property taxes are levied by and payable to the Minister of Finance.
- (b) Goods and Services Tax (GST), will be applicable to the sale of each Lot, and payable by the Purchaser at the time of Completion.

8.0 SIGNATURES

DEEMED RELIANCE

Section 22 of the *Real Estate Development Marketing Act* provides that every purchaser who is entitled to receive this Disclosure Statement is deemed to have relied on any false or misleading statement of a material fact contained in this Disclosure Statement, if any, and any omission to state a material fact. The developer, its directors and any person who has signed or authorized the filing of this Disclosure Statement are liable to compensate the purchaser for any misrepresentation, subject to any defences available under section 22 of the Act.

DECLARATION

The foregoing statements disclose, without misrepresentation, all material facts relating to the Development referred to above, as required by the *Real Estate Development Marketing Act* of British Columbia, as of the 31 day of August, 2018

DEVELOPER:

Baynes Island Holdings Inc.

Per:



William David McIntosh



WILLIAM DAVID MCINTOSH



RUDOLF JOHN DEAN NIELSEN

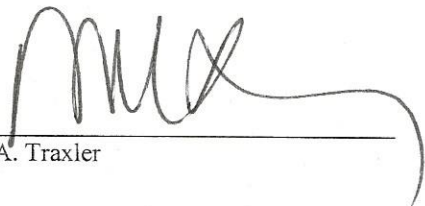
SOLICITOR'S CERTIFICATE

CANADA)
PROVINCE OF)
BRITISH COLUMBIA)

) IN THE MATTER OF the *Real Estate Development Marketing Act* and
) the Disclosure Statement of Baynes Island Holdings Inc. for property
) legally described as Lots 1-18, District Lot 4339, Range 5, Coast
) District, Plan EPP66397
)

I, Robert A. Traxler, Solicitor, a member of the Law Society of British Columbia, having read over the above-described Disclosure Statement dated the 17 day of August, 2018, made any required investigations in public offices and reviewed same with the Developer therein named, hereby certify that the facts contained in paragraphs 4.1, 4.2 and 4.3 of the Disclosure Statement are correct.

DATED at the City of Prince George, in the Province of British Columbia, this 21 day of August, 2018.



Robert A. Traxler

EXHIBITS

- Exhibit A – Plan of the Development – Subdivision Plan EPP66397
- Exhibit B – Section 219 Covenant CA6898204 (Common Lot)
- Exhibit C – Section 219 Covenant CA6898216 (Water Filtration)
- Exhibit D – Section 219 Covenant CA6898213 (No Build Zone)
- Exhibit E – Section 219 Covenant CA6898208 (Parking Easement CA6898207)
- Exhibit F – Section 219 Covenant CA6898209 (No Build - Sewerage)
- Exhibit G – Section 219 Covenant CA6898211 (Flood)
- Exhibit H – Contract of Purchase and Sale

EXHIBIT A - SUBDIVISION PLAN EPP66397

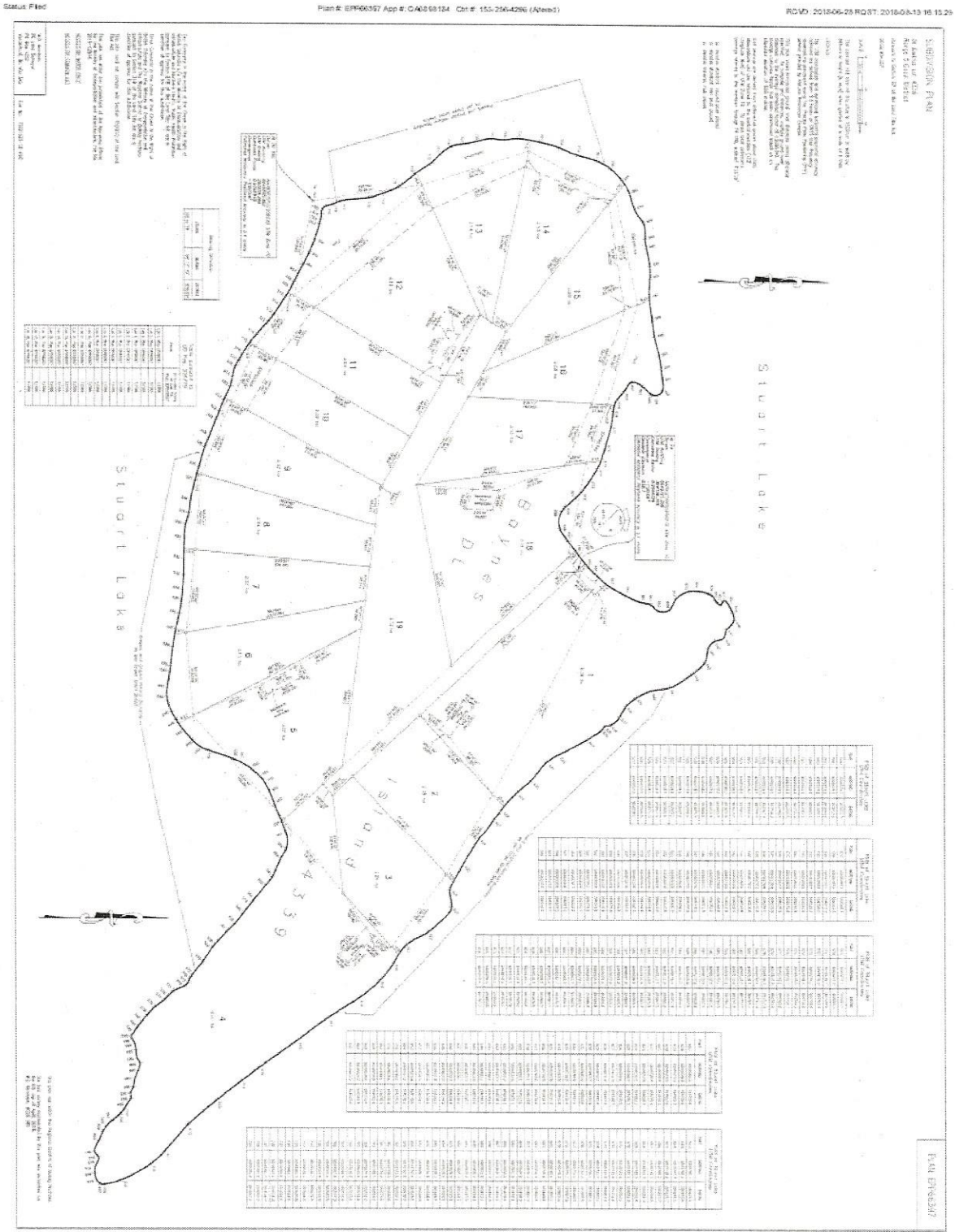


EXHIBIT B- SECTION 219 COVENANT CA6898204 (COMMON LOT)

Status: Registered
FORM C_V24 (Charge)

Doc #: CA6898204

RCVD: 2018-06-28 RQST: 2018-08-13 16:15:29

VICTORIA LAND TITLE OFFICE

LAND TITLE ACT Jun-28-2018 15:19:25.005
FORM C (Section 233) CHARGE
GENERAL INSTRUMENT - PART 1 Province of British Columbia

CA6898204 CA6898205

PAGE 1 OF 10 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 165.3, and a true copy, or a copy of that true copy, is in your possession

Robert Alexander Traxler 4ZEXBK
Digitally signed by Robert Alexander Traxler 4ZEXBK
Date: 2018.06.28 15:00:55 -07'00'

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

ROBERT A. TRAXLER, Barrister & Solicitor

TRAXLER HAINES

614 - 1488 - 4TH AVENUE

PRINCE GEORGE

BC V2L 4Y2

Telephone: 250-563-7741

File No. 16-4572-102/RAT

Document Fees: \$143.16

Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID]

[LEGAL DESCRIPTION]

SEE SCHEDULE

STC? YES

3. NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

SEE SCHEDULE

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

(a) Filed Standard Charge Terms D.F. No.

(b) Express Charge Terms Annexed as Part 2

A selection of (a) includes any additional or modified terms referred to in Item 1 or in a schedule annexed to this instrument.

5. TRANSFEROR(S):

BAYNES ISLAND HOLDINGS INC., INC. NO. BC1005697 AND 275737 BRITISH COLUMBIA LTD., INC. NO. BC0275737

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)

ROBERT A. TRAXLER

Barrister & Solicitor

614 -1488 - 4TH AVENUE

PRINCE GEORGE, BC. V2L 4Y2

TELEPHONE: 250-563-7741

Execution Date

Y	M	D
18	5	22

Transferor(s) Signature(s)

Baynes Island Holdings Inc. by its authorized signatories:

Name: WILLIAM MCINTOSH

Name: RUDOLF NIELSEN

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. 1996, c.124, 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.

Status: Registered
FORM DL V21

Doc #: CA6898204

RCVD: 2018-06-28 ROST: 2018-06-13 16.15.29

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

PAGE 2 of 10 PAGES

Officer Signature(s)

ROBERT A. TRAXLER
Barrister & Solicitor
614 - 1488 - 4TH AVENUE
PRINCE GEORGE, BC, V2L 4Y2
TELEPHONE: 250-563-7741

Execution Date		
Y	M	D
18	5	22

Transferor / Borrower / Party Signature(s)

275737 British Columbia Ltd. by its
authorized signatory:

Name: WILLIAM MCINTOSH

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. 1996, c.124, 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.

Status: Registered
FORM_01_V24

Doc #: CA6898204

RCVD: 2018-06-28 RQST: 2018-08-13 16:15:29

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

PAGE 3 of 10 PAGES

Officer Signature(s)

Execution Date

Transferor / Borrower / Party Signature(s)

JENNIFER ELLIOT

Commissioner for Taking Affidavits in British Columbia

360 - 1011 - 4TH AVENUE
Prince George, BC V2L 3H9
EXPIRES Sept 30, 2020

Execution Date		
Y	M	D
18	06	14

This is an instrument required by the
Approving Officer for subdivision Plan
EPP66397 creating the condition of
Covenant entered into under Section
219 of the Land Title Act:

Name: MICHELLE BOUDREAU

Approving Officer for the Ministry of
Transportation and Highways

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. 1996, c.124, 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.

Status: Registered
FORM E, V24

Doc #: CA6898204

RCVD: 2018-06-28 RQST: 2018-08-13 16:15:29

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 4 OF 10 PAGES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

NO PID NMBR LOT 19 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397

STC? YES

[Related Plan Number]

EPP66397

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

STC? YES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

STC? YES

Status: Registered
FORM_E_V24

Doc #: CA6898204

RCVD: 2018-06-28 RQST: 2018-08-13 16:15:29

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 5 OF 10 PAGES

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
Covenant		

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
Priority Agreement		Priority Agreement granting Covenant herein priority over Mortgage CA3894333 in favour of 275737 British Columbia Ltd.

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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Status: Registered

Doc #: CA6898204

RCVD: 2018-06-28 RQST: 2018-08-13 16.15.29

FORM E_V24

**LAND TITLE ACT
FORM E**

SCHEDULE

PAGE 6 OF 10 PAGES

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

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

THE CROWN IN THE RIGHT OF BRITISH COLUMBIA, c/o THE MINISTRY OF TRANSPORTATION
AND INFRASTRUCTURE, Parliament Buildings, Victoria, British Columbia, V8V 1X4,

and

REGIONAL DISTRICT OF BULKLEY-NECHAKO, 37 - 3rd Avenue, PO Box 820, Burns Lake, BC,
V0J 1E0

Terms of Instrument - Part 2

SECTION 219 COVENANT

THIS AGREEMENT dated for reference the 22nd day of May, 2018.

BETWEEN: BAYNES ISLAND HOLDINGS INC., INC. NO. BC1005697, P.O. Box 1250, Vanderhoof, BC, V0J 3A0, and

275737 BRITISH COLUMBIA LTD., INC. NO. BC0275737, P.O. Box 1250, Vanderhoof, BC, V0J 3A0,

(herein referred to as the "Grantor" or "Grantor(s)", and such terms shall refer to the owner and/or owners of the Lots (defined below) from time to time)

AND: THE CROWN IN THE RIGHT OF BRITISH COLUMBIA, c/o THE MINISTRY OF TRANSPORTATION AND INFRASTRUCTURE, Parliament Buildings, Victoria, British Columbia, V2V 1X4,

(herein referred to as the "First Grantee")

REGIONAL DISTRICT OF BULKLEY-NECHAKO, 37 - 3rd Avenue, P.O. Box 820, Burns Lake, BC, V0J 1E0.

(herein referred to as the "Second Grantee")

WHEREAS:

A. The Grantor(s) are the registered owners of the lands in the Prince George Assessment Authority area, more particularly known and described as:

ALL 18 1/8TH UNDIVIDED INTERESTS IN LOT 19 AS LOT 19 IS SHOWN ON PLAN EPP66397

B. The Grantee has requested that the Grantor(s) enter into a covenant over the Lots pursuant to Section 219 of the Land Title Act, on the terms hereinafter set forth herein.

C. Section 219 of the Land Title Act provides that there may be annexed to any land a covenant that may contain provisions in respect to the use of the land or that the land is not be built on.

D. Lot 19 is the Common Lot in an Access by Common Lot Subdivision pursuant to the BC Land Title Act Regulation 334/79 Sections 11 and 12.

NOW THEREFORE for valuable consideration given by each party to the other, the parties

agree as follows:

The Grantor(s) covenant and agree with the First Grantee and Second Grantee that:

1. Lot 19 shall be for the purposes of providing ingress and egress over Lot 19 and to facilitate the repair, cleaning, maintenance and otherwise servicing of an access trail and a helicopter landing area and to permit proper drainage of surface water over Lot 19, and to permit the installation and servicing of waterlines, natural gas lines, hydro lines, and telephone lines and communication lines and supporting infrastructure and paraphernalia either above on or under the ground; and for such purposes the owners of Lot 19 have access to Lot 19 at all times by their servants, employees, and workmen with or without machinery and equipment.
2. Except as provided in Section 1 above no building, structure, fence, foundation, excavation, well, pile of material or obstruction shall be made, placed, erected or maintained on Lot 19, and no growth shall be planted upon Lot 19.
3. No vehicle or other obstruction shall be allowed to remain stationary on Lot 19 and any such vehicle or other obstruction may be removed by a Grantor at the cost of the person allowing or causing such vehicle or other obstruction to remain on Lot 19.
4. The Grantor(s), being the owners from time to time of Lot 19, agree that they shall be mutually responsible for the maintenance of Lot 19 and shall mutually agree as to such works as shall from time to time be required for the repair, maintenance and upkeep of driveway access, and shall share the cost of such works equally, or as the Grantor(s) shall otherwise agree, PROVIDED that should the Grantor(s) fail to agree as to the necessity, nature or extent of such works, the apportionment of the cost relating thereto, or shall fail to agree on any matter associated therewith or relating thereto, then in such case the matter will be decided pursuant to the provisions of the Commercial Arbitration Act, R.S.B.C. 1996, c.55, and amending acts; however should any Grantor wish to upgrade or improve the driveway, he shall do so at his own expense unless otherwise agreed. If any Grantor causes harm or damage to Lot 19, then he shall be solely responsible for the repairs which shall be completed with due dispatch.
5. The parties agree that neither the First Grantee nor the Second Grantee is responsible to inspect the Grantor(s)' Lots or to otherwise ensure compliance with this Agreement, nor is the First Grantee or the Second Grantee required to remedy a default of this Agreement, and a failure to enforce this Agreement by the First Grantee or the Second Grantee shall not constitute a waiver of its rights hereunder.
6. The Grantor(s), on behalf of himself and his or her heirs, executors, administrators, successors and assigns, and in consideration of the approvals given by the First Grantee or the Second Grantee, hereby does remise, release and forever discharge the First Grantee or the Second Grantee and their employees, servants or agents from all manner of actions, cause of actions, suits, debts, accounts, covenants, contracts, claims

and demands which the Grantor(s) or any of his or her heirs, executors, administrators, successors and assigns may have against the First Grantee or the Second Grantee, and their employees, servants or agents for and by reason of any matter relating to this Agreement.

7. Subject to the provisions of Section 219 of the Land Title Act, the Grantor(s)' covenants contained in this Agreement shall burden and run with the Lots and shall enure to the benefit and be binding upon the Grantor(s), his heirs, executors, administrators, successors and assigns, and the First Grantee and Second Grantee and their assigns.
8. The Grantor(s) shall do or cause to be done all things and execute or cause to be executed all documents and give such further and other assurance which may be reasonably necessary to give proper effect to the intent of this Agreement.
9. Whenever the singular or masculine or neuter is used herein, the same shall be construed as including the plural, feminine, body corporate or politic unless the context requires otherwise.
10. If any section or any part of this Agreement is found to be illegal or unenforceable, then such sections or parts shall be considered to be separate and severable from this Agreement and the remaining sections or parts of this Agreement, as the case may be, shall be unaffected thereby and shall remain and be enforceable to the fullest extent permitted by law as though the illegal or unenforceable parts or sections had never been included in this Agreement.
11. This Agreement shall be interpreted according to the laws of British Columbia.
12. Where there is a reference to an enactment of the Province of British Columbia in this agreement, that reference shall include a reference to any subsequent enactment of the Province of British Columbia of like effect, and unless the context otherwise requires, all statutes referred to herein are enactments of the Province of British Columbia.

IN WITNESS WHEREOF the parties acknowledge that this Agreement has been duly executed and delivered by the parties executing Part 1 of Form C and Form D attached hereto.

CONSENT AND PRIORITY AGREEMENT

WHEREAS 275737 British Columbia Ltd. (the "Chargeholder") is the holder of a Mortgage registered in the Prince Rupert Land Title Office under No. CA3894333 (the "Charge") encumbering the lands described in the attached Section 219 Covenant (the "Covenant").

Therefore this Consent and Priority Agreement witnesses that the Chargeholder hereby:

1. approves of, joins in and consents to the registration of the Covenant;
2. covenants and agrees that the Covenant is binding upon and takes priority over the Charge; and
3. postpones the Charge and all of its right, title and interest thereunder to the covenant in the same manner and to the same effect as if the Covenant had been dated, executed and registered prior to the Charge.

IN WITNESS WHEREOF the Chargeholder has executed this Consent and Priority Agreement on the attached Form C and D.

END OF DOCUMENT

EXHIBIT C - SECTION 219 COVENANT CA6898216 (WATER FILTRATION)

Status: Registered
FORM C_V24 (Charge)

Doc #: CA6898216

RCVD: 2018-06-28 RQST: 2018-08-13 16:15:29

VICTORIA LAND TITLE OFFICE

LAND TITLE ACT
FORM C (Section 233) CHARGE
GENERAL INSTRUMENT - PART 1 Province of British Columbia

CA6898216 CA6898217

PAGE 1 OF 11 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

Robert Alexander Traxler 4ZEXBK	Digitally signed by Robert Alexander Traxler 4ZEXBK Date: 2018.06.28 15:01:37 +07'00'
---------------------------------------	--

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

ROBERT A. TRAXLER, Barrister & Solicitor

TRAXLER HAINES

614 - 1488 - 4TH AVENUE

PRINCE GEORGE

BC V2L 4Y2

Document Fees: \$143.16

Telephone: 250-563-7741

File No. 16-4572-102/RAT

Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

SEE SCHEDULE

STC? YES

3. NATURE OF INTEREST

SEE SCHEDULE

CHARGE NO. ADDITIONAL INFORMATION

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

(a) Filed Standard Charge Terms D.F. No.

(b) Express Charge Terms Annexed as Part 2

A selection of (a) includes any additional or modified terms referred to in item 7 or in a schedule annexed to this instrument.

5. TRANSFEROR(S):

BAYNES ISLAND HOLDINGS INC., INC. NO. BC1005697 AND 275737 BRITISH COLUMBIA LTD., INC. NO. BC0275737

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)

ROBERT A. TRAXLER

Barrister & Solicitor

614 -1488 - 4TH AVENUE

PRINCE GEORGE, BC. V2L 4Y2

TELEPHONE: 250-563-7741

Execution Date		
Y	M	D
18	5	22

Transferor(s) Signature(s)

Baynes Island Holdings Inc. by its authorized signatories:

Name: WILLIAM MCINTOSH

Name: RUDOLF NIELSEN

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. 1996, c.124, 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.

Status: Registered
FORM D1_V24

Doc #: CA6898216

RCVD: 2018-06-28 RQST: 2018-06-13 16:15:29

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

PAGE 2 of 11 PAGES

Officer Signature(s)

ROBERT A. TRAXLER
Barrister & Solicitor
614 - 1488 - 4TH AVENUE
PRINCE GEORGE, BC, V2L 4Y2
TELEPHONE: 250-563-7741

Execution Date

Y	M	D
18	5	22

Transferor / Borrower / Party Signature(s)

275737 British Columbia Ltd. by its
authorized signatory:

Name: WILLIAM MCINTOSH

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. 1996, c.124, 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.

Status: Registered
FORM D1_V24

Doc #: CA6898216

RCVD: 2018-06-28 RQST: 2018-08-13 16:15:29

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

PAGE 3 of 11 PAGES

Officer Signature(s)

Execution Date

Transferor / Borrower / Party Signature(s)

JENNIFER ELLIOT

Commissioner for Taking Affidavits in British Columbia

360 - 1011 - 4TH AVENUE
Prince George, BC V2L 3H9
EXPIRES Sept 30, 2020

Y	M	D
18	06	14

This is an instrument required by the Approving Officer for subdivision Plan EPP66397 creating the condition of Covenant entered into under Section 219 of the Land Title Act:

Name: MICHELLE BOUDREAU

Approving Officer for the Ministry of Transportation and Highways

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. 1996, c.124, 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.

Status: Registered

Doc #: CA6898216

RCVD: 2018-08-28 RQST: 2018-08-13 16:15:29

FORM E_V24

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 4 OF 11 PAGES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND

Related Plan Number: **EPP66397**

STC for each PID listed below? YES

- | [PID] | [LEGAL DESCRIPTION -- must fit in a single text line] |
|-------------|---|
| NO PID NMBR | LOT 1 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397 |
| NO PID NMBR | LOT 2 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397 |
| NO PID NMBR | LOT 3 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397 |
| NO PID NMBR | LOT 4 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397 |
| NO PID NMBR | LOT 5 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397 |
| NO PID NMBR | LOT 6 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397 |
| NO PID NMBR | LOT 7 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397 |
| NO PID NMBR | LOT 8 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397 |
| NO PID NMBR | LOT 9 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397 |
| NO PID NMBR | LOT 10 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397 |
| NO PID NMBR | LOT 11 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397 |
| NO PID NMBR | LOT 12 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397 |
| NO PID NMBR | LOT 13 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397 |
| NO PID NMBR | LOT 14 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397 |
| NO PID NMBR | LOT 15 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397 |
| NO PID NMBR | LOT 16 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397 |
| NO PID NMBR | LOT 17 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397 |
| NO PID NMBR | LOT 18 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397 |

Status: Registered
FORM E, V24

Doc #: CA6898216

RCVD: 2018-06-28 RQST: 2018-08-13 16:15:29

LAND TITLE ACT
FORM E
SCHEDULE

PAGE 5 OF 11 PAGES

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
Covenant		

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
Priority Agreement		Priority Agreement granting Covenant herein priority over Mortgage CA3894333 in favour of 275737 British Columbia Ltd.

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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C-6

Status: Registered

Doc #: CA6898216

RCVD: 2018-06-28 RQST: 2018-08-13 16:15:29

FORM_E_V24

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 6 OF 11 PAGES

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

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

THE CROWN IN THE RIGHT OF BRITISH COLUMBIA, c/o THE MINISTRY OF TRANSPORTATION
AND INFRASTRUCTURE, Parliament Buildings, Victoria, British Columbia, V8V 1X4,

and

NORTHERN HEALTH, PUBLIC HEALTH PROTECTION, 600 - 299 Victoria Street, Prince George, BC,
V2L 5B8

TERMS OF INSTRUMENT - PART 2
Section 219 Covenant - Water Filtration

WHEREAS:

- A. The Transferor is the registered owner of the Land.
- B. The water supplied to the Land is from Stuart Lake.
- C. The water from Stuart Lake fluctuates and may currently exceed or may in the future exceed the Guidelines for Canadian Drinking Water Quality, as published by the Ministry of Health Canada and as amended from time to time (the "Water Quality Guidelines").
- D. The Land, in order to be used for ordinary residential purposes, requires an appropriate water treatment system serving the Land to make the water safe and potable. It is recognized that an appropriate and effective water treatment system is necessary to upgrade the water quality of the water supplied to the Land to meet the Water Quality Guidelines, as amended from time to time.
- E. Further changes to the water treatment system may be required in the future to meet changes to the water supplied from Stuart Lake or to meet changes to the Water Quality Guidelines.
- F. The Approving Officer has required the Transferor to enter into this covenant with the Transferees under section 219 of the Land Title Act for the purposes of preventing the use of the Lands unless certain conditions have been complied with and to ensure potential purchasers are made aware of the potential water quality issues.

In consideration of the sum of One Dollar (\$1.00) now paid by each of the Transferees to the Transferor (the receipt and sufficiency of which is hereby acknowledged) the parties agree as follows:

DEFINITIONS

"Agreement" means this General Instrument.

"Approving Officer" means the Provincial approving officer appointed under section 77.2 of the *Land Title Act* and includes the deputy minister or the minister charged with the administration of the *Transportation Act*.

"Land" means the land described in item 2 of Part 1 of this Agreement;

"Transferee" means the person or persons named in Item 6 of Part 1 of this Agreement; and

"Transferor" means the person or persons named in Item 5 of Part 1 of this Agreement.

COVENANTS OF THE TRANSFEROR

1. The Transferor covenants and agrees with the Transferee that:
 - (a) it will not use or occupy any dwelling on the Land for residential purposes until such time as it has installed an effective filtration system(s) and further upgraded the said water system(s) as may be required so that the water supplied to any dwelling on the Land meets the Water Quality Guidelines;
 - (b) it will maintain all such water systems as long as may be required to ensure that the treated water continues to meet the Water Quality Guidelines;
 - (c) it is solely responsible for future testing of the water supply used for drinking water purposes, including the determination of the frequency of testing; and
 - (d) the Transferee shall in no way be responsible for ensuring the proper installation of any water treatment system or for monitoring the effectiveness of any water treatment system and the Transferor undertakes and agrees to be solely responsible for ensuring the proper installation and continued effectiveness of the water treatment system(s).

INDEMNITY AND RELEASE

2. The Transferor
 - (a) indemnifies and saves the Transferee and its respective servants, employees, agents and other representatives and the Approving Officer (and each of them) harmless from all actions, causes of action, claims, demands, suits, losses, damages, debts, accounts, liabilities, costs, expenses, and compensation of any kind, including fees of solicitors and other professional advisors, arising out of or in connection with:
 - (i) any breach, violation or non-performance by the Transferor of this Agreement, or
 - (ii) any personal injury (including death) or any loss or damage to the Land, an improvement, chattel or other structure, including the contents of any of them, built, constructed or placed on the said Land; and
 - (b) releases and forever discharges the Transferee and its respective servants, employees, agents and other representatives and the Approving Officer (and each of them) from all actions, causes of action, claims, demands, suits, losses, damages, debts, accounts, liabilities, costs, expenses and compensation of any kind, including fees of solicitors and other professional advisors, arising out of or in connection with any personal injury (including death) or any loss or damage to the Land, an improvement, chattel or other structure, including the contents of any of them, built, constructed or placed on the said Land which is caused by any matter or thing addressed as the subject matter of this Agreement.

INTERPRETATION

3. In this Agreement, "person" includes a corporation, firm or association and wherever the singular or masculine form is used in this Agreement it will be construed as the plural or feminine or neuter form, as the case may be, and vice versa where the context or the parties so require.
4. This Agreement will be interpreted according to the laws of the Province of British Columbia.
5. Where there is a reference to an enactment of the Province of British Columbia in this Agreement, that reference includes a reference to any subsequent enactment of the Province of British Columbia of like effect and, unless the context otherwise requires, all statutes referred to in this Agreement are enactments of the Province of British Columbia.
6. If any section of this Agreement, or any part of a section, is found to be illegal or unenforceable, that part or section, as the case may be, will be considered separate and severable and the remaining parts or sections, as the case may be, will not be affected and will be enforceable to the fullest extent permitted by law.

MISCELLANEOUS

7. No term, condition, covenant or other provision of this Agreement will be considered to have been waived by the Transferee unless such waiver is expressed in writing by the Transferee and the waiver by the Transferee of any such term, condition, covenant or other provision of this Agreement will not be construed as or constitute a waiver of any further or other breach of that or any other term, condition, covenant or other provision of this Agreement.
8. This Agreement extends to, is binding upon and enures to the benefit of the parties and their respective heirs, executors, administrators, successors, and assigns.
9. This Agreement will be registered as a charge against title to the Land pursuant to section 219 of the *Land Title Act*.
10. Nothing in this Agreement prejudices, limits, fetters, or affects the rights, powers, and remedies of the Transferee or the Approving Officer in relation of the Transferor or the Land under any law, bylaw, order, or regulation or in equity, all of which rights, powers and remedies may be fully and effectively exercised by the Transferee or the Approving Officer, as the case may be, as if this Agreement had not been made by the parties.
11. The Transferor, shall give written notice of this Agreement to any person to whom they propose to dispose of the Transferor's Land or any part thereof, which notice shall be received by that person prior to such disposition. For the purposes of this paragraph, the word "dispose" shall have the meaning given to it under Section 29 of the *Interpretation Act*.

12. The Transferor, at its expense, will cause this Agreement to be registered in priority to all liens, charges, and encumbrances which are or may be registered against title to the Land, except those in favour of the Transferee and those others specifically approved in writing by the Transferee.
13. This Agreement will not be modified or discharged except in accordance with the provisions of Section 219 of the *Land Title Act* and with the approval of the Transferee.
14. The Transferor will do or cause to be done all things and execute or cause to be executed all documents and give such further and other assurances which may be reasonably necessary to give proper effect to the intent of this Agreement.
15. The parties agree that the Transferee is not responsible to inspect the Lands or to otherwise ensure compliance with this Agreement, nor is the Transferee required to remedy a default of this Agreement and a failure to enforce this Agreement by the Transferee will not constitute a waiver of its rights hereunder.

IN WITNESS WHEREOF the parties acknowledge that this Agreement has been duly executed and delivered by the parties executing Part 1 of Form C attached hereto.

This is the instrument creating the condition or covenant entered into under section 219 of the Land Title Act required by the Approving Officer for the subdivision under Plan EPP66397.

CONSENT AND PRIORITY AGREEMENT

WHEREAS 275737 British Columbia Ltd. (the "Chargeholder") is the holder of a Mortgage registered in the Prince Rupert Land Title Office under No. CA3894333 (the "Charge") encumbering the lands described in the attached Section 219 Covenant (the "Covenant").

Therefore this Consent and Priority Agreement witnesses that the Chargeholder hereby:

1. approves of, joins in and consents to the registration of the Covenant;
2. covenants and agrees that the Covenant is binding upon and takes priority over the Charge; and
3. postpones the Charge and all of its right, title and interest thereunder to the covenant in the same manner and to the same effect as if the Covenant had been dated, executed and registered prior to the Charge.

IN WITNESS WHEREOF the Chargeholder has executed this Consent and Priority Agreement on the attached Form C and D.

EXHIBIT D - SECTION 219 COVENANT CA6898213 (NO BUILD ZONE)

Status: Registered
FORM C_V24 (Charge)

Doc #: CA6898213

RCVD: 2018-06-28 RQST; 2018-08-13 16:15:29

VICTORIA LAND TITLE OFFICE

LAND TITLE ACT
FORM C (Section 233) CHARGE
GENERAL INSTRUMENT - PART 1 Province of British Columbia

Jun-28-2018 15:19:25.011

CA6898213 CA6898214

PAGE 1 OF 20 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

Robert Alexander Traxler 4ZEXBK	Digitally signed by Robert Alexander Traxler 4ZEXBK Date: 2018.06.28 15:00:35 +07'00'
---------------------------------------	--

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

ROBERT A. TRAXLER, Barrister & Solicitor

TRAXLER HAINES

614 - 1488 - 4TH AVENUE

PRINCE GEORGE

BC V2L 4Y2

Telephone: 250-563-7741

File No. 16-4572-102/RAT

Document Fees: \$143.16

Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

SEE SCHEDULE

STC? YES

3. NATURE OF INTEREST

SEE SCHEDULE

CHARGE NO. ADDITIONAL INFORMATION

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

(a) Filed Standard Charge Terms D.F. No.

(b) Express Charge Terms Annexed as Part 2

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument.

5. TRANSFEROR(S):

BAYNES ISLAND HOLDINGS INC., INC. NO. BC1005697 AND 275737 BRITISH COLUMBIA LTD., INC. NO. BC0275737

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)

ROBERT A. TRAXLER

Barrister & Solicitor

614 -1488 - 4TH AVENUE

PRINCE GEORGE, BC. V2L 4Y2

TELEPHONE: 250-563-7741

Execution Date		
Y	M	D
18	5	22

Transferor(s) Signature(s)

Baynes Island Holdings Inc. by its authorized signatories:

Name: WILLIAM MCINTOSH

Name: RUDOLF NIELSEN

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. 1996, c.124, 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.

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

Officer Signature(s)

Execution Date

Transferor / Borrower / Party Signature(s)

ROBERT A. TRAXLER
Barrister & Solicitor
614 - 1488 - 4TH AVENUE
PRINCE GEORGE, BC, V2L 4Y2
TELEPHONE: 250-563-7741

Y	M	D
18	5	22

275737 British Columbia Ltd. by its
authorized signatory:

Name: WILLIAM MCINTOSH

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. 1996, c.124, 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.

Status: Registered
FORM D1_V24

Doc #: CA6898213

RCVD: 2018-06-28 RQST: 2018-08-13 16:16:29

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

PAGE 3 of 20 PAGES

Officer Signature(s)

JENNIFER ELLIOT

Commissioner for Taking Affidavits in British Columbia

360 - 1011 - 4TH AVENUE
Prince George, BC V2L 3H9
EXPIRES Sept 30, 2020

Execution Date

Y	M	D
18	06	14

Transferor / Borrower / Party Signature(s)

This is an instrument required by the
Approving Officer for subdivision Plan
EPP66397 creating the condition of
Covenant entered into under Section
219 of the Land Title Act:

Name: MICHELLE BOUDREAU

Approving Officer for the Ministry of
Transportation and Highways

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. 1996, c.124, 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.

Status: Registered

Doc #: CA6898213

RCVD: 2018-06-28 RQST: 2018-06-13 16:15:29

FORM F_V24

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 4 OF 20 PAGES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND

Related Plan Number: **EPP66397**

STC for each PID listed below? YES

[PID] [LEGAL DESCRIPTION - must fit in a single text line]

NO PID NMBR LOT 10 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397

NO PID NMBR LOT 11 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397

NO PID NMBR LOT 12 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397

NO PID NMBR LOT 13 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397

NO PID NMBR LOT 14 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397

NO PID NMBR LOT 15 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397

NO PID NMBR LOT 16 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397

NO PID NMBR LOT 17 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397

Status: Registered
FORM E_V24

Doc #: CA6898213

RCVD: 2018-06-28 RQST: 2018-08-13 16:15:29

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 5 OF 20 PAGES

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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Covenant

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
Priority Agreement		Priority Agreement granting Covenant herein priority over Mortgage CA3894333 in favour of 275737 British Columbia Ltd.

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
--------------------	------------	------------------------

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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Status: Registered

Doc #: CA6898213

RCVD: 2018-06-28 RQST: 2018-08-13 16:15:29

FORM_E_V24

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 6 OF 20 PAGES

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

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

THE CROWN IN THE RIGHT OF BRITISH COLUMBIA, c/o THE MINISTRY OF TRANSPORTATION
AND INFRASTRUCTURE, Parliament Buildings, Victoria, British Columbia, V8V 1X4,

and

REGIONAL DISTRICT OF BULKLEY-NECHAKO, 37 - 3rd Avenue, PO Box 820, Burns Lake, BC,
V0J 1E0

Terms of Instrument - Part 2
Section 219 Covenant

- A. WHEREAS the Transferor is the registered owner in fee simple of those lands in the Province of British Columbia, and more particularly known and described as District Lot 4339 Range 5 Coast District.
- B. AND WHEREAS the Transferor proposes to subdivide the Lands according to a Plan of Subdivision of District Lot 4339 Range 5 Coast District completed and certified correct the 16th day of April, 2018 by William McIntosh, BCLS. The Transferor proposes to grant to the Transferee a covenant under Section 219 of the Land Title Act against the following lands contained in the subdivision:

Lot 10 District Lot 4339 Range 5 Coast District Plan EPP66397

Lot 11 District Lot 4339 Range 5 Coast District Plan EPP66397

Lot 12 District Lot 4339 Range 5 Coast District Plan EPP66397

Lot 13 District Lot 4339 Range 5 Coast District Plan EPP66397

Lot 14 District Lot 4339 Range 5 Coast District Plan EPP66397

Lot 15 District Lot 4339 Range 5 Coast District Plan EPP66397

Lot 16 District Lot 4339 Range 5 Coast District Plan EPP66397

Lot 17 District Lot 4339 Range 5 Coast District Plan EPP66397

(hereinafter called the "Lots")

- C. AND WHEREAS The Lands are the subject of a Geotechnical Report prepared by Geonorth Engineering Ltd. dated March 8, 2016, which is attached hereto as Schedule A, which addresses a safe building site and that the land may be used safely for the use intended.
- D. AND WHEREAS a Reference Plan EPP66399 dated April 16, 2018, and attached hereto as Schedule E, was completed by William McIntosh, BCLS, sets out a No Build Zone;
- E. AND WHEREAS a covenant under Section 219 of the Land Title Act is required as a condition to the consent and approval of the subdivision of the lands by the Approving Officer under Section 86(1)(d) of the Land Title Act;
- F. AND WHEREAS Section 219 of The Land Title Act provides that there may be registered as a charge against the title to any land, a covenant in favour of the Transferee in respect to the use of the land or that the land is not to be subdivided except in accordance with the covenant;
- G. AND WHEREAS the Transferor is aware of and hereby acknowledges that there is a potential flood danger to the Lots.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the sum of One Dollar (\$1.00) of lawful money of Canada and other good and valuable consideration paid by the Transferees to the Transferor, the receipt of which is hereby acknowledged, the Transferor does hereby covenant and agree with the Transferees under Section 219 of the Land Title Act of the Province of British Columbia as follows:

1. The Transferor is aware of and on behalf of itself and its heirs, executors, administrators, successors and assigns, hereby acknowledges that there is potential geotechnical danger to the Lots of erosion or of land subsiding onto the Lots or surrounding lands.
2. The Transferor's use of the Lots will conform to the requirements, recommendations and no build areas of the geotechnical report prepared by Geonorth Engineering Ltd. dated March 8, 2016 and attached as Schedule A.
3. The Transferor acknowledges that the Transferees do not represent to the Transferor nor to any other person that any building, modular home, mobile home or unit, improvement, chattel or other structure, including the contents of any of them, built, constructed or placed on the Lots will not be damaged by flooding or erosion and the Transferor, with full knowledge of the potential flood or erosion danger and in consideration of the approvals give the Ministry of Transportation and Infrastructure hereby:
 - (a) agree to indemnify and to save harmless the Transferees and their employees, servants or agents from all loss, damage, costs, actions, suits, debts, accounts, claims, and demands which the Transferees or any of their employees, servants or agents, may suffer or incur or be put to arising out of or in connection with any breach of any covenant or agreement on the part of the Transferor or their heirs, executors, administrators, successors and assigns contained in this Agreement or arising out of or in connection with any personal injury, death or loss or damage to the Lots, or to any building, modular home, mobile unit, improvement, chattel or other structure, including the contents of any of them, built, constructed or placed on the Lots caused by flooding, erosion or some such similar cause; and
 - (b) does remise, release and forever discharge the Transferees and their employees, servants or agents, from all manner of actions, causes of actions, suits, debts, accounts, covenants, contracts, claims and demands which the Transferor or any of their heirs, executors, administrators, successors and assigns may have against the Transferees and their employees, servants or agents for and by reason of any personal injury, death or loss or damage to the Lots, or to any building, modular home, mobile unit, improvement, chattel, or other structure, including the contents of any of them, built, constructed or placed on the Lots, caused by flooding, erosion or some similar cause.
4. Nothing in this Agreement shall prejudice or affect the rights, powers and remedies of the Transferees in relation to the Transferor, including their heirs, executors,

administrators, successors and assigns, or the Lots under any law, bylaw, order or regulation or in equity, all of which rights, powers and remedies may be fully and effectively exercised by the Transferees as if this Agreement had not been made by the parties.

5. The Transferor will do or cause to be done at their expense all acts reasonably necessary for the Transferees to gain priority for this Agreement over all liens, charges and encumbrances which are or may be registered against the Lots save and except those specifically approved in writing by the Transferee.
6. The parties agree that this Agreement shall not be modified or discharged except in accordance with the provisions of Section 219 of the Land Title Act.
7. The Transferor shall do or cause to be done all things and execute or cause to be executed all documents and give such further and other assurance which may be reasonably necessary to give proper effect to the intent of this Agreement.
8. The Transferor or any of his heirs, executors, administrators and assigns, as the case may be, shall give written notice of this Agreement to any person to whom he proposes to dispose of one of the Lots, which notice shall be received by that person prior to such disposition.
 - (a) For the purposes of this paragraph the word "dispose" shall have the meaning given to it under Section 29 of the "*Interpretation Act*".
9. Whenever the singular or masculine or neuter is used herein, the same shall be construed as including the plural, feminine, body corporate or politic unless the context requires otherwise.
10. If any section or any part of this Agreement is found to be illegal or unenforceable, then such sections or parts shall be considered separate or severable from this Agreement and the remaining sections or parts of this Agreement, as the case may be, shall be unaffected thereby and shall remain and be enforceable to the fullest extent permitted by law as though the illegal or unenforceable parts or sections had never been included in this Agreement.
11. This Agreement shall be interpreted according to the laws of the Province of British Columbia.
12. Where there is reference to an enactment of the Province of British Columbia in this agreement, that reference shall include a reference to any subsequent enactment of the Province of British Columbia of like effect, and unless the context otherwise requires, all statutes referred herein are enactments of the Property of British Columbia.
13. Every reference to the Minister of Transportation and Infrastructure in this Agreement shall include the Minister of Transportation and Infrastructure, the Deputy Minister of Transportation and Infrastructure and any person designated by either of them to act for or on their respective behalf with respect to any of the provisions of this Agreement.
14. The terms, conditions, covenants and other provisions of this Covenant will extend to, be binding upon and enure to the benefit of the parties to this Covenant and their respective heirs, administrators, successors and assigns.

SCHEDULE "A"

GEONORTH ENGINEERING LTD.

3975 18th Avenue
 Prince George, B.C., V2N 1B2
 Phone 250-564-4304
 Fax 250-564-9323
 E-mail mail@geonorth.ca

March 8, 2016

Mr. W. McIntosh, BCLS
 Baynes Island Holdings Inc.
 PO Box 1250
 Vanderhoof BC V0J 3A0

File No. K-4276

Dear Mr. McIntosh:

**Re: Geotechnical Assessment, Proposed Subdivision of District Lot 4339, Range 5,
 Land District 14, Baynes Island, Stuart Lake, northwest of Fort St. James, B.C.**

Introduction

Baynes Island Holdings Inc. is planning to subdivide Baynes Island, located on Stuart Lake, to create eighteen residential building lots. Baynes Island is located about 30 km northwest of Fort St. James, B.C. and covers an area of about 58 hectares. The proposed building lots will range in size between 2 and 8 hectares. Several lots include significant slopes at the Stuart Lake shoreline. We understand that as a condition of development, B.C. Ministry of Transportation and Infrastructure requires a geotechnical assessment with recommended setbacks to accommodate permanent building sites for those proposed building lots on the west side of the island that have significant slopes. We understand that proposed Lots 9 to 16 were initially identified by the approving authority as having moderately steep to steep gradient slopes.

This letter presents the results of our geotechnical assessment of site conditions with the recommended building setbacks. The scope of work is described in our proposal dated September 18, 2015. You authorized us to carry out the work in an email dated September 23, 2015. Preliminary plans dated October 13, 2014 show the proposed building lots and an area of shared ownership in the centre of the island backing onto all of the proposed lots. This letter follows from an earlier letter dated February 5, 2016 by our firm, and includes the results of assessments of Lots 9 to 18.

The location of Baynes Island and the proposed subdivision layout is shown on Drawing 4276-A1, attached. An orthophoto of the island with ground surface contours is on Drawing 4276-A2 and a bare-earth image produced from LiDAR data provided by your mapping consultant is on Drawing 4276-A3, also attached.

Baynes Island Holdings Inc.
 Geotechnical Assessment, Proposed Subdivision of District Lot 4339, Range 5,
 Land District 14, Baynes Island, Stuart Lake, northwest of Fort St. James, B.C.

March 8, 2016

File No. K-4276

In their letter dated October 27, 2015, B.C. Ministry of Transportation and Infrastructure indicates the land may be subject to natural hazards such as flooding, erosion, land slip or avalanche. They recommend that a Qualified Professional, registered with the Association of Professional Engineers and Geoscientists of B.C. (APEGBC) assess site conditions. Assessments of landslide hazards are to follow the *Guidelines for Legislated Landslide Assessments for Proposed Residential Developments in B.C.*, prepared by APEGBC 2006, and revised in 2010. In the guidelines, landslides include rock falls and slides, debris flows, earth slides and earth flows. Our Geotechnical Assessment of hazards within the study area was carried out using the procedures described in the Guidelines, and include an analysis of slope stability during a seismic event.

Floodplain mapping prepared for the B.C. Ministry of Environment, dated 1991, indicates the 200 year return period flood level of Stuart Lake is 683.1 m elevation, including freeboard.

Site Conditions

The centre and west side of Baynes Island is gently rolling with moderate to steep gradient slopes at the perimeter, down to Stuart Lake. The east side of the island has rugged, irregular, moderate to steep gradient bedrock controlled slopes. The island is presently undeveloped, except there is a small cabin located on the south shore of the island on gentle gradient slopes adjacent to and west of moderate gradient bedrock slopes along the east side of the island.

We understand that other than the small cabin and some timber harvesting, no development has occurred on the island.

Geological Background

Surficial Geology

The surficial geology of the area is shown on Map 1986A, titled *Surficial Geology, Fort Fraser, B.C.*, at a scale of 1:250,000, by A. Plouffe of the Geological Survey of Canada.

The map shows the island is underlain by a glaciolacustrine veneer, defined as "deep water deposits of well sorted, stratified sand, silt and clay overlain, in places, by shallow water deposits of sand and gravel; occurs near limits of former glacial lakes; includes minor till outcrops, 1 to 3 m thick; reflects topography of underlying units".

Adjacent areas on the east and west shores of Stuart Lake are mapped as a glaciolacustrine veneer to about 760 m elevation. Higher elevation areas are mapped as a till

Baynes Island Holdings Inc.
 Geotechnical Assessment, Proposed Subdivision of District Lot 4339, Range 5,
 Land District 14, Baynes Island, Stuart Lake, northwest of Fort St. James, B.C.

March 8, 2016

File No. K-4276

blanket, defined as "continuous till cover with few bedrock outcrops, 1 to 3 m thick on average, conforms to and locally obscures topography of underlying units". Till is deposited below or from glacial ice and is typically comprised of pebbles, cobbles and boulders in a sandy to clayey matrix. It can include colluvium (reworked till) on steep slopes, and small inclusions of glaciofluvial sediments, especially in valley bottoms and near the mouth and banks of meltwater channels. The till surface is commonly fluted and drumlinized. The map shows that glacial drumlins are oriented northwest to southeast due to eastward flowing glacial ice.

Bedrock Geology

Bedrock geology maps produced by the B.C. Geological Survey, available on a website maintained by the B.C. Ministry of Energy and Mines, show that the site is underlain by Early Permian to Late Jurassic mudstone, siltstone or shale, fine grained clastic sedimentary rocks deposited in a unit called the Cache Creek Complex. The rocks are about 150 to 250 million years old.

Aerial Photos and LiDAR Images

As part of our review of the property, we reviewed high resolution orthophotos provided by your firm, low resolution aerial photos produced by the Government of B.C. and Light Detecting and Ranging (LiDAR) images provided by your mapping consultant, Eagle Mapping Ltd. The low resolution photos are from 1996, 2002 and 2003.

The aerial photos show that the island is heavily forested and undeveloped, with no indications of instability. There are several relatively small open areas where trees were cleared shown on the low resolution photos. The shape of the island is consistent in all photos, showing no signs of erosion or significant changes to beaches.

The LiDAR image is detailed and clearly shows various landform features that make up the island. Irregular, rugged features along the east side of the island are typical of bedrock outcrops. Smooth, sculpted drumlins are visible on the west and centre areas, indicative of glacial till covered with a veneer of glaciolacustrine sediments. A shallow, gently sloping, channel-like feature between the bedrock outcrops and the drumlins was likely glacially eroded and subsequently filled with glaciolacustrine sediments. There are distinct beach strand lines visible at some locations on the perimeter of the island, particularly at the south end of the island west of the bedrock outcrops. The strand lines mark abandoned beaches created by wave erosion when Stuart Lake or the preceding glacial lake was at a higher elevation. The LiDAR image shows no signs of slope instability.

Baynes Island Holdings Inc.
 Geotechnical Assessment, Proposed Subdivision of District Lot 4339, Range 5,
 Land District 14, Baynes Island, Stuart Lake, northwest of Fort St. James, B.C.

March 8, 2016
 File No. K-4276

Site Visit

On October 8, 2015, I accompanied you to Baynes Island to observe slopes and landform features, and to check for signs of slope instability in the area of proposed Lots 9 to 16.

At the time of our visit, about 10 m length of beach, from lake level to the toe of a steep slope was exposed. The beach is gently sloping, between 5 and 10%, and covered with irregularly shaped cobbles and boulders, as well as logs washed up from the lake. The slope above the beach is steep, at gradients up to 40° for short pitches, but typically between 30 and 37°. While on site, we walked along the crest and toe of the slope, observed landform features, vegetation types and soil conditions in hand-dug test pits, and checked for signs of instability and groundwater seepage.

The steep slope typically has a uniform to convex shape, being slightly steeper at the toe, just above the beach, indicative of wave erosion. The slope is vegetated, however, with mixed trees and shrubs, including several large, old Douglas fir trees. This indicates the rate of wave erosion is very slow, as suggested by our review of the aerial photos. Soil conditions in shallow hand-dug test pits consists of sandy silt with some gravel in places, likely a till deposit. The cobbles and boulders on the beach are likely washed from the till.

I did not observe any signs of shallow or deep-seated instability during my site visit, and the landform features appear consistent with the those identified from the geological mapping and interpreted from the LiDAR image and the aerial photos.

Engineering Assessment

Our on-site and office reviews indicate there is a very low likelihood of deep-seated slides affecting the proposed subdivision lots. The slopes immediately above the beach have moderately steep to steep gradients, however, and these will need to be avoided. Shoreline erosion is the active geological process affecting the property and will, over decades and centuries, cause the slopes to gradually erode.

To assess the setback for permanent structures from the moderately steep to steep gradient slope down to Stuart Lake within proposed Lots 9 to 18, we carried out slope stability analyses using the software program Slope/W by GeoStudios International, Inc. The analysis was based on the surveyed ground surface profile and lower-bound soil strength parameters.

To carry out the analysis, we input the existing slope geometry into the program and back-calculated soil strength parameters required to maintain the slope in its present shape at a factor of safety of 1.0. This corresponds to a condition of impending failure and assumes the soil

Baynes Island Holdings Inc.
Geotechnical Assessment, Proposed Subdivision of District Lot 4339, Range 5,
Land District 14, Baynes Island, Stuart Lake, northwest of Fort St. James, B.C.

March 8, 2016

File No. K-4276

in the steep slope has a shear strength no greater than that required to keep the slope in its present condition. Using these soil strength parameters we carried out additional analyses to determine the required setback from the crest for permanent structures. The factor of safety under static conditions is typically taken as 1.5¹. The analysis shows that for this condition, the required setback varies depending primarily on slope gradient.

To assess the stability of the slope under seismic loading, we followed procedures outlined in the Guidelines for Legislated Landslide Assessments for Proposed Residential Developments in BC. Using the geological model described above, we carried out a pseudo-static stability analysis using Slope/W with a horizontal load applied to the sliding mass equal to the weight of the sliding mass multiplied by the peak earthquake acceleration. Stability conditions are considered adequate provided the factor of safety exceeds 1.0 for these conditions. We used a design ground acceleration of 0.12 g based on data obtained from a National Resources Canada website². The acceleration estimates are for ground motions having a 2% probability of exceedance in 50 years. Our analysis shows that the setback for permanent structures based on seismic analysis at a factor of safety against sliding of 1.0 is less than that required for long-term, static slope stability conditions with a factor of safety against sliding of 1.5.

We have limited information on which to estimate the rate of lakeshore erosion caused by wind and waves. A comparison between aerial photos dated 1975 and aerial photo images on Google Earth show no significant change in shoreline shape or indications of significant erosion. Our observations of the shoreline suggest only minimal on-going erosion, less than 1 metre in a 10 year period, and therefore recommend a setback allowance of 6 m.

Recommendations

The results of our assessment show that the proposed subdivision is feasible. For construction of permanent residential buildings, we recommend a setback from the 2014 surveyed natural boundary as shown on Drawing 4276-A4. This allows structures to be located outside a theoretical slip surface having a factor of safety against sliding of 1.5 and allows for a nominal amount of lakeshore erosion of at least 6 m. Our stability assessments show that a setback is not required for proposed Lots 9 and 18 for geotechnical reasons.

-
- ¹ Dereole, F. The District of North Vancouver. Natural Hazard Risk Tolerance Criteria. Report Council, November 10, 2009.
 - ² National Resource Canada. Interpolate 2010 National Building Code of Canada Seismic Hazard Values.

Baynes Island Holdings Inc.
Geotechnical Assessment, Proposed Subdivision of District Lot 4339, Range 5,
Land District 14, Baynes Island, Stuart Lake, northwest of Fort St. James, B.C.

March 8, 2016

File No. K-4276

We recommend a surveyor establish the safe building areas on the ground and on legal plans for the property.

The setbacks and suitable building areas noted here are based on a site review and interpretation of available information gathered from geological maps, aerial photos and site observations. The setbacks may be adjusted by a suitably Qualified Professional if additional, detailed, site specific investigations and relevant analyses are carried out.

Closure

This report was prepared by GeoNorth Engineering Ltd. for the use of Baynes Island Holdings Inc. and their consultants. The material in it reflects GeoNorth Engineering's judgement in light of the information available to us at the time of preparation. Any use which Third Parties make of this report, or any reliance on decisions to be made based on it, are the responsibility of such Third Parties. GeoNorth Engineering Ltd. accepts no responsibility for damages, if any, suffered by any third party as a result of decisions made or actions based on this report.

Please call me if you have any questions or if any parts of the letter need to be clarified.

Yours truly,
GeoNorth Engineering Ltd.

Per: D.J. McDougall, M.Eng., P.Eng.



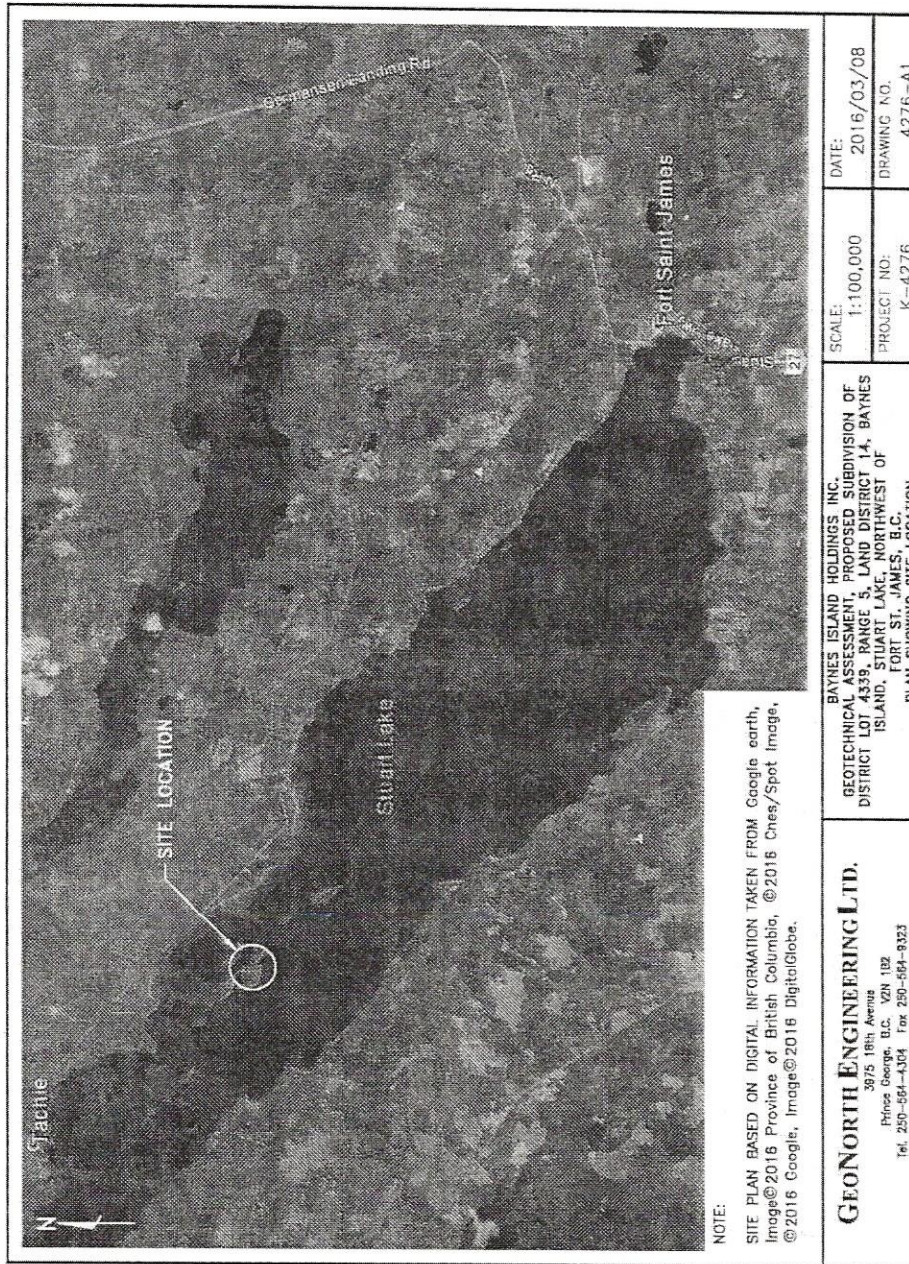
Reviewed by
GeoNorth Engineering Ltd.

Per: F.W. Maksimchuk, P.Eng.



Enclosures:

- Drawing 4276-A1, Plan Showing Site Location
- Drawing 4276-A2, Proposed Subdivision Layout with Orthophoto Image and Ground Elevation Contours
- Drawing 4276-A3, Bare Earth Image of Baynes Island
- Drawing 4276-A4, Proposed Setback for Permanent Structures, Lots 9 to 17



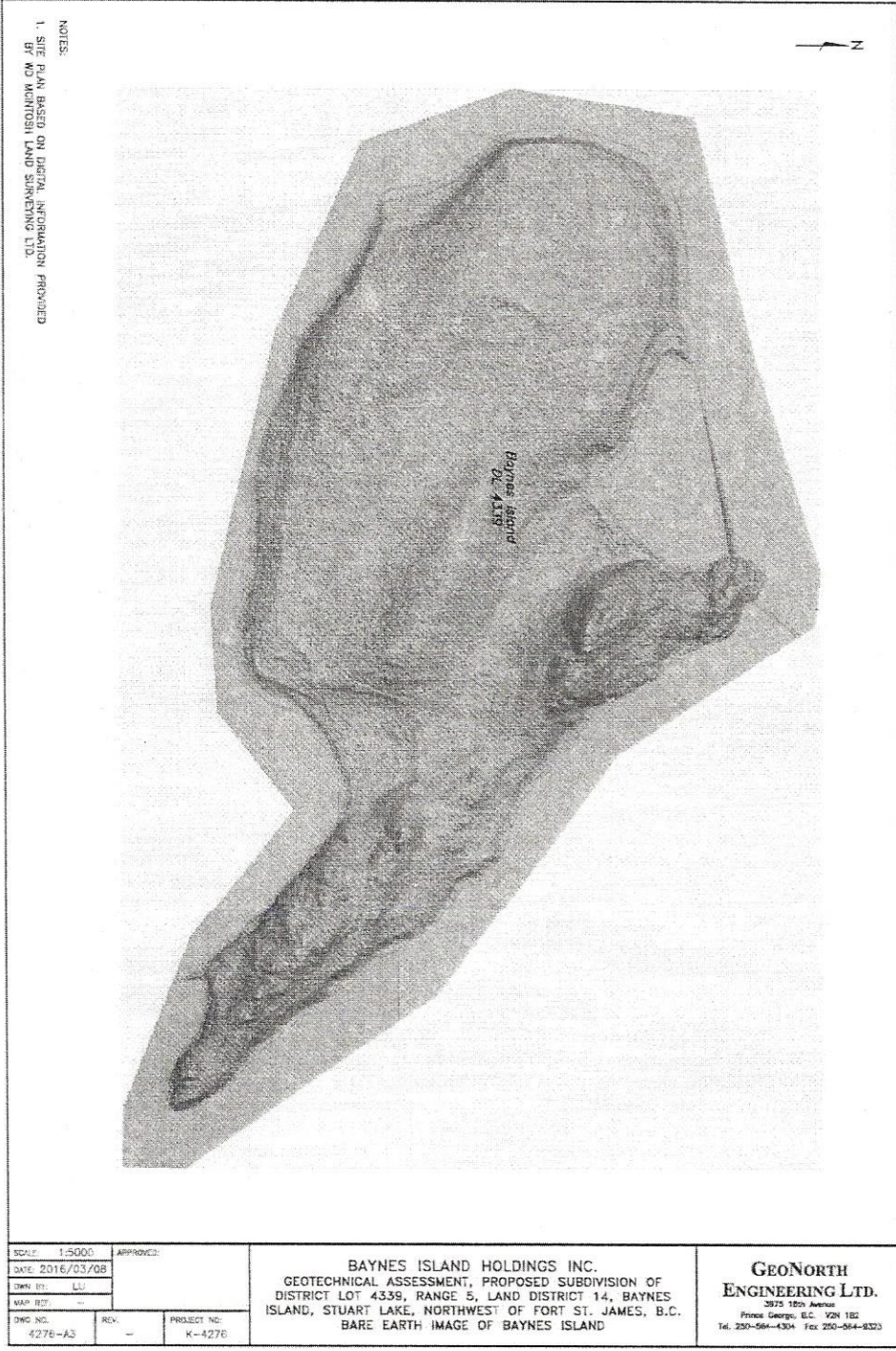
GEONORTH ENGINEERING LTD.

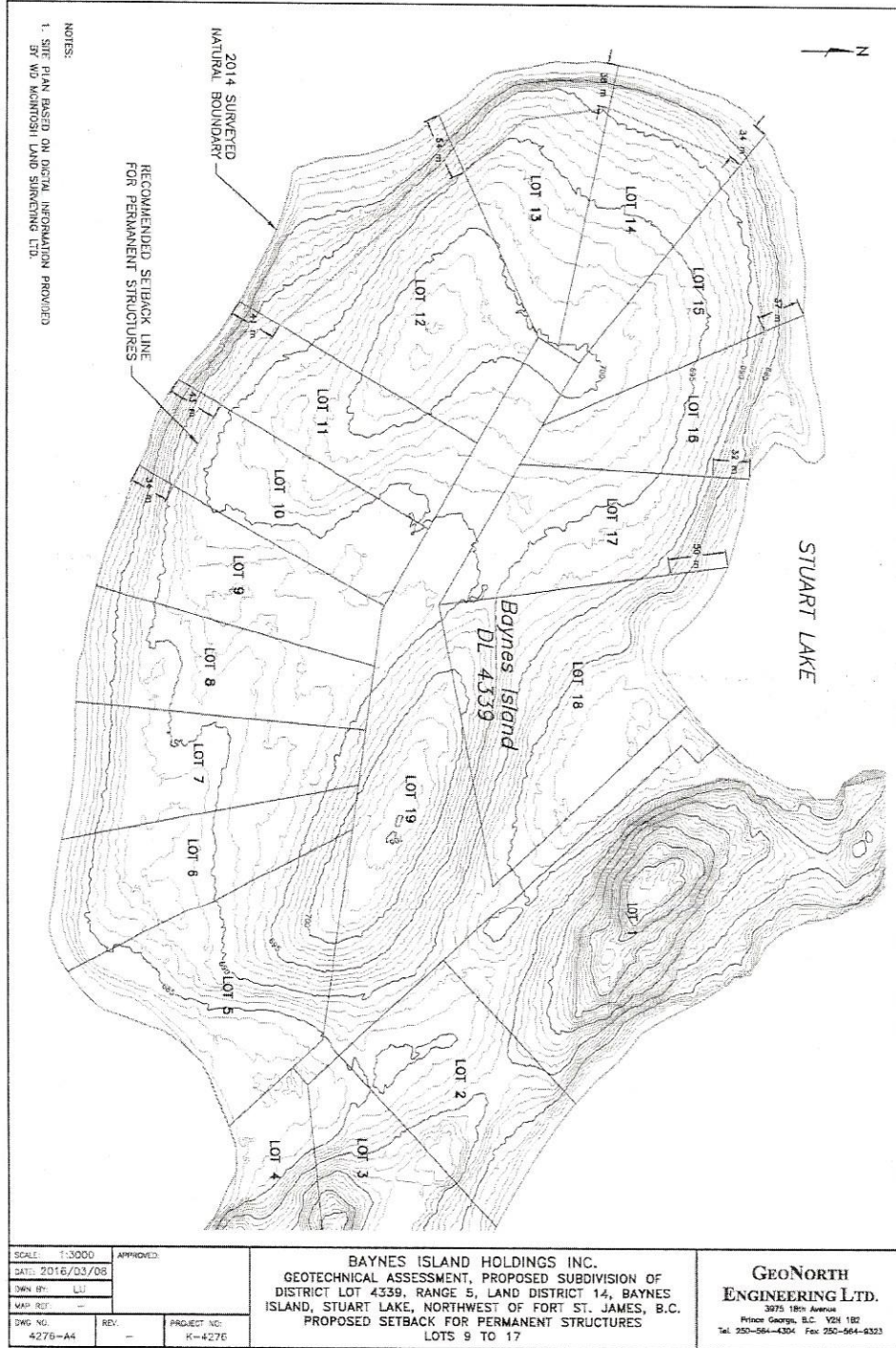
3875 18th Avenue
 Prince George, B.C. V2N 1B2
 Tel. 250-561-4304 Fax 250-564-9323

BAYNES ISLAND HOLDINGS INC.
 GEOTECHNICAL ASSESSMENT, PROPOSED SUBDIVISION OF
 DISTRICT LOT 4339, RANGE 5, LAND DISTRICT 14, BAYNES
 ISLAND, STUART LAKE, NORTHWEST OF
 FORT ST. JAMES, B.C.
 PLAN SHOWING SITE LOCATION

SCALE: 1:100,000
 PROJECT NO: K-4276
 DATE: 2016/03/08
 DRAWING NO. 4276-A1







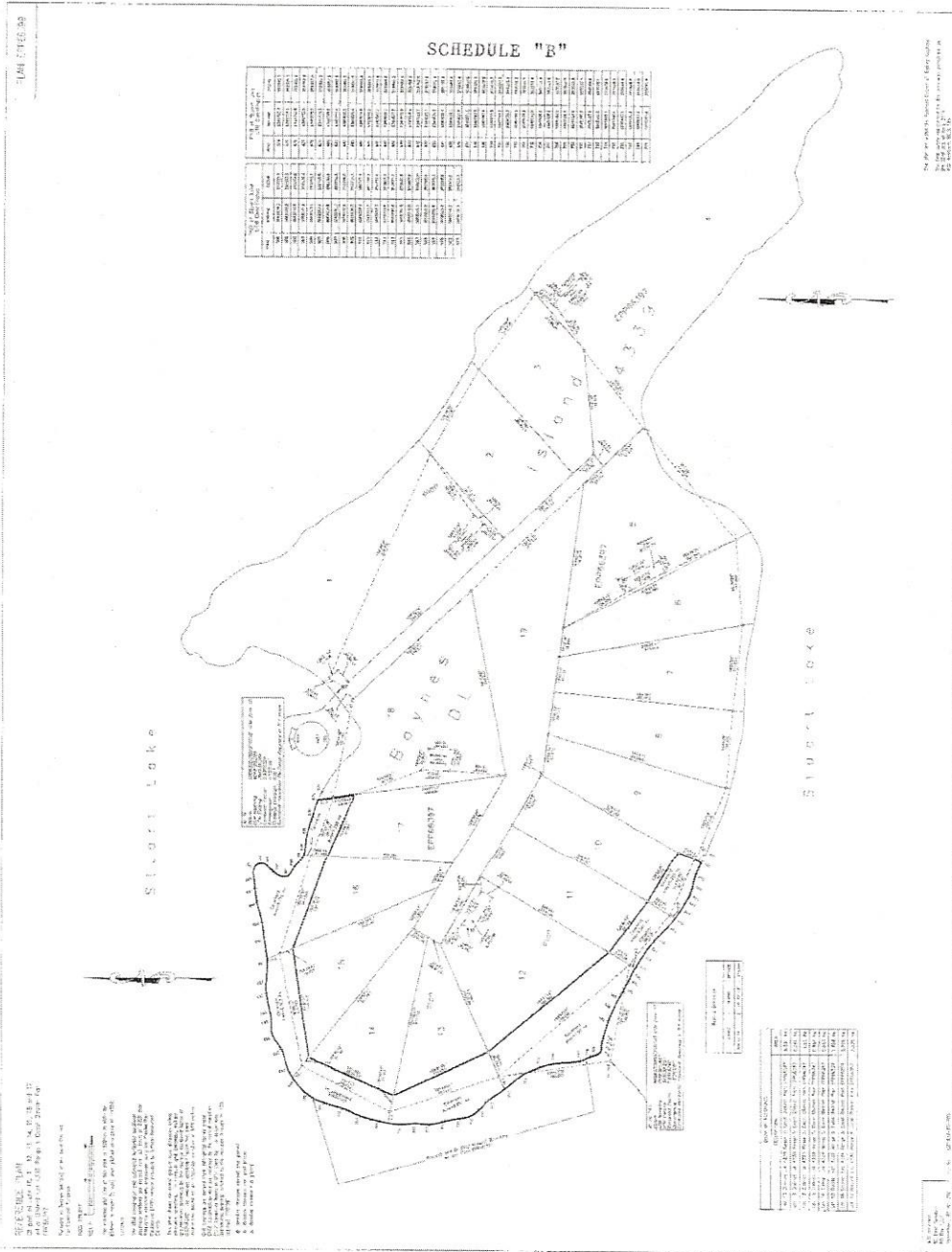


EXHIBIT E- SECTION 219 COVENANT CA6898208 (PARKING EASEMENT CA6898207)

Status: Registered
FORM C_V24 (Charge)

Doc #: CA6898207

RCVD: 2018-06-28 RQST: 2018-08-13 16:15:29

VICTORIA LAND TITLE OFFICE

DECLARATION(S) ATTACHED
CA6898207 CA6898208

LAND TITLE ACT
FORM C (Section 233) CHARGE
GENERAL INSTRUMENT - PART 1 Province of British Columbia
Jun-28-2018 15:19:25.008

PAGE 1 OF 10 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, R.S.B.C. 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

Robert Alexander Traxler 4ZEXBK	Digitally signed by Robert Alexander Traxler 4ZEXBK Date: 2018.06.28 15:15:56 -0700
---------------------------------------	--

- APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)
ROBERT A. TRAXLER, Barrister & Solicitor
TRAXLER HAINES
614 - 1488 - 4TH AVENUE
PRINCE GEORGE BC V2L 4Y2
Telephone: 250-563-7741
File: 16-4572-102RAT
Document Fees: \$143.16 Deduct LTSA Fees? Yes
- PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]
005-787-998 LOT 24 DISTRICT LOT 3037 RANGE 5 COAST DISTRICT PLAN 9825
STC? YES
- NATURE OF INTEREST CHARGE NO. ADDITIONAL INFORMATION
SEE SCHEDULE
- TERMS: Part 2 of this instrument consists of (select one only)
(a) Filed Standard Charge Terms D.F. No. (b) Express Charge Terms Annexed as Part 2
A selection of (a) includes any additional or modified terms referred to in item 7 or in a schedule annexed to this instrument
- TRANSFEROR(S):
BAYNES ISLAND HOLDINGS INC., INC. NO. BC1005697
- 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: Signatures(s)

ROBERT A. TRAXLER
Barrister & Solicitor
614 - 1488 - 4TH AVENUE
PRINCE GEORGE, BC V2L 4Y2
TELEPHONE: 250-563-7741

Execution Date		
Y	M	D
18	5	22

Transferor(s) Signature(s)
Baynes Island Holdings Inc. by its
authorized signatories:

Name: WILLIAM MCINTOSH

Name: RUDOLF NIELSEN

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. 1996, c.124, 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.

Status: Registered
FORM D1, V24

Doc #: CA6898207

RCVD: 2018-06-28 RQST: 2018-08-13 16.15.29

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

PAGE 2 of 10 PAGES

Officer Signature(s)

Execution Date

Transferor / Borrower / Party Signature(s)

Jennifer Elliot
Commissioner for Taking Affidavits in British Columbia
360 - 1011 - 4TH AVENUE
Prince George, BC V2L 3H9
EXPIRES Sept 30, 2020

Execution Date		
Y	M	D
18	06	14

This is an instrument required by the Approving Officer for subdivision Plan EPP66397 creating the condition of Covenant entered into under Section 219 of the Land Title Act:

Name: MICHELLE BOUDREAU

Approving Officer for the Ministry of Transportation and Highways

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. 1996, c.124, 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.

Status: Registered
FORM E_V24

Doc #: CA6898207

RCVD: 2018-06-28 RQST; 2018-06-13 16.15.29

LAND TITLE ACT
FORM E
SCHEDULE

PAGE 3 OF 10 PAGES

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
Easement		over Lot 24 DL 3037 Range 5 Coast District Plan 9825 in favour of the owners of Lots 1 to 18 District Lot 4339 Range 5 Coast District Plan EPP66397

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
Covenant		Section 219 Page 9, paragraphs 21 to 24

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
--------------------	------------	------------------------

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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Status: Registered

Doc #: CA6898207

RCVD: 2018-08-28 RQST: 2018-08-13 16:15:29

FORM F_V24

LAND TITLE ACT
FORM F

SCHEDULE

PAGE 4 OF 10 PAGES

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

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

BAYNES ISLAND HOLDINGS INC., INC. NO. BC1005697, of PO Box 1250, Vanderhoof, BC, V1J 3A0
and

THE CROWN IN THE RIGHT OF BRITISH COLUMBIA, c/o THE MINISTRY OF TRANSPORTATION
AND INFRASTRUCTURE, Parliament Buildings, Victoria, British Columbia, V8V 1X4

TERMS OF INSTRUMENT — PART 2

WHEREAS:

- A. The Transferor (the "Grantor") is the registered owner of those lands and premises legally described in item 2 of the attached Land Title Act Form C General Instrument - Part 1 (the "Servient Lands");
- B. The Transferee (the "Grantee") is the registered owner of those lands and premises legally described in item 3 of the attached Land Title Act Form C General Instrument - Part 1 (the "Dominant Lands");
- C. The Grantor has agreed to grant an easement to the Grantee for the purposes herein contained over portions of the Servient Lands on the terms and conditions set forth herein;
- D. The parties hereto wish to set out in this Agreement their respective rights and obligations concerning the Servient Lands and the use, operation, repair and maintenance of same;
- E. The granting of this easement and the covenant under Section 219 of the *Land Title Act* contained herein are required by the Minister of Transportation and Infrastructure (the "Province") in connection with a subdivision application.

NOW THEREFORE in consideration of \$1.00 now paid by the Grantee to the Grantor (the receipt and sufficiency of which are acknowledged) the Grantor covenants and agrees with the Grantee as follows:

- 1. The Grantor as owner of the Servient Tenement Lot (as defined) grants in favour of the Grantee as for the benefit of the Dominant Tenement Lots (as defined) for the non-exclusive use and enjoyment of the Grantee and its servants, agents, tenants, invitees and licensees at any time and from time to time in perpetuity the full and free right, liberty and easement to enter, go, return, pass and repass on foot or with vehicles, boats, boat trailers, motorized or otherwise, with or without animals, or otherwise, by night and by day, through, along and upon those portions of the Servient Tenement Lot contained within those portions of the lands shown outlined in heavy dark outlines on Explanatory Plan EPP72665 (the "Easement Area"), attached hereto and marked as Schedule "A", for the purpose of parking in accordance with the terms of this Agreement. "Dominant Tenement" or "Dominant Tenement Lot" will mean those lots set out below for which the benefit of the aforesaid right is hereby granted. "Servient Tenement" or "Servient Tenement Lot" will mean that lot set out below over and upon which the aforesaid right is granted. The grant of Easement is from the Servient Tenement Lot in favour of the Dominant Tenement Lot as follows:

Servient Tenement Lot

Dominant Tenement Lot

Lot 24 District Lot 3037
Range 5 Coast District
Plan 9825

Lots 1 - 18 District Lot 4339 Range 5
Coast District Plan EPP66397
ACCESS BY COMMON LOT AND
ACCESS BY WATER

2. All covenants of the Grantor under this Agreement and any rights, duties or responsibilities of the Grantor as specified in this Agreement will be deemed to be granted in respect to the Servient Tenement Lot in favour of or in respect of the Grantee as Dominant Tenement owner of the Dominant Tenement Lot set out opposite that Servient Tenement Lot above.
3. The Grantor and Grantee covenant and agree with each other as follows:
 - (a) The Easement Area allows for 18 parking stalls, each with an area of 55.5 m², each 3.7m in width (the "Parking Stalls");
 - (b) Each of Lots 1 to 18 Plan EPP66397, shall have the use of one Parking Stall or an area within the Easement Area (the "Parking Area");
 - (c) The Grantee agrees not to use more than their allotted Parking Area and to use the Easement Area for vehicle or boat trailer parking only.
4. The Grantor and Grantee agree that this Easement shall not be modified or discharged without the express written consent of the Province.
5. The Grantee will use all reasonable efforts to exercise its rights hereunder in a manner that will not materially adversely affect the Grantor's use of the Servient Lands.
6. The Grantor hereby covenants and agrees with the Grantee that:
 - (a) except as herein expressly provided, the Grantor will not erect, construct or place or permit to be erected, constructed or placed on any part of the Easement Area any improvements which in the reasonable opinion of the Grantee might interfere with, injure or impair the operating efficiency of, or obstruct howsoever access to or the Grantee's use of the Easement Area for the purpose herein contained;
 - (b) the Grantee may clear the Easement Area and keep it clear of anything which in the opinion of the Grantee constitutes a danger or obstruction to the use of the Parking Area;
 - (c) from time to time and at all times upon reasonable request and at the sole cost and expense of the Grantee, the Grantor will do and execute or cause to be made, done or executed all such further and other lawful acts, deeds, things, devices, conveyances and assurance in law whatsoever for the better assuring unto the Grantee of the rights, liberties and easements hereby granted.
7. The Grantee hereby covenants and agrees with Grantor that:
 - (a) except as herein expressly provided, the Grantee will not obstruct access to the Grantor's use of the Easement Area or any other part of the Servient Lands;

- (b) in effecting any construction, repair, maintenance or other work on the Servient Lands, the Grantee shall take and exercise all reasonable steps not to disturb the safety, peace and enjoyment of the Servient Lands by the Grantor;
 - (c) upon a road being dedicated as public street or public road and provided such dedicated public street or public road provides the Grantee with reasonable and proper access to the Dominant Lands, then the easement herein granted shall thereupon become null and void and be of no further force or effect whatsoever; without limiting the generality of the foregoing, the Grantee covenants and agrees to and with the Grantor that following such dedication it will at the request of the Grantor execute and deliver such release or partial release of the easement herein granted.
8. All expenses incurred after the date hereof for the construction, repair, operation, maintenance, and alteration to the Easement Area for the purposes of granting access shall be borne by, and paid for, equally among the Grantee.
9. In the event that a party does not fulfill any of its obligations under this Agreement or is in breach of any of its covenants herein, the non-defaulting party shall have the right, but shall not be obligated, to perform such obligations and covenants in the place of the defaulting party and make reasonable and necessary expenditures therefore, and the defaulting party hereby agrees to indemnify the non-defaulting party for the costs so occurred.
10. The Grantee hereby agrees to indemnify and save harmless the Grantor for any loss, cost or damage suffered directly or indirectly by the Grantor and from and against any and all claims, actions, damages, liability and expenses in connection with loss of life, personal injury or damage to property as a result of the performance or non-performance by the Grantee of its obligations and covenants under this Agreement or as a result of any work performed by or on behalf of the Grantee in the exercise of any of its rights under this Agreement or any act or omission of the Grantee, its servants, officers, employees, agents, customers, contractors, invitees, licensees, tenants, sublessees, assignees and successors, save and except to the extent caused by negligence or a default of the Grantor.
11. The Grantor hereby agrees to indemnify and save harmless the Grantee for any loss, cost or damage suffered directly or indirectly by the Grantee and from and against any and all claims, actions, damages, liability and expenses in connection with loss of life, personal injury or damage to property as a result of the performance or non-performance by the Grantor of its obligations and covenants under this Agreement or as a result of any work performed by or on behalf of the Grantor in the exercise of any of its rights under this Agreement or any act or omission of the Grantor, its servants, officers, employees, agents, customers, contractors, invitees, licenses, tenants, sublessees, assignees and successors, save and except to the extent caused by negligence or a default of the Grantee.

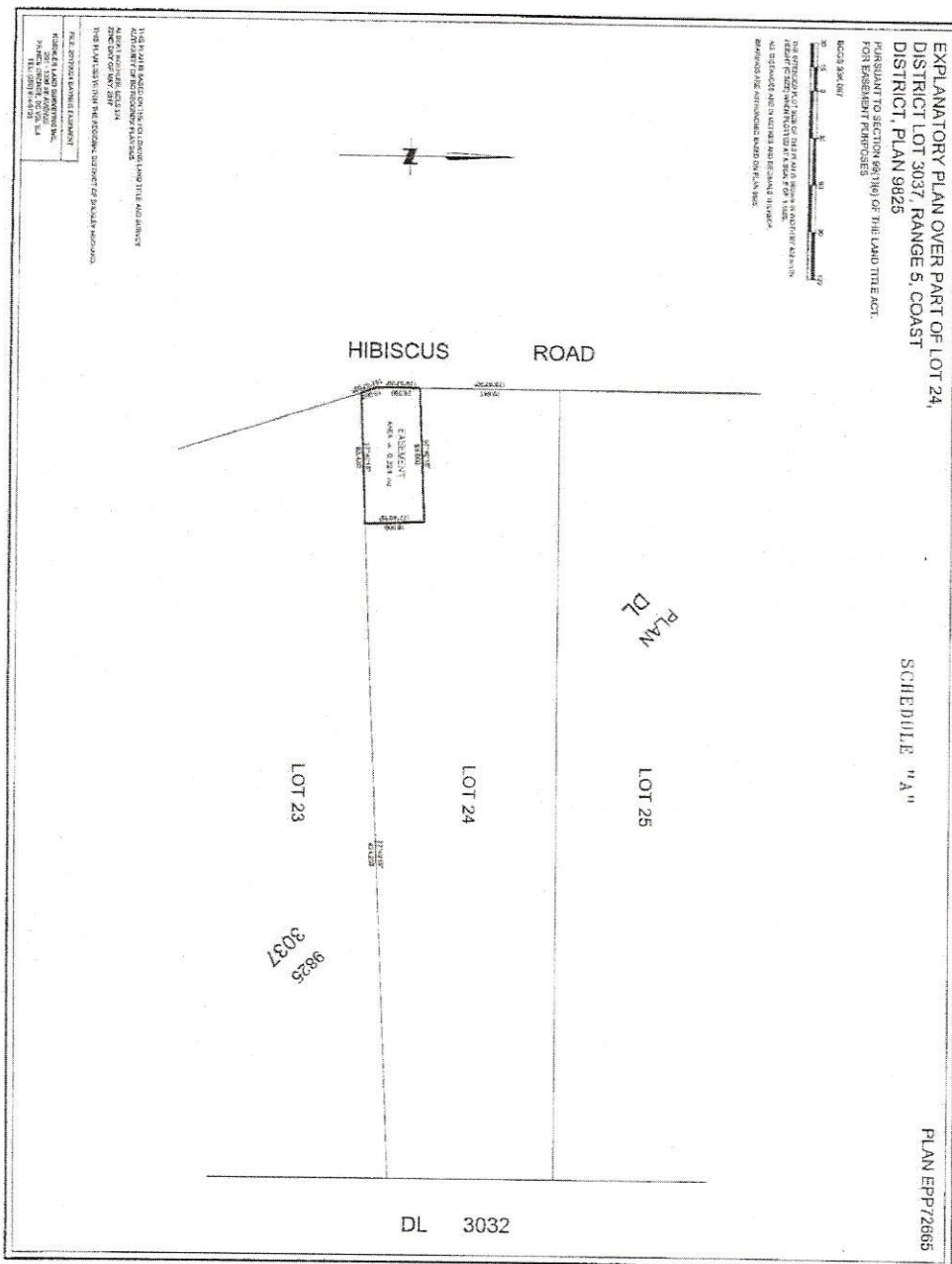
12. The rights, liberties and easements herein granted shall be construed as being extended to and may be exercised by the Grantee and its successors and assigns, the owners and occupiers for the time being of the Dominant Lands and every part into which such lands may be subdivided, and the provisos, reservations, restrictions and limitations herein reserved to the Grantor shall be construed as referring to such and its successors and assigns, the owners and occupiers for the time being of the Servient Lands and every part into which such lands may be subdivided.
13. The easements herein granted by the Grantor shall be construed as running with the Servient Lands and shall attach to and run with each and every part into which such lands or any part thereof may hereafter be subdivided, but no part of the fee of the soil thereof shall pass to or be vested in the Grantee under or by these presents, and the Grantor may fully use and enjoy the Servient Lands subject only to the rights and restrictions, herein provided.
14. The covenants contained herein are personal to each of the parties hereto only for such time as such party is the owner of the Dominant Lands or the Servient Lands as applicable.
15. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
16. If the singular, masculine or neuter is used in this Agreement, the same will be deemed to include references to the plural, feminine or body corporate according to the context in which it is used.
17. Any notice or other communication required or permitted to be given or received hereunder or in connection herewith will be effectively given if personally delivered or mailed by prepaid registered post to the address as set out on page 3 of this Agreement or any such other address as may be substituted from time to time by notice in writing. Any notice or other communication which is personally delivered will be deemed delivered when delivered and which is mailed by prepaid registered mail will be deemed delivered within four days of the posting. Provided that in the case of an interruption of the postal service by reason of labour disputes or other cause at the time of mailing, notice shall be deemed to have been received, if mailed, then at the expiration of four days following the resumption of the regular postal service.
18. Time will be of the essence of this Agreement.
19. This Agreement will be governed by and construed and enforced in accordance with the laws of the Province of British Columbia.
20. Any disagreement or dispute between the parties arising out of this Agreement shall be submitted for determination by arbitration under the Commercial Arbitration Act (British Columbia).

COVENANT IN FAVOUR OF THE PROVINCE UNDER

SECTION 219 OF THE LAND TITLE ACT, R.S.B.C. 1996, c. 250

21. The Grantor for itself and its successors and assigns hereby covenants and agrees with the Province under s. 219 of the Land Title Act, R.S.B.C. 1996, c. 250 (being the intention of the parties that this covenant shall be annexed to the Servient Tenement Lot) that the Grantor will not to modify or discharge the Easement without the prior written consent of the Province, which consent the Province may withhold in its sole discretion for any reason it sees fit.
22. The covenants set forth in this Agreement shall charge the Servient Tenement Lot under s. 219 of the Land Title Act and shall be covenants, the burden of which shall run with the lands. This Agreement may only be modified or discharged by agreement of the Province under s. 219 (9) of the Land Title Act.
23. Notwithstanding anything contained in this Agreement, the Grantor 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 Grantor ceases to have any further interest in the Servient Tenement Lot.
24. The Grantor, and the Grantee, and each of them hereby releases and shall indemnify and save harmless the Province, its elected and appointed officials, contractors and expenses from and against all liability, actions, causes of action, claims, damages, expenses, costs, debts, demands or losses suffered or incurred by the Grantor, the Grantee, or anyone else arising from the granting or existence of this Agreement, from the performance by the Grantor of this Agreement, or from any default of the Grantor or the Grantee under or in respect of this Agreement.

IN WITNESS WHEREOF the parties acknowledge that this Agreement has been duly executed and delivered by the parties executing Part 1 of Form C attached to and forming part of this Agreement



Status: Registered

Doc #: CA6898207

RCVD: 2018-06-28 RQST: 2018-08-13 16.15.29

FORM_DEGGEN_V10

**LAND TITLE ACT
FORM DECLARATION**

Related Document Number: CA6898207

PAGE 1 OF 1 PAGES

Your electronic signature is a representation that: you are a subscriber as defined by the Land Title Act, RSBC 1996, C.250, the original or where designated by the Director, a true copy of the supporting document is in your possession and that the summary of the material facts set out in this declaration accurately reflects the material facts set out in each supporting document and if a supporting document is evidenced by an imaged copy the material facts of the supporting document are set out in the imaged copy of it attached. Each term used in the representation and declaration set out above is to be given the meaning ascribed to it in Part 10.1 of the Land Title Act.

Jacqueline Trudel YAVFXP	Digitally signed by Jacqueline Trudel YAVFXP Date: 2018.07.25 12:55:14 -0700
--------------------------------	--

I, Jacqueline L. Trudel of Traxler Haines, Solicitors for Baynes Island Holdings Inc., am authorized by the Transferor and the Transferees, to file this Declaration to amend item 3 of the Easement in Related Document CA6898207 as follows:

3. NATURE OF INTEREST:

EASEMENT: in favour of the owners of Lots 1 to 18 District Lot 4339 Range 5 Coast District Plan EPP66397 as shown on Plan EPP72665 Explanatory Plan over part of Lot 24 District Lot 3037 Range 5 Coast District Plan 9825

Jacqueline L. Trudel
Barrister & Solicitor
614 - 1488 - 4th Avenue
Prince George, B.C. V2L 4Y2
Phone: 250-563-7741

NOTE:

A Declaration cannot be used to submit a request to the Registrar for the withdrawal of a document.

Fee Collected for Document: \$0.00

EXHIBIT F - SECTION 219 COVENANT CA6898209 (NO BUILD - SEWERAGE)

Status: Registered
FORM_C_V24 (Charge)

Doc #: CA6898209

RCVD: 2018-06-28 RQST: 2018-08-13 20:12:17

VICTORIA LAND TITLE OFFICE

LAND TITLE ACT
FORM C (Section 233) CHARGE
GENERAL INSTRUMENT - PART 1 Province of British Columbia

Jun-28-2018 15:19:25.009

CA6898209 CA6898210

PAGE 1 OF 12 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

Robert Alexander Traxler 4ZEXBK
Digitally signed by Robert Alexander Traxler 4ZEXBK
Date: 2018.06.28 15:01:17
07:00

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

ROBERT A. TRAXLER, Barrister & Solicitor
TRAXLER HAINES
614 - 1488 - 4TH AVENUE
PRINCE GEORGE BC V2L 4Y2
Document Fees: \$143.16

Telephone: 250-563-7741
File No. 16-4572-102/RAT

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

Deduct LTSA Fees⁹ Yes

SEE SCHEDULE

STC? YES

3. NATURE OF INTEREST
SEE SCHEDULE

CHARGE NO. ADDITIONAL INFORMATION

4. TERMS: Part 2 of this instrument consists of (select one only)
(a) Filed Standard Charge Terms D.F. No. (b) Express Charge Terms Annexed as Part 2

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument.

5. TRANSFEROR(S):

BAYNES ISLAND HOLDINGS INC., INC. NO. BC1005697 AND 275737 BRITISH COLUMBIA LTD., INC. NO. BC0275737

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)

ROBERT A. TRAXLER
Barrister & Solicitor
614 -1488 - 4TH AVENUE
PRINCE GEORGE, BC. V2L 4Y2
TELEPHONE: 250-563-7741

Execution Date		
Y	M	D
18	5	22

Transferor(s) Signature(s)

Baynes Island Holdings Inc. by its authorized signatories:

Name: WILLIAM MCINTOSH

Name: RUDOLF NIELSEN

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. 1996, c.124, 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.

Status: Registered
FORM D1_V24

Doc #: CA6898209

RCVD: 2018-06-28 RQST: 2018-08-13 20.12.17

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

PAGE 2 of 12 PAGES

Officer Signature(s)

Execution Date

Transferor / Borrower / Party Signature(s)

ROBERT A. TRAXLER
Barrister & Solicitor
614 - 1488 - 4TH AVENUE
PRINCE GEORGE, BC, V2L 4Y2
TELEPHONE: 250-563-7741

Y	M	D
18	5	22

275737 British Columbia Ltd. by its
authorized signatory:

Name: WILLIAM MCINTOSH

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. 1996, c.124, 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.

Status: Registered
FORM D1 v24

Doc #: CA6898209

RCVD: 2018-06-28 RQST: 2018-08-13 20.12.17

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

PAGE 3 of 12 PAGES

Officer Signature(s)

Execution Date

Transferor / Borrower / Party Signature(s)

JENNIFER ELLIOT

18 06 14

Commissioner for Taking Affidavits in British Columbia

360 - 1011 - 4TH AVENUE
Prince George, BC V2L 3H9
EXPIRES Sept 30, 2020

This is an instrument required by the
Approving Officer for subdivision Plan
EPP66397 creating the condition of
Covenant entered into under Section
219 of the Land Title Act:

Name: MICHELLE BOUDREAU

Approving Officer for the Ministry of
Transportation and Highways

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. 1996, c.124, 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.

Status: Registered

Doc #: CA6898209

RCVD: 2018-06-28 RQST: 2018-08-13 20.12.17

FORM E_V24

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 4 OF 12 PAGES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND

Related Plan Number: **EPP66397**

STC for each PID listed below? YES

[PID] [LEGAL DESCRIPTION - must fit in a single text line]

NO PID NMBR LOT 1 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397

NO PID NMBR LOT 4 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397

NO PID NMBR LOT 5 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397

NO PID NMBR LOT 12 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397

NO PID NMBR LOT 18 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397

Status: Registered
FORM F_V24

Doc #: CA6898209

RCVD: 2018-06-28 RQST: 2018-08-13 20.12.17

LAND TITLE ACT
FORM E
SCHEDULE

PAGE 5 OF 12 PAGES

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
Covenant		
NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
Priority Agreement		Priority Agreement granting Covenant herein priority over Mortgage CA3894333 in favour of 275737 British Columbia Ltd.

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
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F-6

Status: Registered

Doc #: CA6898209

RCVD: 2018-06-28 RQST: 2018-08-13 20:12:17

FORM_E_V24

**LAND TITLE ACT
FORM E**

SCHEDULE

PAGE 6 OF 12 PAGES

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

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

THE CROWN IN THE RIGHT OF BRITISH COLUMBIA, c/o THE MINISTRY OF TRANSPORTATION
AND INFRASTRUCTURE, Parliament Buildings, Victoria, British Columbia, V8V 1X4,

and

NORTHERN HEALTH, PUBLIC HEALTH PROTECTION, 600 - 299 Victoria Street, Prince George, BC,
V2L 5B8

TERMS OF INSTRUMENT - Part 2
Restrictive Covenant, Section 219 Land Title Act (No Build - Sewerage)

WHEREAS:

- A. The Transferor is the registered owner in fee simple of the following lands in the Province of British Columbia, more particularly described in Item 2 of Part 1 of this General Instrument (hereinafter called the "Lands");
- | | |
|--------|--|
| NO PID | LOT 1 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN
EPP66397 |
| NO PID | LOT 4 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN
EPP66397 |
| NO PID | LOT 5 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN
EPP66397 |
| NO PID | LOT 12 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN
EPP66397 |
| NO PID | LOT 18 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN
EPP66397 |
- B. Section 219 of the Land Title Act provides that a covenant, in favour of the Crown as Transferee, whether of a negative or positive nature in respect to the use of the land or that the land is, or is not, to be built upon in favour of the Transferee, may be registered as a charge against the title to that land and is enforceable against the Transferor and their successors in title even if the covenant is not annexed to land owned by the Transferee.
- C. The Transferor has agreed to register on title to the Lands this covenant to require that the land is to be used in a particular manner or that portions of the Lands as identified on Reference Plan EPP66398, attached hereto as "Schedule A" to this Covenant, are not to be built on and are reserved as potential sewerage disposal areas, until such time that the areas are developed for the intended purpose or alternate areas are identified and a Letter of Certification has been accepted by the Local Health Authority for development of sewerage disposal areas.
- D. The Transferor has agreed to enter into this Covenant as a condition of subdivision of the Lands.

NOW THEREFORE THIS AGREEMENT WITNESSTH 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 Transferor by the Transferee (the receipt and sufficiency of which is hereby acknowledged), the parties hereto agree and covenant with each other as follows:

1. The Transferor covenants and agrees not to construct any building or structure of any kind on the Land identified in the attached "Schedule A" reserved for sewerage disposal areas.
2. The Transferor does further agree to give written notice of this Covenant to any person to whom the Transferor proposes to dispose of the Lands, which notice shall be given and received prior to such disposition. For the purposes of this paragraph the word "dispose" shall have the meaning given to it under Section 29 of the Interpretation Act, RSBC 1996, c. 238.
3. The Transferee agrees to support the execution and filing at the Land Title Office of an amendment of this Covenant, at the transferor's expense, upon satisfaction that the transferor has:
 - a) completed and can provide a copy of the Letter of Certification issued by the Local Health Authority to develop the area identified in "Schedule A" for the intended purpose, or
 - b) completed and can provide a copy of the Letter of Certification accepted by the Local Health Authority wherein the filing of and the sewerage disposal system recommended by an authorized person differs from the area identified in "Schedule A" for sewerage disposal at the time of subdivision.
4. The Transferee agrees to support the execution and filing at the Land Title Office of a discharge of this Covenant, at the Transferor's expense, upon satisfaction that the Transferor has:
 - a) completed and can provide a copy of the Letter of Certification issued by the Local Health Authority to develop the area identified in "Schedule A" for the intended purpose, or
 - b) completed and can provide a copy of the Letter of Certification accepted by the Local Health Authority wherein the filing of and the sewerage disposal system recommended by an authorized person differs from the area identified in "Schedule A" for sewerage disposal at the time of subdivision.
5. For the purpose of this agreement, the terms "filing," "sewerage system," "Letter of Certification" and "authorized person" shall have the meaning ascribed to them by the Sewerage System Regulation under the *British Columbia Health Act* and or any successor legislation.

6. The Transferor does hereby, on behalf of the Transferor and the Transferor's heirs, executors, administrators, successors and assigns, remise, release, indemnify and save harmless the Transferee, its officers, officials, employees, or agents from any and all claims, causes of action, loss or suits of whatever nature or kind including, without limitation, claims for property damage, personal injury or death arising out of or in any way connected with the Covenant. The Transferor does further agree that the Transferee shall have no obligation to ensure compliance with or enforce the terms of this Covenant, which at all times shall remain the responsibility of the Transferor and the Transferor's heirs, executors, administrators, successors, assigns and successors in title.
7. Subject to the provisions of Section 219 of the *Land Title Act*, the Transferor's covenants contained in this Agreement shall burden and run with the Lots and shall enure to the benefit of and be binding upon the Transferor, their heirs, executors, administrators, successors and assigns and the Transferee and their assigns.
8. Nothing in this agreement shall prejudice or affect the rights, powers and remedies of the Transferee in relation to the Transferor, including their heirs, executors, administrators, successors and assigns, or the Lots under any law, bylaw, order or regulation or in equity all of which rights, powers and remedies may be fully and effectively exercised by the Transferee as if this Agreement had not been made by the parties.
9. The Transferor will do or cause to be done at their expense all acts reasonably necessary for the Transferee to gain priority for this Agreement over all liens, charges and encumbrances which are or may be registered against the Lots save and except those in favour of the Transferee and those specifically approved in writing by the Transferee.
10. The parties agree that this Agreement shall not be modified or discharged except in accordance with the provisions of Section 219 (9) of the *Land Title Act*.
11. The Transferor shall do or cause to be done all things and execute or cause to be executed all documents and give such further and other assurances which may be reasonably necessary to give proper effect to the intent of this Agreement.
12. Whenever the singular or masculine or neuter is used herein, the same shall be construed as including the plural, feminine, body corporate or politic unless the context requires otherwise.
13. If any section or any part of this Agreement is found to be illegal or unenforceable, then such sections or parts shall be considered to be separate and severable from this Agreement and the remaining sections or parts of this Agreement, as the case may be, shall be unaffected thereby and shall remain and be enforceable to the fullest extent permitted by law as though the illegal or unenforceable parts or sections had never been included in this Agreement.
14. This agreement shall be interpreted according to the laws of British Columbia.

15. Where there is a reference to an enactment of the Province of British Columbia in this agreement, that reference shall include a reference to any subsequent enactment of the Province of British Columbia of like effect, and unless the context otherwise requires, all statutes referred to herein are enactments of the Province of British Columbia.
16. Every reference to the Minister of Transportation and Infrastructure, in this agreement shall include the Minister of Transportation and Infrastructure, the Deputy Minister of Transportation and Infrastructure and any person designated by either of them to act for or on their respective behalf with respect to any of the provisions of this Agreement.

This is the instrument creating the condition or covenant entered into under Section 219 of the *Land Title Act* required by the Approving Officer for the subdivision under Plan EPP66397.

CONSENT AND PRIORITY AGREEMENT

WHEREAS 275737 British Columbia Ltd. (the "Chargeholder") is the holder of a Mortgage registered in the Prince Rupert Land Title Office under No. CA3894333 (the "Charge") encumbering the lands described in the attached Section 219 Covenant (the "Covenant").

Therefore this Consent and Priority Agreement witnesses that the Chargeholder hereby:

1. approves of, joins in and consents to the registration of the Covenant;
2. covenants and agrees that the Covenant is binding upon and takes priority over the Charge; and
3. postpones the Charge and all of its right, title and interest thereunder to the covenant in the same manner and to the same effect as if the Covenant had been dated, executed and registered prior to the Charge.

IN WITNESS WHEREOF the Chargeholder has executed this Consent and Priority Agreement on the attached Form C and D.

EXHIBIT G - SECTION 219 COVENANT CA6898211 (FLOOD)

Status: Registered
FORM C_V24 (Charge)

Doc #: CA6898211

RCVD: 2018-06-28 RQST: 2018-06-13 16:15:29

VICTORIA LAND TITLE OFFICE

LAND TITLE ACT
FORM C (Section 233) CHARGE Jun-28-2018 15:19:25.010
GENERAL INSTRUMENT - PART 1 Province of British Columbia

CA6898211 CA6898212

PAGE 1 OF 12 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

Robert Alexander Traxler 4ZEXBK
Digitally signed by Robert Alexander Traxler 4ZEXBK
Date: 2018.06.28 15:00:13
0700'

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)
ROBERT A. TRAXLER, Barrister & Solicitor
TRAXLER HAINES
614 - 1488 - 4TH AVENUE Telephone: 250-563-7741
PRINCE GEORGE BC V2L 4Y2 File No. 16-4572-102/RAT
 Document Fees: \$143.16 Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
 [PID] [LEGAL DESCRIPTION]
SEE SCHEDULE

STC? YES

3. NATURE OF INTEREST CHARGE NO. ADDITIONAL INFORMATION
SEE SCHEDULE

4. TERMS: Part 2 of this instrument consists of (select one only)
 (a) Filed Standard Charge Terms D.F. No
 (b) Express Charge Terms Annexed as Part 2
 A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument.

5. TRANSFEROR(S):
BAYNES ISLAND HOLDINGS INC., INC. NO. BC1005697 AND 275737 BRITISH COLUMBIA LTD., INC. NO. BC0275737

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 5 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)

ROBERT A. TRAXLER
Barrister & Solicitor
614 -1488 - 4TH AVENUE
PRINCE GEORGE, BC. V2L 4Y2
TELEPHONE: 250-563-7741

Execution Date		
Y	M	D
18	5	22

Transferor(s) Signature(s)
Baynes Island Holdings Inc. by its authorized signatories:

 Name: WILLIAM MCINTOSH

 Name: RUDOLF NIELSEN

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. 1996, c.124, 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.

Status: Registered
FORM_D1_V24

Doc #: CA6898211

RCVD: 2018-06-28 RQST: 2018-06-13 16.15.29

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

PAGE 3 of 12 PAGES

Officer Signature(s)

Execution Date

Transferor / Borrower / Party Signature(s)

JENNIFER ELLIOT

Commissioner for Taking Affidavits in British Columbia

360 - 1011 - 4TH AVENUE
Prince George, BC V2L 3H9
EXPIRES Sept 30, 2020

Y	M	D
18	06	14

This is an instrument required by the
Approving Officer for subdivision Plan
EPP66397 creating the condition of
Covenant entered into under Section
219 of the Land Title Act:

Name: MICHELLE BOUDREAU

Approving Officer for the Ministry of
Transportation and Highways

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. 1996, c.124, 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.

FORM E V24

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 4 OF 12 PAGES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND

Related Plan Number: **EPP66397**

STC for each PID listed below? YES

[PID] [LEGAL DESCRIPTION – must fit in a single text line]

- NO PID NMBR LOT 1 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397
- NO PID NMBR LOT 2 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397
- NO PID NMBR LOT 3 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397
- NO PID NMBR LOT 4 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397
- NO PID NMBR LOT 5 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397
- NO PID NMBR LOT 6 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397
- NO PID NMBR LOT 7 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397
- NO PID NMBR LOT 8 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397
- NO PID NMBR LOT 9 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397
- NO PID NMBR LOT 10 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397
- NO PID NMBR LOT 11 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397
- NO PID NMBR LOT 12 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397
- NO PID NMBR LOT 13 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397
- NO PID NMBR LOT 14 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397
- NO PID NMBR LOT 15 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397
- NO PID NMBR LOT 16 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397
- NO PID NMBR LOT 17 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397
- NO PID NMBR LOT 18 DISTRICT LOT 4339 RANGE 5 COAST DISTRICT PLAN EPP66397

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Status: Registered

Doc #: CA6898211

RCVD: 2018-06-28 RQST: 2018-08-13 16.15.29

FORM E_V24

LAND TITLE ACT
FORM E
SCHEDULE

PAGE 5 OF 12 PAGES

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
Covenant		
NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
Priority Agreement		Priority Agreement granting Covenant herein priority over Mortgage CA3894333 in favour of 275737 British Columbia Ltd.
NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION

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Status: Registered

Doc #: CA6898211

RCVD: 2018-06-28 RQST: 2018-06-13 16:15:29

FORM_E_V24

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 6 OF 12 PAGES

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

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

THE CROWN IN THE RIGHT OF BRITISH COLUMBIA, c/o THE MINISTRY OF TRANSPORTATION
AND INFRASTRUCTURE, Parliament Buildings, Victoria, British Columbia, V8V 1X4,

and

REGIONAL DISTRICT OF BULKLEY-NECHAKO, 37 - 3rd Avenue, PO Box 820, Burns Lake, BC, V0J
1E0

TERMS OF INSTRUMENT – Part 2**WHEREAS:**

- A. There are potential flood and erosion dangers on or associated with the Land.
- B. Pursuant to section 86 (1)(d) of the *Land Title Act*, the Approving Officer has required the Transferor to enter into this covenant with the Transferee under section 219 of the *Land Title Act*.

In consideration of the sum of One Dollar (\$1.00) now paid by the Transferee to the Transferor (the receipt and sufficiency of which is hereby acknowledged) the parties agree as follows:

DEFINITIONS

1. In this Agreement,

"Approving Officer" means the Provincial approving officer appointed under section 77.2 of the *Land Title Act* and includes the deputy minister to the minister charged with the administration of the *Transportation Act*;

"dispose" has the meaning given to it in the *Interpretation Act*, and "disposed" and "disposition" have corresponding meanings;

"Habitable Area" means any room or space in an Improvement which is or may be used for:

- (a) human occupancy, commercial sales or business, or
- (b) storage of goods, possessions or equipment (including furnaces) which would be subject to damage if flooded;

"Improvement" includes a building, modular home, mobile home or unit, improvement or structure on the Land;

"Land" means the land described in item 2 of Part 1 of this Agreement;

"Natural boundary" means the visible high watermark of any lake, river, stream or other body of water where the presence and action of the water are so common and usual, and so long continued in all ordinary years, as to mark on the soil of the body of water a character distinct from that of its banks, in vegetation, as well as in the nature of the soil itself;

"Non-conforming Improvement" means an Improvement located in or on a part of the Land at any time prior to, on or after the date of execution of this Agreement and which does not meet the requirements described in section 3;

"Setback Area" means the area described in section 3(a)(i);

"**Transferee**" means the person or persons named in Item 6 of Part 1 of this Agreement;
and

"**Transferor**" means the person or persons named in Item 5 of Part 1 of this Agreement;
and

"**this Agreement**" means this General Instrument.

ACKNOWLEDGMENTS AND COVENANTS OF THE TRANSFEROR

2. The Transferor acknowledges that
 - (a) there are potential flood and erosion dangers on or associated with the Land; and
 - (b) the Transferee does not represent to the Transferor, nor to any other person, that an Improvement or any chattel on the Land will not be damaged by flooding or erosion.

3. The Transferor covenants with the Transferee that it will not:
 - (a) construct, reconstruct, erect, build, alter, move, extend, add to or place any Improvement on the Land, or permit such to be done, if such construction, reconstruction, erection, building, alteration, movement, extension, addition to or placement of the Improvement on the Land will result in:
 - (i) The Improvement being located within an area of the Land measured 7.50 metres from and perpendicularly distant to the Natural Boundary of Stuart Lake; or
 - (ii) any of the following:
 - (A) the underside of the floor system of any Habitable Area in the Improvement, other than a mobile home or unit (which must be located in accordance with subparagraph (B)),
 - (B) the top of a concrete or asphalt slab or pad on which a mobile home or unit is located, or
 - (C) a furnace or other fixed equipment which may be damaged by floodwater;
being located below
 - (D) 683.5 metres Geodetic Survey of Canada datum,
 - (b) deposit on the Land, or any part of it, any earth, fill or other material for the purpose of filling in or raising the natural ground elevation of the Land unless:
 - (i) the face of the landfill slope is protected against erosion from flood flows, wave action, ice and other debris; and

- (ii) the toe of the landfill slope is not located within the Setback Area.
4. The elevations required to be achieved under section 3(a)(ii) may be achieved by structural elevation of the Habitable Area or by adequately compacted landfill, or by a combination of both structural elevation and adequately compacted landfill, provided that any or all of them are carried out in accordance with the requirements described in section 3.

INDEMNITY AND RELEASE

5. The Transferor
- (a) indemnifies and saves the Transferee and its servants, employees, agents and other representatives and the Approving Officer (and each of them) harmless from all actions, causes of action, claims, demands, suits, losses, damages, debts, accounts, liabilities, costs, expenses and compensation of any kind, including fees of solicitors and other professional advisors, arising out of or in connection with:
 - (i) any breach, violation or non-performance by the Transferor of this Agreement, or
 - (ii) any personal injury (including death) or any loss or damage to the Land, an Improvement or its contents (including any existing Non-conforming Improvement), or any chattel on the Land caused by flooding, erosion or other similar cause; and
 - (b) releases and forever discharges the Transferee and its servants, employees, agents and other representatives from all actions, causes of action, claims, demands, suits, losses, damages, debts, accounts, liabilities, costs, expenses and compensation of any kind, including fees of solicitors and other professional advisors, arising out of or in connection with any personal injury (including death) or any loss or damage to the Land, an Improvement or its contents (including any existing Non-conforming Improvement), or any chattel on the Land caused by flooding, erosion or other similar cause.

INTERPRETATION

6. In this Agreement, "person" includes a corporation, firm or association and wherever the singular or masculine form is used in this Agreement it will be construed as the plural or feminine or neuter form, as the case may be, and vice versa where the context or the parties so require.
7. This Agreement will be interpreted according to the laws of the Province of British Columbia.
8. Where there is a reference to an enactment of the Province of British Columbia in this Agreement, that reference includes a reference to any subsequent enactment of the Province of British Columbia of like effect and, unless the context otherwise requires, all statutes referred to in this Agreement are enactments of the Province of British Columbia.
9. If any section of this Agreement, or any part of a section, is found to be illegal or

unenforceable, that part or section, as the case may be, will be considered separate and severable and the remaining parts or sections, as the case may be, will not be affected and will be enforceable to the fullest extent permitted by law.

MISCELLANEOUS

10. No term, condition, covenant or other provision of this Agreement will be considered to have been waived by the Transferee unless such waiver is expressed in writing by the Transferee and the waiver by the Transferee of any such term, condition, covenant or other provision of this Agreement will not be construed as or constitute a waiver of any further or other breach of that or any other term, condition, covenant or other provision of this Agreement.
11. This Agreement extends to, is binding upon and enures to the benefit of the parties and their respective heirs, executors, administrators, successors and assigns.
12. This Agreement will be registered as a charge against title to the Land pursuant to section 219 of the *Land Title Act*.
13. Nothing in this Agreement prejudices, limits, fetters or affects the rights, powers and remedies of the Transferee or the Approving Officer in relation to the Transferor or the Land under any law, bylaw, order or regulation or in equity, all of which rights, powers and remedies may be fully and effectively exercised by the Transferee or the Approving Officer, as the case may be, as if this Agreement had not been made by the parties.
14. The Transferor, at its expense, will cause this Agreement to be registered in priority to all liens, charges and encumbrances which are or may be registered against title to the Land, except those in favour of the Transferee and those others specifically approved in writing by the Transferee.
15. This Agreement will not be modified or discharged except in accordance with the provisions of Section 219 of the *Land Title Act* and with the approval of the Transferee.
16. The Transferor will do or cause to be done all things and execute or cause to be executed all documents and give such further and other assurances which may be reasonably necessary to give proper effect to the intent of this Agreement.

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Status: Registered

Doc #: CA6898211

RCVD: 2018-06-28 RQST: 2018-06-13 16:15:29

17. The parties agree that the Transferee is not responsible to inspect the Lands or to otherwise ensure compliance with this Agreement, nor is the Transferee required to remedy a default of this Agreement and a failure to enforce this Agreement by the Transferee will not constitute a waiver of its rights hereunder.

IN WITNESS WHEREOF the parties acknowledge that this Agreement has been duly executed and delivered by the parties executing Part 1 of Forms C and D attached hereto.

This is the instrument creating the condition or covenant entered into under section 219 of the *Land Title Act* required by the Approving Officer for the subdivision under Plan EPP66397.

CONSENT AND PRIORITY AGREEMENT

WHEREAS 275737 British Columbia Ltd. (the "Chargeholder") is the holder of a Mortgage registered in the Prince Rupert Land Title Office under No. CA3894333 (the "Charge") encumbering the lands described in the attached Section 219 Covenant (the "Covenant").

Therefore this Consent and Priority Agreement witnesses that the Chargeholder hereby:

1. approves of, joins in and consents to the registration of the Covenant;
2. covenants and agrees that the Covenant is binding upon and takes priority over the Charge;
and
3. postpones the Charge and all of its right, title and interest thereunder to the covenant in the same manner and to the same effect as if the Covenant had been dated, executed and registered prior to the Charge.

IN WITNESS WHEREOF the Chargeholder has executed this Consent and Priority Agreement on the attached Form C and D.

CONTRACT OF PURCHASE AND SALE

PREPARED BY Baynes Island Holdings Inc. INC.NO. BC1005697 DATED FOR REFERENCE: _____, 2018ADDRESS: 186 Medical Center, Vanderhoof, BC V0J 3A0

PER _____

RECEIVED FROM _____ (the "Buyer")

ADDRESS _____ PHONE: _____

THE BUYER OFFERS TO PURCHASE THE PROPERTY FOR THE PURCHASE PRICE AND ON THE TERMS AND SUBJECT TO THE CONDITIONS HEREIN SET FORTH:

The proposed purchase of: Civil Description _____

legally described as:

Lot _____ PID: _____ (the "Property")

PURCHASE
PRICE

DOLLARS \$

- 1 **DEPOSIT:** The Buyer shall pay a deposit of \$ _____ (the "Deposit"), which will form part of the Purchase Price, to: Traxler Haines In Trust; OR the Buyer's lawyer or notary, in trust, as a stakeholder pursuant to the provision of the *Real Estate Services Act* (British Columbia) within two Business Days: (a) of execution of this Contract if there are no Conditions Precedent; or (b) following the satisfaction or waiver of any Conditions Precedent set out in this Contract. In this Contract "Business Day" means any day other than a Saturday, Sunday or statutory holiday in British Columbia.
- 2 **TENDER:** Tender of payment of monies by the Buyer to the Seller will be by certified cheque, bank or credit union draft or Lawyer's/Notary's trust cheque.
- 3 **CONDITIONS PRECEDENT:** This Contract is subject to the following conditions precedent (the "Conditions Precedent"), if any, and any other terms attached hereto as an Addendum to this Contract. Each Condition Precedent, if so indicated, is for the sole benefit of the party indicated, unless each Condition Precedent is waived or declared fulfilled by written notice given by the benefiting party to the other party on or before the date specified for each Condition Precedent. This Contract will be thereupon terminated and the Deposit returnable in accordance with the *Real Estate Services Act* (British Columbia).
- 4 **TITLE:** Free and clear of all encumbrances except subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown, registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities, and except as otherwise set out herein.
- 5 **COMPLETION:** The sale will be completed on or before _____, 2017, (the "Completion Date") at the appropriate Land Title Office.
 - (a) All documents required to give effect to the Contract will be delivered in registrable form where necessary and shall be lodged for registration in the appropriate Land Title Office on or before Completion Date.
 - (b) Time shall be of the essence of this Contract, and unless the balance of the cash payment is paid and such formal agreement to pay the balance as may be necessary is entered into on or before the Completion Date, the Seller may at the Seller's option terminate this Contract and in such event the Deposit paid by the Buyer will be absolutely forfeited to the Seller, without prejudice to the Seller's other remedies at law or in equity.
- 6 **DISCLOSURE STATEMENT:** The Buyer acknowledges receipt and approval of the Seller's Disclosure Statement dated August 17, 2018, together with any amendments as of the date of this Contract.
- 7 **POSSESSION:** The Buyer will have vacant possession of the Property at 12 noon, on _____, 2017 (the "Possession Date").
- 8 **COSTS:** The Buyer will bear all costs of the conveyance and if applicable, any costs related to arranging a mortgage and the Seller will bear all costs of clearing title.
- 9 **GOODS AND SERVICES TAX:** The Buyer will pay, in addition to the Purchase Price, any applicable goods and services tax payable in respect of the purchase of the Property.
- 10 **ADJUSTMENTS:** The Buyer will assume and pay all taxes, rate, local improvement assessments, fuel, utilities and other charges from, and including the date set for adjustments, and all adjustments both incoming and outgoing of whatsoever nature will be made as of the Possession Date.
- 11 **RESIDENCY:** The Seller is a resident of Canada.
- 12 **PLURAL:** In this Contract any reference to a party includes that party's heirs, executors, administrators, successors and assigns, singular includes plural and masculine includes feminine.
- 13 **REPRESENTATIONS AND WARRANTIES:** THERE ARE NO REPRESENTATIONS, WARRANTIES, GUARANTEES, PROMISES OR AGREEMENTS OTHER THAN THOSE SET OUT HEREIN.
- 14 **BINDING CONTRACT:** Upon acceptance of the Buyer's offer as set forth herein by the Seller where provided for below, this Contract will constitute legal and binding contract of purchase and sale for the Property.
- 15 **CLEARING TITLE:** If the Seller has existing financial charges to be cleared from title, the Seller while still required to clear such charges, may wait to pay and discharge existing financial charges until immediately after receipt of the Purchase Price, but in this event, the Seller agrees that payment of the Purchase Price shall be made by the Buyer's Lawyer or Notary to the Seller's Lawyer or Notary, on the undertaking to pay out and discharge any financial charges and remit the balance, if any, to the Seller.
- 16 **BUYER FINANCING:** If the Buyer is relying upon a new mortgage to finance the Purchase Price, the Buyer, while still required to pay the Purchase Price on the Completion Date, may wait to pay the Purchase Price to the Seller until after the transfer and new mortgage documents have been lodged for registration in the appropriate Land Title Office, but only if, before such lodging, the Buyer has: (a) made available for tender to the Seller that portion of the Purchase Price not secured by the new mortgage, and (b) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration, and (c) made available to the Seller, a Lawyer's or Notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds.
- 17 **ACCEPTANCE IRREVOCABLE (Buyer and Seller):** The Seller and Buyer specifically confirm that this Contract is executed under seal. It is agreed and understood that the Seller's acceptance is irrevocable, including, without limitation, during the period prior to the date specified for the

Buyer to either: (a) fulfill or waive the terms and conditions herein contained; and/or (b) exercise any option(s) herein contained. The Buyer acknowledges that the Seller is using its own employee(s) to market the Property and such employee(s) is/are not licensed under the *Real Estate Services Act* (British Columbia) and is/are not providing real estate services to the Buyer.

18 **ACCEPTANCE:** This offer, or counter-offer, will be open for acceptance until 12 o'clock p.m. on _____, 2017, and upon acceptance of the offer, or counter-offer, by accepting in writing and notifying the other party of such acceptance there shall be a binding Contract of Purchase and Sale on the terms and conditions set forth.

X _____ (WITNESS) _____ (BUYER) (SEAL) _____ PRINT NAME

X _____ (WITNESS) _____ (BUYER) (SEAL) _____ PRINT NAME

19 The Seller hereby accepts that the above offer and agrees to complete the sale of the Property upon the terms and conditions set out above.

Seller's acceptance is dated _____, 2016

**Baynes Island Holdings Inc. INC.NO.
BC1005697**

Per: _____

Seller's Address: 186 Medical Center, Vanderhoof, BC V0J 3A0

Phone: 250-567-4678

INFORMATION ABOUT THE CONTRACT

THIS INFORMATION IS INCLUDED FOR THE ASSISTANCE OF THE PARTIES ONLY. IT DOES NOT FORM PART OF THE CONTRACT AND SHOULD NOT AFFECT THE PROPERTY INTERPRETATION OF ANY OF ITS TERMS.

- 1 **CONTRACT:** This document is more than a receipt. When signed by both parties, it is a legally binding contract. **READ IT CAREFULLY.** The parties should ensure that everything that is agreed to is in writing.
- 2 **TITLE:** (Clause 4) It is up to the Buyer to satisfy himself on matters of zoning or building or use restrictions, toxic or environmental hazards, encroachments on or by the property and any encumbrances which are staying on title before becoming legally bound. If you are talking out a mortgage, make sure that title, zoning and building restrictions are all acceptable to your mortgage company. **IN CERTAIN CIRCUMSTANCES,** the mortgage company could refuse to advance funds. If you as a Seller are allowing a Buyer to assume your mortgage you may still be responsible for payment of the mortgage unless arrangements are made with your mortgage company.
- 3 **COMPLETION:** (Clause 5) Unless the parties are prepared to actually meet at the Land Title Office and exchange title documents for the purchase price, it is in every case advisable for the completion of the sale to take place in the following sequence:
 - a) Buyer pays purchase price or down payment in trust to his lawyer or notary (who should advise you of exact amount required) several days **before** Completion Date, and Buyer signs documents.
 - b) Buyer's Lawyer or Notary prepares documents and forwards them for signature to Seller's Lawyer or Notary who returns documents to Buyer's Lawyer or Notary.
 - c) Buyer's Lawyer or Notary **then** attends to deposit of signed title documents (and any mortgages) in the appropriate Land Title Office.
 - d) Buyer's Lawyer or Notary releases sale proceeds at the Buyer's Lawyer or Notary office.

Since the Seller is entitled to its proceeds on the Completion Date, and since the sequence described above takes a day or more, **IT IS STRONGLY RECOMMENDED** that the Buyer deposit money and sign documents **AT LEAST TWO DAYS** before Completion Date, or at the request of the conveyancer, and that the Seller deliver signed Transfer Documents no later than the morning of the day before Completion Date.

- 4 **CUSTOMARY COSTS:** (Clause 8 and 9) In particular circumstances there may be additional costs; but the following costs are applicable in most circumstances:

Costs to be Borne by the Seller

Lawyer or Notary Fees and Expenses:

- attending to execution of documents,
- discharging any encumbrances,

Costs of clearing title, including:

- discharging fees charged by encumbrance holders,
- pre-payment penalties;
- Real Estate Commission.
- Goods and Services Tax

Costs to be Borne by the Buyer

Lawyer or Notary Fees and Expenses:

- searching title,
- investigating title,
- drafting documents,
- Land Title Registration fees;
- Survey Certificate (if required);
- Costs of Mortgage, including:
 - mortgage company's lawyer/notary,
 - appraisal (if applicable)
 - Land Title Registration fees;
- Fire Insurance Premium;
- Sales Tax (if applicable)
- Property Purchase Tax
- Goods and Services Tax

5 **POSSESSION:** (Clause 7) Buyer should make arrangements through its Estate Agents for obtaining possession. A Seller will not let a Buyer move in before the Seller has actually received the sale proceeds.