

Date: Wednesday, May 27, 1998 # of pages (including this sheet) 2

To: Peter Beyser Fax # (604) 885-7591

Office: District of Sechelt Phone # (604) 885-1986

From: Neil Matheson, Planning & Assessment Phone # (604) 582-5366  
Environment and Lands  
10470 152 Street, Surrey BC V3R 0Y3 Fax # (604) 582-5305

Re: Approval letter for Bylaw 9801 - 48500-30/98.Sechelt

**SPECIAL INSTRUCTIONS:**

Here is a copy of the letter, as requested

URGENT: No

CONFIDENTIAL: No

ORIG. IN MAIL: No

*Material contained in this fax transmission may be confidential, and should only be delivered to the addressee. If you do not receive all pages, please call 582-5200.*



FILE COPY

May 1, 1998

Your File: Bylaw No. 9801  
Our File: 48500-30/98.Sechelt

District of Sechelt  
Box 129  
Sechelt BC V0N 3A0

Attention: Peter Beyser

Dear Sir:

Re: Application #9801 - OCP & Zoning (from R-3 to M-2) - 7333 Sechelt Inlet Road -  
to expand an existing non-conforming fish hatchery - Target Marine Hatcheries

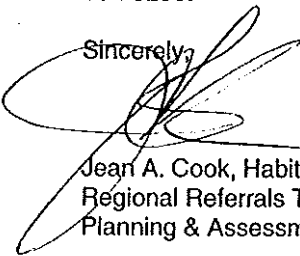
Reference is made to your referral of the above application, received at this office for review and comment on April 7, 1998.

Target Marine have a current Licence of Occupation, Waste Permit, and Water Licence with this ministry for the above-noted property - there are no outstanding issues with regard to any of the permits and no concern expressed regarding this proposal. The information submitted in support of the application has been reviewed with respect to the interests of all regional programs and we offer the following comments.

1. All work must be undertaken and completed in such a manner as to prevent the release of silt, sediment or sediment-laden water, raw concrete or concrete leachate, or any other deleterious substances into any ditch, watercourse, ravine or storm sewer system.
2. Any proposal to work in or adjacent to any watercourse must be approved by BC Environment Planning and Assessment and the Department of Fisheries and Oceans Canada. In this regard, a complete application including plans (4 copies) of the proposed work must be forwarded to the Planning and Assessment section of BC Environment for distribution to the reviewing agencies. Work is not to proceed until written approval from Planning and Assessment is received.

Thank you for submitting the bylaw for review. If you have any questions, please contact the undersigned at 582-5235.

Sincerely,



Jean A. Cook, Habitat Officer  
Regional Referrals Technician  
Planning & Assessment

/jac

c.c. Pat Harvey, DFO, Powell River  
Alec Drysdale, Land & Water Management, Land Administration Section, Surrey (2403114)  
David Thompson, Pollution Prevention Branch, Surrey (PE-7660)  
Dolly Randhawa, Land & Water Management, Processing Section, Surrey (2000517)

Ministry of  
Environment,  
Lands and Parks

Environment and Lands  
Lower Mainland Region

Mailing/Location Address:  
10470 152 Street  
SURREY BC V3R 0Y3

Telephone: (604) 582-5200  
Facsimile: (604) 930-7119

Cook, Jean

From: Cook, Jean  
To: Randhawa, Dolly  
Subject: Target Marine Hatcheries  
Date: Tuesday, April 07, 1998 12:24PM

When you get a chance, can you send me any specifics regarding a water licence held by Target Marine Hatcheries in Sechelt at 7333 Sechelt Inlet Road (District Lot 1410, Plan 4718).

Jean, P&A (L235)

98-04-07  
FAY

NOT CHANGED NAME ON WASTE MGMT PERMIT.  
(NO TARGET)

SCANMAR - DAVID THOMPSON / ALAN CHOR

PE - 7660

98-04-07 - ALEE DOWDALE - GOOD COMPANY -  
THEY HAVE HELPED CLEANUP  
MANY SITES THEY AREN'T  
EVEN ASSOCIATED WITH

1998/04/09 11:32

MINISTRY OF ENVIRONMENT, LANDS & PARKS

Page 1

WLIS0079 Production

Water Rights Information System

Print Licence Data

Operator Id DRANDHAWA

Licence Number: C064466      File Number: 2000517  
Dist/Prec: 29D VAN - JERVIS  
Region: 02 LOWER MAINLAND      Priority Date: 1986/05/07  
Licence Status: C      Lic. Status Date: 1991/05/28  
Process Status: N/A      Proc Status Date: -  
Lic. Exp. Date: -      Balance Owed: 0.00

Appurtenancy:

L 5, 6, 7 & 8 OF S 1/2 L 1410      GP 1 NWD PLAN 4719 EXC PLAN 11948

PID(s): 005-311-012 V 005-311-039 V 005-311-047 V 005-311-063 V

Licensee No. 1 (Client Last Updated: 1997/07/31 By Region: 00)

Client No: s.17

Work Phone: (604) 8832801

TARGET MARINE HATCHERIES LTD

Home Phone: -----

PO BOX 157

Other Phone: -----

MADEIRA PARK BC

Receives Bill: Y

VON2H0

Total Licence Demand:

PUC	Description	Quantity/Units	From	To	Irrigated Area
02E	PONDS	10.000 CS	Jan.01	Dec.31	-

Licence Comments:

HATCHERY - 1 CFS - JUL 01 - JUL 31; 0 CFAUG 01 - SEP 30; 10 CFS OCT 01 - JUN 30

POD 1:

Map No: WR 92.G.052.1.3

POD: P

Rediv: N

PUC	Description	Quantity/Units	Qty	Sto	From	To	Irrigated Area
02E	PONDS	10.000 C	T		Jan.01	Dec.31	-

POD Comments:

WSC: 900

Source: Gray Creek

Gaz/Alias: G

**Cook, Jean**

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**From:** Cook, Jean  
**To:** Pierce H. Doug  
**Subject:** Referral from Sechelt  
**Date:** Tuesday, April 07, 1998 12:32PM

We have received a referral from Sechelt on behalf of Target Marine Hatcheries Ltd. at 7333 Sechelt Inlet Road - (purchased from Scanmar in Sept 1994):

The referral is to expand an existing non-conforming fish hatchery by amending the OCP and zoning for the area from Residential 3 to Marine 2.

The expansion is on their land and they claim to have an Aquaculture Permit, Waste Management Permit, Licence of Occupation and Water Licence. I am confirming with Lands, Water Management, and Waste Management that all the permits are in order, etc.

I am checking with you to find out if there are any problems that you have experienced with regard to this operation.

Thanks, Jean, Planning & Assessment (582-5235)



# District of Sechelt

P.O. Box 129, Sechelt, B.C. V0N 3A0

## REFERRAL FORM

APPLICANT: TARGET MARINE HATCHERIES LTD

APPLICATION NO: 9801 DATE OF APPLICATION: Mar 13/98

LEGAL: Lot        Block 5-8 District Lot 1410 Plan 4719

ZONING: Existing R-2 Proposed M-2

OCP DESIGNATION: Existing Rural Proposed Industrial

- (X) OCP
- (X) Zoning
- ( ) Subdivision
- ( ) Dev. Permit
- ( ) Dev. Var. Per.
- ( ) BOV

You are requested to comment on the attached referral for potential effect on your agency's interest. We would appreciate your response within 30 days. If no response is received within that time, it will be assumed that your agency's interests are unaffected.

### PURPOSE OF APPLICATION:

To expand an existing non conforming fish hatchery.

### GENERAL LOCATION:

7333 Sechelt Inlet Road

### OTHER INFORMATION:

Please fill out the Response Summary on the back of this form. If your agency's interests are "Unaffected" no further information is necessary. In all other cases, we would appreciate receiving additional information to substantiate your position and, if necessary, outline any conditions related to your position. Please note any legislation or official government policy which would affect our consideration of this bylaw.

[Signature]  
(Signature)

Assistant Planner  
(Title)

March 27/98  
(Date)

### This referral has also been sent to the following agencies:

- (X) District of Sechelt Public Works
- (X) District of Sechelt Building Department
- (X) SC Regional District
- (X) Sechelt Indian Government
- (X) Coast Garibaldi Health Unit
- (X) Ministry of Environment JENN COOK P.A.
- ( ) Ministry of Transportation & Highways
- ( ) Department of Fisheries & Oceans
- (X) Other (applicant)

### Community Associations

- ( ) East Porpoise Bay
- ( ) Village Core
- ( ) West Sechelt
- ( ) West Porpoise Bay
- ( ) Selma Park/Davis Bay/Wilson Creek
- (X) APC
- (X) Chamber of Commerce

- (X) Archeology Branch of SB,T,C
- ( ) Sechelt Vol. Fire Dept.
- ( ) Centra Gas
- ( ) B.C. Telephone
- ( ) B.C. Hydro
- ( ) RCMP
- ( ) Cable Vision
- ( ) Canada Post
- ( ) School District #46

- (X) Tuwanek
- (X) Sandy Hook
- (X) B.T.A. / SDBA



### Development Summary

**Proposal:** To expand an existing non-conforming fish hatchery.

**Type of Application:** Rezoning and OCP Amendment

**File Number:** 336020-9801

**Date of Application:** March 13th, 1998

**Property Owner Name:** Target Marine Hatcheries Ltd., Inc. No. 480468  
C/O 201-5710 Teredo Street  
PO Box 1669  
Sechelt, BC V0N 3A0

**Applicant Name/Address:** same

**Legal Description:** Blocks 5-8, except part in Plan 11948, DL 1410, Plan 4719

**Size:** ± 14.6 ha (36.1 Ac)

**Location:** 7333 Sechelt Inlet Road

**Existing Zoning:** Residential 3

**Proposed Zoning:** Marine 2

**Parking:** As required by Zoning Bylaw 25

**Setbacks:** As required by Zoning Bylaw 25

**Min. Lot Size/Width:** 2000 m<sup>2</sup> / 25 m

**Existing OCP Designation:** Rural Resource

**Proposed OCP Designation:** Industrial

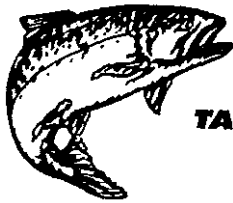
**Topographic Details:** See attached survey plan.

**Development Permit Area:** DP#2 and 8 - Watercourse Habitat and Hazard Areas.

**Number of Lots/Units:** No subdivision proposed

**Services:** Sewage Disposal - Septic; Water - Community Water

**Controlled Access Hwy.:** No



**TARGET MARINE  
HATCHERIES LTD.**

P.O. Box 2540, Sechelt, BC  
Canada V0N 3A0  
phone: (604) 885-4688  
fax: (604) 885-7949  
e-mail: justin@targetmarine.com

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## Reasons in Support of Application

Gray Creek hatchery has been successfully producing smolts (salmon ready for the ocean) since 1986. In September 1994, Target Marine Hatcheries (Target) bought the site from Scanmar, a Norwegian fish farming company that discontinued operations in Canada. The three current owners of Target are

s.22 To date Target employs 6 people full time and 6 others on an hourly basis. The hatchery holds the following licenses and permits: Aquaculture permit, Waste Management permit, Business License, License of Occupation, Water License and Boiler license.

The hatchery is presently underutilized and the equipment is dated. In order to remain competitive in the market, and continue to exceed operating costs, the hatchery must produce more fish than is currently possible with the existing system. By implementing a recirculation system, this increase in fish production will be feasible with the limited availability of water on our site. We plan to install 5 new tanks this year (phase 1) and 15 more over the next two years (phases 2 and 3). These tanks will use technology that is new to BC but proven in Europe and the Maritimes. This technology is based on the principle of passing discharge water through a filtration system including; drum filter, biofilter, carbon dioxide stripper, and oxygenator, before being pumped back to the fish.

An estimated 2-4 full time jobs will directly result from this increase as well as many indirect job hours. Construction of this recirculation system requires rezoning from Residential 3 to Marine 2, which includes aquaculture and is more appropriate for the facility.

## Advantages of the Proposed Recirculation System

The use of recirculation technology in aquaculture provides many advantages, such as an increase in the control of the animals' immediate environment. Water quality parameters can be closely monitored and controlled via the various components of the system. Oxygen injection will be readily available to adjust oxygen levels. A fluidized biofilter breaks down ammonia, produced by the fish, into less toxic molecules. A relatively new design in propane heaters will allow for accurate elevation of temperature in the tanks. Before water is recirculated, solids such as feed and faeces will be removed via a drain separator and a micro-screen filter. As these wastes are concentrated upon exiting the system, it will be possible to implement treatment or collection methods.

A recirculation system has direct environmental benefits over a flow through system, as outlined below.

- Reduced water use: The use of recirculation technology at the hatchery can reduce the amount of water required, for the culture of the same quantity of smolts, by approximately 75% compared to a flow through system. As the system is fine tuned, it is possible that this water use will be reduced further.
- Lower actual effluent flow levels: As most of the flow is constantly recirculated, a lower amount of total flow is exhausted from a recirculation system as effluent. This allows for the treatment of this effluent in the form of micro-straining which is not economical on full scale flow in many cases. The reduced flow also allows for the use of smaller settling lagoons and other treatment processes.
- Reduced power consumption: The power required to operate a recirculation system is actually less than is required to drive well pumps. Such a system would result in an overall lower energy consumption for water pumping.
- Lower heat energy requirements: As most of the water circulating in the system has already attained the desired temperature for the culture of the fish, the only additional heat energy required is that needed to elevate the temperature of the make-up water, and to overcome losses to air. This represents a very large energy savings and a direct environmental benefit from reduced combustion.

Once implemented, the recirculation system will not contribute to noise or odour pollution, and will not be visible from any public or private property aside from our own.

Justin Henry, M.Eng.  
Special Projects Director



Sechelt

PROPOSED  
EXPANSION

Tillicum  
Bay  
Marina

North Half of D.L. 1410

10m Road

North Half Lot 2

Sechelt Inlet Road

10m Road

Forest

Provincial

Sechelt

Gray Creek

3A  
Ex. Plan 1347

4

5  
Pl. 3.11 ha  
3.88 ha

6  
Pl. 2.88 ha  
3.78 ha

7  
Pl. 2.41 ha  
3.01 ha

8  
Pl. 2.12 ha  
3.19 ha

Discharge Basin

Gravel parking and loading area

License of Occupation  
MCELP No. 2463114

10m Road

2  
Plan 15465

Rem. 10  
Plan 10251

Road

Naylor

2

3  
Plan 11447

A B C D E F G H I J K L M N O P Q

A

Plan 14934

B

1  
Plan 11554

C  
Plan 15614

D

D  
Plan 11482

D.L.

6715

Sechelt Inlet Road

Notes  
• denotes well.  
• denotes hydro pole.  
All distances are in metres and decimals thereof.  
2 metre contours derived from SCRD topo map sheet # 1009.  
Area East of Sechelt Inlet Road = 4.3 ha  
Area West of Sechelt Inlet Road = 10.3 ha  
Total Area in Lots 5 to 8 = 14.6 ha

Revisions

Target Marine Hatcheries Ltd.  
Plan to Accompany a Rezoning Application

SCALE: 1:1250  
DATE: 97-03-12  
APPROVED BY:  
DRAWN BY: PMG  
REVISED:

Site Plan of Lots 5 to 8 Except Part in  
Plan 11948, S1/2 D.L. 1410, Plan 4718

THIS PRINT DATED: SHEET 1  
58708801

PETER M. GORDON  
LAND SURVEYING INC.  
PO BOX 2329 SECHULT B.C.  
VAN 3A0 888-3888 FAX 888-3889

RECEIVED

MAR 13 1998

DISTRICT OF SECHULT  
PLANNING DEPARTMENT  
BY:



File: 2403114

Date: 98-04-06

Bernie Bennett  
Target Marine Hatcheries Ltd.  
PO Box 157  
Madeira Park, BC  
V0N 2H0

Dear Bernie Bennett:

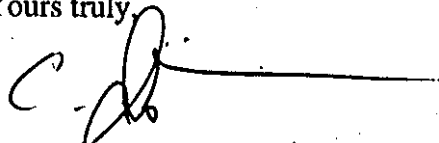
It is my pleasure to enclose your original copy of License No. 236651 duly executed on behalf of the Minister, replacing License No. 233206 which expired effective October 24, 1997.

The license is issued for a term of 10 years commencing March 1, 1998 for the purpose of effluent discharge from the adjoining fish hatchery and for a ramp and wharf at the rental of \$4,957.00 for the term.

This license covers unsurveyed foreshore or land covered by water being part of the bed of Porpoise Bay, Group 1, New Westminster District, containing 0.6271 hectares, more or less.

Please do not hesitate to contact me if you have any questions or require assistance. It continues to be our pleasure to be of service.

Yours truly,



Carol Johnson  
Examiner

Enclosure

cc: BC Assessment Authority, N. Shore/Squamish Valley  
Crown Land Registry Services, Victoria  
Sunshine Coast Regional District  
Provincial Collector, Sechelt



Ministry of  
Environment,  
Lands and Parks

LOWER MAINLAND REGION  
Environment & Lands Regions Division  
10470 152 Street  
Surrey, BC V3R 0R3  
Telephone: (604) 582-5200  
Facsimile: (604) 930-7119

GST Registration No. R107864738

Your contact is: **Carol Johnson**  
**Examiner**  
**582-5384**

File: 2403114

March 16, 1998

**OFFER OF LICENSE**

**Bernie Bennett**  
**Target Marine Hatcheries Ltd.**  
**PO Box 157**  
**Madeira Park, British Columbia**  
**V0N 2H0**

ENTRY	
W.L.	CJ
TAS	.....
CLR	.....
Mapping	.....
Field	.....
Services	.....
Acc's.	.....
Please initial as entry made	

**Dear Bernie Bennett:**

We are pleased to offer you a License over **unsurveyed foreshore or land covered by water being part of the bed of Porpoise Bay, Group 1, New Westminster District, containing 0.6271 hectares, more or less (the "Land")** for the purpose of effluent discharge from the adjoining fish hatchery and for a ramp and wharf.

This is to replace License No. 233206, which expired effective October 24, 1997.

**PRECONDITIONS**

You can accept this offer by satisfying the following preconditions **by May 19, 1998:**

98-05-19

## 1. FEES PAYABLE

You need to pay the following fees:

License Fee (Mar 1/98 - Feb 29/08).....	\$ 4,957.00	*T
Documentation Fee.....	\$ 150.00	*T
Occupational Rental (Oct 24/97 - Feb 28/98)....	\$ 262.00	*T
GST (7% X \$5,369.00).....	\$ 375.83	
	-----	
TOTAL.....	\$ 5,744.83	✓
	=====	

\*T denotes GST payable.

Please make your cheque or money order payable to the Minister of Finance and Corporate Relations.

## 2. LIABILITY INSURANCE

You need to obtain a comprehensive general liability insurance policy with a limit of **\$1,000,000.00** per occurrence. Evidence of this insurance must be submitted to our office upon request.

## 3. SIGNING OF DOCUMENTS

The enclosed License documents must all be signed in the spaces provided on the signature page by company officers who have the power to sign on behalf of the corporation. Then a witness must sign. The witness can be any adult other than a person signing on behalf of the corporation or a member of that person's family. **RETURN ALL COPIES TO OUR OFFICE.** An originally executed copy will be sent back to you.

**REMINDER:** This offer expires if you do not satisfy the above preconditions by May 19, 1998.

## **AGREEMENT TO FURTHER TERMS**

By accepting this offer, you agree that:

- (a) This offer cannot be transferred to another person;
- (b) This offer and the License does not guarantee that:
  - (i) the Land is suitable for the approved use,
  - (ii) it can be built on,
  - (iii) there is access to it, and
  - (iv) it is not susceptible to flooding or erosion;
- (c) This offer shall survive the signing and issuance of the License provided that in the event of any contradiction between the terms of the offer and the License, the License shall prevail;
- (d) In accordance with the provisions of the Land Act, this offer is not binding upon the Crown until the License is signed by the Crown;

(e) Time is of the essence in this offer.

By accepting this offer, you confirm that:

- (a) You (or your authorized representative) have inspected the Land and are fully aware of its condition;
- (b) You have knowledge of all municipal and regional bylaws regulating the use and development of the Land;
- (c) Your company is incorporated or registered in British Columbia under No. 480468 and has the legal capacity to acquire land.
- (d) You are the registered owner of the adjacent upland property.

#### **FREEDOM OF INFORMATION**

Personal information is collected by the Ministry of Environment, Lands and Parks pursuant to the Land Act for the purpose of administering Crown land. Information on your application, and if approved, subsequent tenure will become a part of the Crown Land Registry, which is routinely made available to the public under freedom of information legislation.

If you have any questions, please contact **Carol Johnson** at 582-5384.

Yours sincerely,

**J. E. Sager**

Authorized Representative



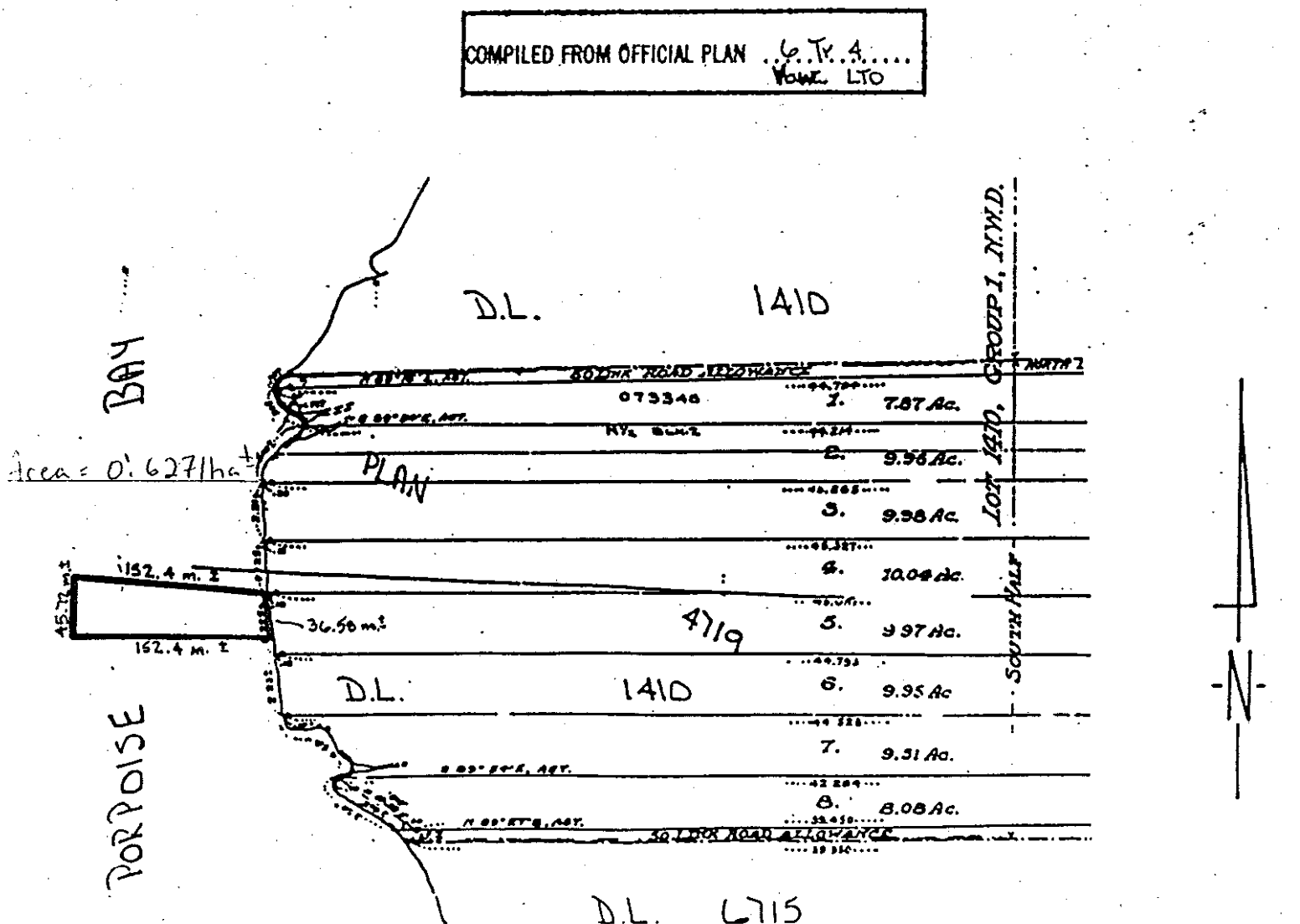
License No.

File No. 2403114

1. Legal Description

Unsurveyed foreshore or land covered by water being part of the bed of Porpoise Bay, Group 1, New Westminster District, shown outlined on sketch below, containing 0.6271 hectares, more or less.

2. Sketch Plan





BRITISH  
COLUMBIA

Ministry of  
Environment,  
Lands and Parks

<b>FEE SCHEDULE</b>
---------------------

License No.

File No. 2403114

THE FEE FOR THE TERM is the sum of **\$4,957.00**, the receipt and sufficiency of which is acknowledged.

LUNSE No.

233206

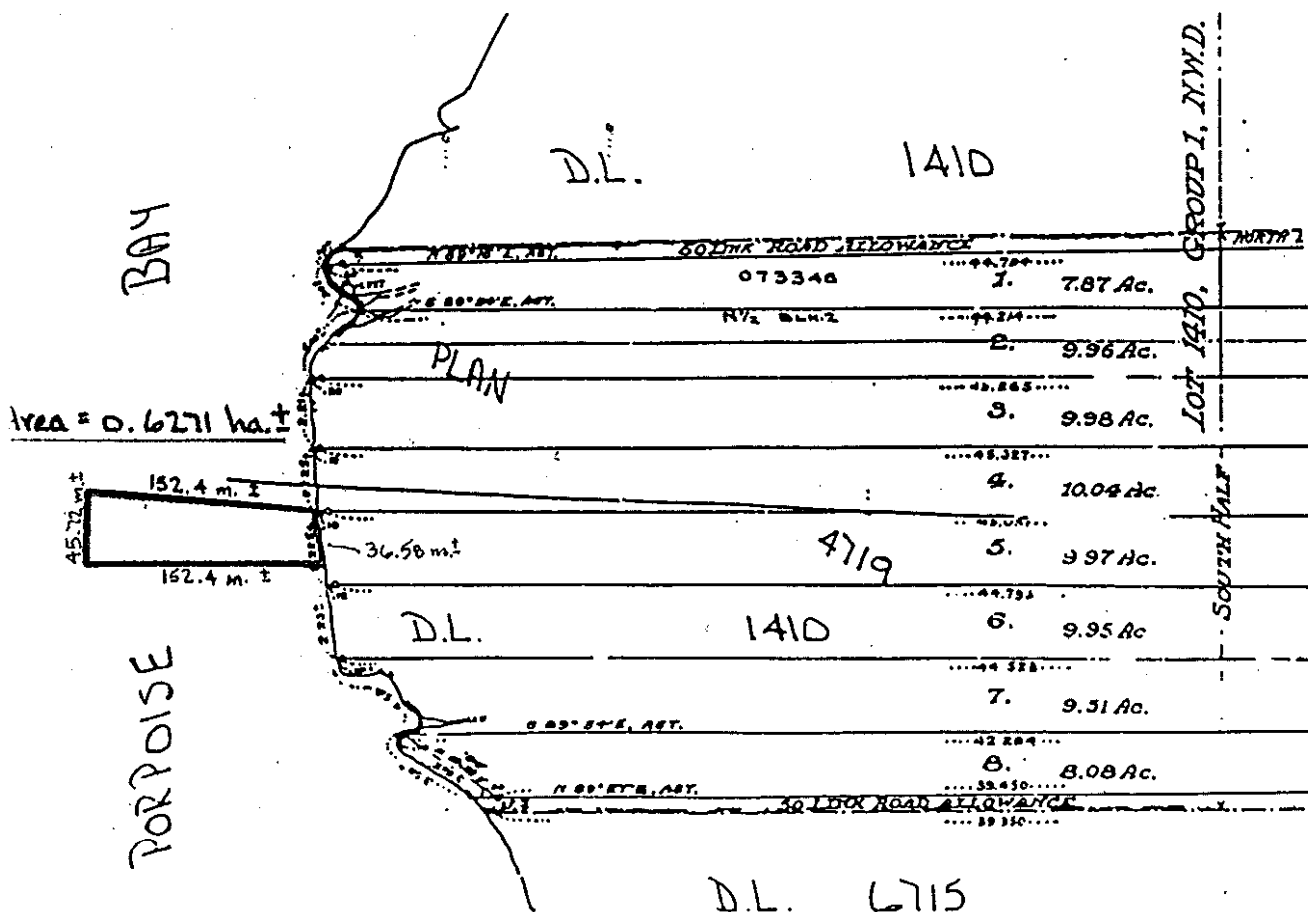
FILE No. 2403114

### 1.1 Legal Description

All that foreshore or land covered by water being part of the bed of Porpoise Bay, Group 1, New Westminster District, more particularly shown outlined in red on plan below and containing 0.6271 hectares, more or less.

## 1.2 Sketch Plan

COMPILED FROM OFFICIAL PLAN ...6..Tr..4...  
Vane. LTO



D.L. 6715

SCALE: 1 INCH = 6 CHAINS

## LAND REPORT

Land Officer	Alec Drysdale	File No.	2403114
Report Description	replacement - utility	Document No.	
Applicant's Name	Target Marine Hatcheries	Inspected	
Applicant's Address	PO Box 157 Madeira Park, BC V0H 2H0	Xref File No.	

Purpose	06 Utility
Sub Purpose	06-05 Sewer/Effluent Line
Tenure	LI License
Sub Tenure	LI-01 License of Occupation

LAM Policy	3.5.0300 Public and Private Utilities	Location	Porpoise Bay
Approval	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Area	0.62 ha.
Status Completed	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Map Sheet	R92G-052

Legal Description	Unsurveyed Foreshore or land covered by water being part of the bed of Porpoise Bay, Group 1, NWD		
PIN No.	013432510	Roll No.	

### Base Requirements:

Land Value	\$10,027.00	Rent Amount	\$4,957 10 years prepaid
Security Amount	\$1,000.00	Liability	\$1,000,000.00
Purchase Price		Term	10 years

RECEIVED  
FEB 09 1998

February 4, 1998

### Recommendation:

It is recommended that a license be issued with the following conditions:

1. The term is for 10 years.
2. The date of tenure will be March 1, 1998.
3. The prepaid rent for 10 years will be \$4,957.
4. The occupational rent will be \$262.
5. Security deposit and liability insurance should remain the same.
6. The purpose is for: "Effluent discharge from adjoining fish hatchery and for a ramp and wharf".

### Discussion:

This application is for the replacement of an effluent pipeline. This pipe discharges the waste from the fish tanks at the Target salmon hatchery at Porpoise Bay.

I consulted the Waste Management Section to determine whether there were any problems or issues surrounding this permit. Target is all paid up, and there are no problems or concerns.

There are no other outstanding issues.

The only conflict is with the Sechelt Inlets Coastal Strategy. On reviewing the strategy, the hatchery is located in an area identified as being for aquaculture purposes. The strategy does not identify the effluent line. However, as there can be no hatchery without effluent discharge, and as the discharge meets provincial standards, there is not a conflict.

### Valuation:

The policy allows the applicant to choose between a yearly rent and a prepayment for 10 years.

#### YEARLY RENT

The BCAA land value is set at \$10,027.

For this type of license the rent is set at 7.5% of BCAA value.

Rent = \$10,027 X 7.5% = \$752.

#### PREPAID OPTION

Prepaid option (10 years) = \$10,027 X 7.5% X 6.591266 = \$4,957

The applicant is interested in the prepaid option.

#### OCCUPATIONAL RENT

As the tenure will be dated March 1, 1998, the applicant will need to pay occupation rent of:  
127 days / 365 days X \$752 = \$262.

Description:

Referrals:

No referrals were required.

I consulted with the Waste Management section of MELP to determine whether there were any issues or concerns associated with this pipe.



Alec Drysdale - Land Officer

Date: February 4, 1998

License No.

7-1861

File No. 2403114

THIS AGREEMENT dated for reference the 1st day of March, 1998.

IN PURSUANCE of the *LAND ACT* (Section 39).

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE  
PROVINCE OF BRITISH COLUMBIA, represented  
by the Minister of Environment, Lands and Parks,  
Parliament Buildings, Victoria, British Columbia

(hereinafter called the "Owner")

## OF THE FIRST PART

AND:

TARGET MARINE HATCHERIES LTD., Inc. No. 480468  
PO Box 157  
Madeira Park, British Columbia  
V0N 2H0

(hereinafter called the "Licensee")

## OF THE SECOND PART

WITNESS THAT WHEREAS the Owner has agreed to grant to the Licensee a license over that parcel of land described in the attached schedule entitled Legal Description (hereinafter referred to as the "Land");

NOW THEREFORE in consideration of the fee to be paid by and the covenants of the Licensee, the parties agree as follows:

**Article I - Grant of License**

- (1.01) The Owner, on the terms set forth herein, hereby grants to the Licensee a license to enter on the Land for the purpose of effluent discharge from the adjoining fish hatchery and for a ramp and wharf.

**Article II - Duration**

- (2.01) The duration of this license and the rights herein granted shall be for a term of 10 years commencing on the 1st day of March, 1998 (hereinafter called the "Commencement Date") unless cancelled in accordance with the terms hereof.

**Article III - License Fee**

- (3.01) The Licensee shall pay to the Owner, in advance, on the Commencement Date, the license fee as prescribed in the Fee Schedule attached.

**Article IV - Covenants of the Licensee**

- (4.01) The Licensee covenants with the Owner

- (a) to pay the license fee due at the address of the Owner first above written or at such other place as the Owner may specify from time to time;
- (b) to pay and discharge when due all applicable taxes, levies, charges and assessments now or hereafter assessed, levied or charged which relate to the Land or any improvements thereon (herein called "Realty Taxes") which the Licensee is liable to pay;
- (c) to observe, abide by and comply with all applicable laws, bylaws, orders, directions, ordinances and regulations of any competent government authority in any way affecting the Land and improvements situate thereon, or their use and occupation;
- (d) not to commit or suffer any willful or voluntary waste, spoil or destruction on the Land or do or suffer to be done thereon anything that may be or become a nuisance or annoyance to the owners or occupiers of adjoining land;
- (e) to deliver to the Owner from time to time, upon demand, proof of insurance required to be maintained by the Licensee, receipts or other evidence of payment of Realty Taxes, insurance premiums and other monetary obligations of the Licensee required to be observed by the Licensee pursuant to this License;
- (f) to indemnify and save the Owner harmless against all losses, damages, costs and liabilities, including fees of solicitors and other professional advisors arising out of
  - (i) any breach, violation or non-performance of any covenant, condition or agreement in this license by the Licensee,
  - (ii) any personal injury, death or property damage occurring on the Land or happening by virtue of the Licensee's occupation of the Land,and the Owner may add the amount of such losses, damages, costs and liabilities to the license fee and the amount so added shall be payable to the Owner immediately;
- (g) to keep the Land in a safe, clean and sanitary condition satisfactory to the Owner and to make clean and sanitary any portion of the Land or any improvement that the Owner may direct by notice in writing to the Licensee;
- (h) to permit the Owner, or his authorized representative to enter upon the Land at any time to inspect the Land and any improvements thereon;
- (i) to use and occupy the Land in accordance with the provisions of this license including those set forth in any Special Proviso Schedule;
- (j) on the expiration or at the earlier cancellation of this license
  - (i) to quit peaceably and deliver possession of the Land to the Owner,
  - (ii) to remove all buildings, machinery, plant equipment and apparatus and all other improvements to or things on the Land, from the Land,
  - (iii) to restore the surface of the Land to the satisfaction of the Owner, and to the extent necessary, this covenant shall survive the expiration or cancellation of this license;
- (k) to effect and keep in force during the term, insurance protecting the Owner and the Licensee (without any rights of cross-claim or subrogation against the

Owner) against claims for personal injury, death, property damage or third party or public liability claims arising from any accident or occurrence on the Land to an amount not less than \$1,000,000.00 PROVIDED, however, that the Owner may, in his sole discretion, waive the requirements of this subsection on the delivery to the Owner of evidence that the Licensee is self insured;

- (l) notwithstanding subsection (k) of section 4.01, the Owner may from time to time notify the Licensee that the amount of insurance posted by the Licensee pursuant to that subsection be changed and the Licensee shall, within 60 days of receiving such notice, cause the amount of insurance posted, pursuant to subsection (k) of section 4.01 to be changed to the amount specified in the notice and deliver to the Owner written confirmation of the change;
- (m) not to interfere with the activities of any other person to enter on and use the Land under a prior or subsequent license granted by the Owner;
- (n) not to deposit on the Land or any part of it, any earth, fill or other material for the purpose of filling in or raising the level of the Land without the prior written consent of the Owner;
- (o) not to dredge or displace beach materials on the Land without the prior written consent of the Owner;
- (p) not to place any improvements on the Land or carry on any activity on the Land or on the surface of the water covering the Land that may constitute an interference with the riparian rights of the owner or occupier of the land adjacent to the Land;
- (q) not to prohibit or restrict any person from passing over the Land.

#### Article V - Assignment

- (5.01) The Licensee shall not assign this license or sublicense any part of the Land without the prior written consent of the Owner.

#### Article VI - Cancellation

- (6.01) In the event that

- (a) the Owner requires the Land for his own use or in his sole discretion, considers that it is in the public interest to cancel the rights herein granted, in whole or in part;
- (b) the Licensee ceases to use the Land for the purposes permitted herein;
- (c) the Owner, in his sole discretion, considers that it is no longer necessary for the Licensee to use the Land for the purposes permitted herein;
- (d) the Licensee fails, in the opinion of the Owner, to make reasonable and diligent use of the Land for the purposes permitted herein, and such failure shall continue for a period of 60 days next after the Owner gives written notice of the failure to the Licensee;

the Owner may on 90 days written notice to the Licensee, cancel this license and the rights herein granted, in whole or in part.

- (6.02) In the event that the Licensee fails to observe or perform any of the covenants, agreements, provisions or conditions contained herein, and such failure continues for a period of 60 days next after the giving of written notice by the Owner to the Licensee of the nature of the failure, the Owner may cancel this license in accordance with the *Land Act* and, notwithstanding subsection (j) of section 4.01, any building, machinery, plant equipment, and apparatus and all other improvements to the Land shall become, at the discretion of the Owner, the property of the Owner.

- (6.03) In the event that

- (a) the license hereby granted should be taken in execution or attachment by any person or the Licensee commits an act of bankruptcy, becomes insolvent or is petitioned into bankruptcy or voluntarily enters into an arrangement with his creditors,
  - (b) The Owner discovers that the Licensee either in his application for this license or otherwise has, in the opinion of the Owner, misrepresented or withheld any fact material to the application,
- the Owner may on 90 days written notice to the Licensee, cancel this license and the rights herein granted.
- (6.04) Thirty days after the expiration or cancellation of this license, any improvements or fixtures that remain unremoved from the Land shall be absolutely forfeited to and become the property of the Owner and the Owner may remove them from the Land and the Licensee shall, on demand, compensate the Owner for all costs incurred by the Owner respecting their removal.
  - (6.05) The Licensee shall not be entitled to any compensation, whether for damages or otherwise, in respect of a cancellation of this license by the Owner under this Article.

#### Article VII - Security

- (7.01) The security in the sum of \$1,000.00 and all rights, privileges, benefits and interests accruing thereto delivered by the Licensee to the Owner (herein called the "Security") to guarantee the performance of the Licensee's obligations under this license shall be maintained in effect until such time as the Owner certifies in writing that such obligations have been fully performed; provided, however, that the Owner may, in his sole discretion, waive the requirements of this subsection.
- (7.02) In the event the Licensee should default in the performance of any of his obligations hereunder, it shall be lawful for the Owner, in his sole discretion, to sell, call in and convert the Security, or any part of it, and such Security shall be deemed to have been absolutely forfeited to the Owner.
- (7.03) The rights of the Owner under this Article shall be deemed to continue in full force and effect notwithstanding the expiration or earlier cancellation of this license.
- (7.04) Notwithstanding section 7.01, the Owner may from time to time notify the Licensee that the amount of Security delivered by the Licensee to the Owner be changed and specify the amount of Security required by the Owner.
- (7.05) The Licensee shall, within 60 days of receiving the notice referred to in section 7.04, cause the amount of Security delivered to the Owner to be changed to the amount specified in the notice and provide the Owner with written confirmation of the change.

#### Article VIII - Notice

- (8.01) Where service of a notice or a document is required under this license, the notice or document shall be in writing and shall be deemed to have been served if delivered to, or if sent by prepaid registered mail addressed to, the Owner and the Licensee at the addresses specified for each on the first page of this license, and where service is by registered mail the notice or document shall be conclusively deemed to have been served on the eighth day after its deposit in a Canada Post office at any place in Canada.
- (8.02) Either party may, by notice in writing to the other, specify another address for service of notices under this license and where another address is specified under this section, notices shall be mailed to that address in accordance with this Article.

- (8.03) Notwithstanding section 8.01, any written notice to be served or given by the Owner to the Licensee under this license shall be effectively given or served by posting the same in a conspicuous place on the Land.

Article IX - Miscellaneous

- (9.01) No term, condition, covenant or other provision herein shall be considered to have been waived by the Owner unless such waiver is expressed in writing by the Owner. Any such waiver of any term, condition, covenant or other provision herein shall not be construed as or constitute a waiver of any further or other breach of the same or any other term, condition, covenant, or other provision and the consent or approval of the Owner to any act by the Licensee requiring the consent or approval of the Owner shall not be considered to waive or render unnecessary such consents or approvals to any subsequent similar act by the Licensee.
- (9.02) No remedy conferred upon or reserved to the Owner is exclusive of any other remedy herein or provided by law, but such remedy shall be cumulative and shall be in addition to any other remedy herein or hereafter existing at law, in equity, or by statute.
- (9.03) This license is subject to:
- (a) all subsisting grants to or rights of any person made or acquired under the *Coal Act, Forest Act, Mineral Tenure Act, Petroleum and Natural Gas Act, Range Act, Water Act or Wildlife Act*, or any extension or renewal of the same, whether or not the Licensee has actual notice of them;
  - (b) the exceptions and reservations of rights, interests, privileges and titles referred to in section 50 of the *Land Act*; AND
  - (c) any prior dispositions made pursuant to the *Land Act*.
- (9.04) The Licensee acknowledges and agrees with the Owner that
- (a) any interference with the rights of the Licensee under this license by virtue of the exercise or operation of the rights, privileges or interests described in section 9.03 shall not constitute a breach of the Owner's obligations hereunder and the Licensee releases and discharges the Owner from and against any claim for loss or damage arising directly or indirectly out of any such interference;
  - (b) all costs and expenses, direct or indirect, that arise out of any interference by the Licensee with the rights, privileges and interests described in section 9.03 shall be borne solely by the Licensee;
  - (c) he shall not commence or maintain proceedings under section 65 of the *Land Act* in respect of any interference with his rights hereunder arising directly or indirectly out of the exercise or operation of the rights, privileges or interests described in section 9.03; AND
  - (d) all schedules attached to this license form an integral part of this license.
- (9.05) This license shall not entitle the Licensee to exclusive possession of the Land, and the Owner may grant licenses to others to use the Land for any purpose other than that permitted herein, so long as the grant does not materially affect the exercise of the Licensee's rights hereunder. The question of whether a grant materially affects the exercise of the Licensee's rights hereunder shall be determined by the Owner in his sole discretion.
- (9.06) The terms and provisions of this license shall extend to, be binding upon and enure to the benefit of the parties hereto and their successors and permitted assigns.
- (9.07) Time is of the essence in this agreement.

## Article X - Interpretation

- (10.01) In this license, unless the context otherwise requires, the singular includes the plural and the masculine includes the feminine gender and a corporation.
- (10.02) The captions and headings contained in this license are for convenience only and are not to be construed as defining or in any way limiting the scope or intent of the provisions herein.
- (10.03) Where in this license there is a reference to an enactment of the Province of British Columbia or of Canada, that reference shall include a reference to any subsequent enactment of like effect, and unless the context otherwise requires, all statutes referred to herein are enactments of the Province of British Columbia.
- (10.04) If any section of this license or any part of a section is found to be illegal or unenforceable, that part or section, as the case may be, shall be considered separate and severable and the remaining parts or sections, as the case may be, shall not be affected thereby and shall be enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, the parties have executed this license as of the day and year first above written.

SIGNED on behalf of HER  
MAJESTY THE QUEEN IN RIGHT  
OF THE PROVINCE OF BRITISH  
COLUMBIA by a duly authorized  
representative of the Minister of  
Environment, Lands and Parks in  
the presence of:

V. A. Lamer

Witness

J. E. Sager  
For the Minister of Environment, Lands and Parks  
J. E. Sager

SIGNED on behalf of  
Target Marine Hatcheries Ltd.  
by a duly authorized signatory  
in the presence of:

B. W. W. W.

Witness

B. W. W. W.

Authorized Signatory



License No.

22005

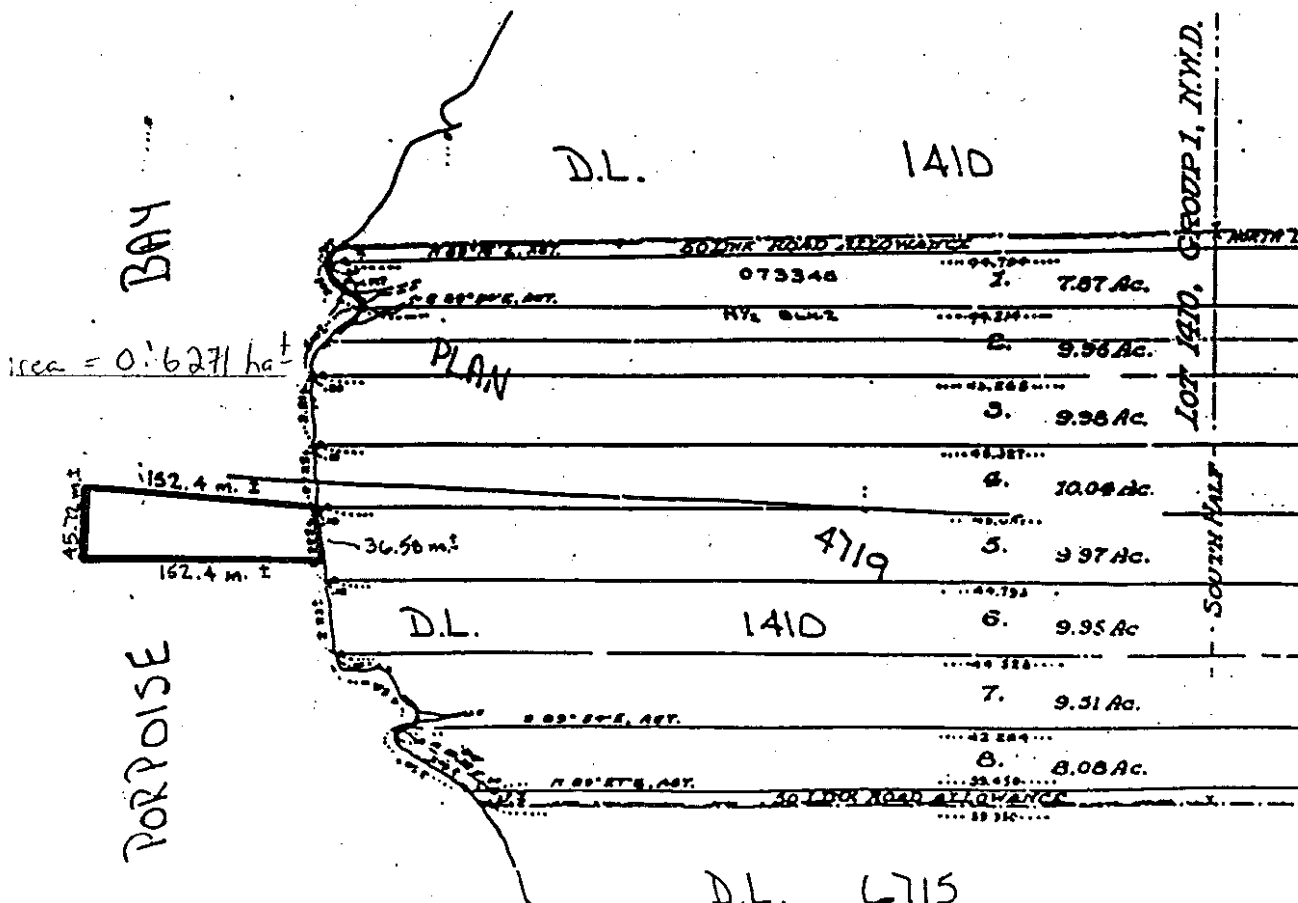
File No. 2403114

1. Legal Description

Unsurveyed foreshore or land covered by water being part of the bed of Porpoise Bay, Group 1, New Westminster District, shown outlined on sketch below, containing 0.6271 hectares, more or less.

2. Sketch Plan

COMPILED FROM OFFICIAL PLAN ..G.T.V. 4.....  
Vowel LTO



SCALE: 1 INCH = 6 CHAINS



**BRITISH  
COLUMBIA**

Ministry of  
Environment,  
Lands and Parks

<b>FEE SCHEDULE</b>
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License No.

228651

File No. 2403114

THE FEE FOR THE TERM is the sum of \$4,957.00, the receipt and sufficiency of which is acknowledged.