

Licence No.: 243305

File No.: 2411744
Disposition No.: 925404

THIS AGREEMENT is dated for reference June 5, 2017 and is made under the *Land Act*.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the minister responsible for the *Land Act*, Parliament Buildings, Victoria, British Columbia

(the "Province")

AND:

SEA TO SKY AIR LTD
Inc. No. BC0681356
PO Box 2789
Garibaldi Highlands, BC V0N 1T0

(the "Licensee")

The parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 In this Agreement,

"Agreement" means this licence of occupation;

"Client" means a person from whom you accept a fee to undertake a recreational activity set out in the Management Plan;

"Client Day" means each calendar day, or portion of a calendar day, that a Client is on the Land;

"Client Rate" means \$1.00 for non-mechanized use for each Client Day in each year of the Term;

"Commencement Date" means August 7, 2017;

“disposition” has the meaning given to it in the *Land Act* and includes a licence of occupation;

“Extensive Use Area” means the area of Crown land used by a commercial recreation operator, usually in a dispersed manner, as opposed to concentrated use of sites or camps, such as would be undertaken when using large areas of land for hiking, nature viewing, skiing, or other commercial recreation activities allowed under current program policies;

“Fees” means the fees set out in Article 3;

“Hazardous Substances” means any substance which is hazardous to persons, property or the environment, including without limitation

- (a) waste, as that term is defined in the *Environmental Management Act*; and
- (b) any other hazardous, toxic or other dangerous substance, the use, transportation or release into the environment of which, is now or from time to time prohibited, controlled or regulated under any laws or by any governmental authority, applicable to, or having jurisdiction in relation to, the Land;

“Improvements” includes anything made, constructed, erected, built, altered, repaired or added to, in, on or under the Land, and attached to it or intended to become a part of it, and also includes any clearing, excavating, digging, drilling, tunnelling, filling, grading or ditching of, in, on or under the Land;

“Intensive Use Site” means the area of Crown land used by a commercial recreation operator, for site specific uses of Crown land that are integral to the commercial recreation operator within an Extensive Use Area. These areas are either primary sites, secondary sites or temporary sites as defined in the Management Plan.

“Land” means that part or those parts of the Crown land either described in, or shown outlined by bold line on, the schedule attached to this Agreement entitled “Legal Description Schedule” except for those parts of the land that, on the Commencement Date, consist of highways (as defined in the *Transportation Act*);

“Management Plan” means the most recent management plan prepared by you in a form approved by us, signed and dated by the parties, and held on file by us;

“Realty Taxes” means all taxes, rates, levies, duties, charges and assessments levied or charged, at any time, by any government authority having jurisdiction which relate to the Land, the Improvements or both of them and which you are liable to pay under applicable laws;

“Security” means the security referred to in section 7.1 or 7.2, as replaced or supplemented in accordance with section 7.5;

“Term” means the period of time set out in section 2.2;

“we”, “us” or “our” refers to the Province alone and never refers to the combination of the Province and the Licensee: that combination is referred to as **“the parties”**; and

“you” or “your” refers to the Licensee.

- 1.2 In this Agreement, “person” includes a corporation, partnership or party, and the personal or other legal representatives of a person to whom the context can apply according to law 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 parties require.
- 1.3 The captions and headings contained in this Agreement are for convenience only and do not define or in any way limit the scope or intent of this Agreement.
- 1.4 This Agreement will be interpreted according to the laws of the Province of British Columbia.
- 1.5 Where there is a reference to an enactment of the Province of British Columbia or of Canada in this Agreement, that reference will include a reference to every amendment to it, every regulation made under it and any subsequent enactment of like effect and, unless otherwise indicated, all enactments referred to in this Agreement are enactments of the Province of British Columbia.
- 1.6 If any section of this Agreement, or any part of a section, is found to be illegal or unenforceable, that section or part of a section, as the case may be, will be considered separate and severable and the remainder of this Agreement will not be affected and this Agreement will be enforceable to the fullest extent permitted by law.
- 1.7 Each schedule to this Agreement is an integral part of this Agreement as if set out at length in the body of this Agreement.
- 1.8 This Agreement constitutes the entire agreement between the parties and no understanding or agreement, oral or otherwise, exists between the parties with respect to the subject matter of this Agreement except as expressly set out in this Agreement and this Agreement may not be modified except by subsequent agreement in writing between the parties.
- 1.9 Each party will, upon the request of the other, do or cause to be done all lawful acts necessary for the performance of the provisions of this Agreement.
- 1.10 Any liabilities or obligations of either party arising, or to be performed, before or as a result of

the termination of this Agreement, and which have not been satisfied or remain unperformed at the termination of this Agreement, any indemnity and any release in our favour and any other provision which specifically states that it will survive the termination of this Agreement, shall survive and not be affected by the expiration of the Term or the termination of this Agreement.

- 1.11 Time is of the essence of this Agreement.
- 1.12 Wherever this Agreement provides that an action may be taken, a consent or approval must be obtained or a determination must be made, then you or we, as the case may be, will act reasonably in taking such action, deciding whether to provide such consent or approval or making such determination; but where this Agreement states that you or we have sole discretion to take an action, provide a consent or approval or make a determination, there will be no requirement to show reasonableness or to act reasonably in taking that action, providing that consent or approval or making that determination.
- 1.13 Any requirement under this Agreement for us to act reasonably shall not require us to act in a manner that is contrary to or inconsistent with any legislation, regulations, Treasury Board directives or other enactments or any policy, directive, executive direction or other such guideline of general application.
- 1.14 The provisions of the Management Plan, as amended from time to time, form part of this Agreement and represent further particulars of the covenants of both parties.
- 1.15 In the event of any conflict, direct or indirect, between the terms and conditions of this Agreement and the provisions of the Management Plan, the terms and conditions of this Agreement shall prevail.
- 1.16 Wherever this Agreement provides that you may not undertake some activity or do something without our prior written approval or consent, our prior approval of the Management Plan will constitute our approval of, or consent to, the activity or thing to the extent the same is specifically and expressly described in the Management Plan and subject always to any conditions or qualifications that may be set in the Management Plan.

ARTICLE 2 - GRANT AND TERM

- 2.1 On the terms and conditions set out in this Agreement, we grant to you a licence of occupation of the Land for adventure tourism including float plane landing, trail maintenance and remote camping and hiking trip purposes as set out in the Management Plan and you acknowledge this licence of occupation does not grant you exclusive use and occupancy of the Land.
- 2.2 The term of this Agreement commences on the Commencement Date and terminates on the 30th anniversary of that date, or such earlier date provided for in this Agreement. We reserve

the right to terminate this Agreement in certain circumstances as expressly provided in this Agreement.

ARTICLE 3 - FEES

- 3.1 For each year of the Term, you will pay an Extensive Use Area user fee.
- 3.2 For the first year of the Term the Extensive Use Area user fee shall cover the first 11 months of the Term and shall be paid in two instalments:
- (a) payable on the Commencement Date, a minimum payment of \$500.00; and
 - (b) payable on the first anniversary of the Commencement Date, the amount (if any) by which the following exceeds \$500.00:
- Client Days for this 11-month period x Client Rate.
- 3.3 For the second year of the Term the Extensive Use Area user fee shall cover the 12 months commencing one month before the first anniversary of the Commencement Date and shall be paid in two instalments and shall, subject to section 3.5 below, be calculated as follows:
- (a) payable on the first anniversary of the Commencement Date, a minimum payment of \$500.00; and
 - (b) payable on the second anniversary of the Commencement Date, the amount (if any) by which the following exceeds \$500.00:
- Client Days for this 12-month period x Client Rate.
- 3.4 For each subsequent year of the Term the Extensive Use Area user fee shall cover each subsequent 12-month period after the period defined in subsection 3.3(b), and, subject to section 3.5 below, shall be paid in two instalments and be calculated as follows:
- (a) payable on each subsequent anniversary of the Commencement Date a minimum payment of \$500.00; and
 - (b) payable on the next anniversary of the Commencement Date, the amount (if any) by which the following exceeds \$500.00:
- Client Days for this 12-month period x Client Rate.
- 3.5 We have the right, in our sole discretion, during any year of the Term to change, for the next year of the Term, any amounts or rates.

- 3.6 If we wish to change an amount or rate for any year of the Term, we shall do so in accordance with our policies at the time applicable to your use of the Land or Improvements under this Agreement, and we shall give you at least 6 months notification of any changes.
- 3.7 If we do not change any amounts or rates for any year of the Term, then the amounts or rates for that year shall be the same as they were for the preceding year.
- 3.8 You must keep accurate written books and records in connection with this Agreement including written records of Client Days.
- 3.9 In the event that an audit of your books and records taken under Article 5 reveals that you have not paid to us all fees owed to us under this Agreement, you will immediately pay to us the cost of the audit together with all outstanding fees.
- 3.10 You are required to confirm your Client Days by submitting with your payment of fees a statutory declaration in a format provided to you by us.

ARTICLE 4 - MANAGEMENT PLAN

- 4.1 Despite any other provision of this Agreement, we may revise the Management Plan at any time, and from time to time, during the Term for any reason whatsoever provided we comply with the requirements of this Article 4. We may determine, in our sole discretion, whether there is reason to revise the Management Plan and the type and scope of the required revision. For the purpose of this Article 4 a revision to a Management Plan may include any amendment, deletion, substitution or any other change whatsoever to the whole or any part of the Management Plan and may include the specifications of any area that will no longer constitute a part of the Land.
- 4.2 Subject to sections 4.3 and 4.4, the revision of a Management Plan must be made in accordance with the following procedure:
- (a) we must give you written notice (an "Initial Notice") of the proposed revision which notice must set out in reasonable detail:
- (i) the reason for the revision;
 - (ii) the particulars of the revision;
 - (iii) the effective date of the revision; and
- we must also specify in the Initial Notice a reasonable time period during which you may inform us of any comments or concerns that you have regarding the proposed

revision;

- (b) following the time period specified in the Initial Notice we must deliver to you a written notice (a "Final Notice") advising whether we intend to proceed with the proposed revision as set out in the Initial Notice, and providing you with particulars of any changes to those matters dealt with in the Initial Notice; we must also specify in the Final Notice a reasonable time by which you may deliver to us a written notice (an Objection) setting out in reasonable detail any objections that you have in regard to the proposed revision;
- (c) if you do not deliver an Objection within the time required the Management Plan will be deemed to be amended as set out in the Final Notice;
- (d) if you deliver an Objection to us within the time required the Objection will be reviewed by a person acting at the level of assistant deputy minister, vice-president, or other comparable senior level (a "Senior Executive"). The Senior Executive may decide in his or her sole discretion whether the Final Notice should be varied in any respect and will inform you of this decision in writing. Upon the delivery of the Senior Executive's decision to you the Management Plan will be deemed to be revised as set out in the decision;
- (e) unless you consent in writing or unless section 4.3 applies the effective date of a revision to a Management Plan must not be sooner than one year after the date that the Final Notice is delivered to you or, if a decision has been made under section 4.2(d) then one year after the delivery to you of that decision.

- 4.3 If we determine that there are urgent circumstances that require a Management Plan to be revised more quickly than the time allowed by section 4.2(e), which determination must, for greater certainty, be made by us acting reasonably, we must include with the Initial Notice reasonable particulars of such urgent circumstances and we may specify in the Initial Notice such shortened time period for revising the Management Plan as we determine to be reasonable in the circumstances. For the purpose of this section 4.3 urgent circumstances include, without limitation, the need to respond to public safety concerns, significant environmental concerns, or any other decision by us under which it is determined to be necessary in the public interest to restrict access to an area.
- 4.4 This Article 4 does not preclude the parties from entering into any written agreement to vary the Management Plan from time to time, but any such agreement will not limit the application of this Article to the Management Plan as so amended, unless the other agreement expressly so provides.
- 4.5 You will not have any claim against us as a result of a revision of the Management Plan including, without limitation, any claim for damages or any other claim for compensation for losses, costs or expenses, of any kind that you may suffer or incur as a result of a revision of the

Management Plan.

- 4.6 You will prepare updated or consolidated documents setting out the Management Plan for our approval if and when we so request.

ARTICLE 5 - COVENANTS

5.1 You must

- (a) pay, when due,
 - (i) the Fees to us at the address set out in Article 11,
 - (ii) the Realty Taxes, and
 - (iii) all charges for electricity, gas, water and other utilities supplied to the Land for use by you or on your behalf or with your permission;
- (b) deliver to us, immediately upon demand, receipts or other evidence of the payment of Realty Taxes and all other money required to be paid by you under this Agreement;
- (c) observe, abide by and comply with
 - (i) all applicable laws, bylaws, orders, directions, ordinances and regulations of any government authority having jurisdiction in any way affecting your use or occupation of the Land or the Improvements including without limitation all laws, bylaws, orders, directions, ordinances and regulations relating in any way to Hazardous Substances, the environment and human health and safety, and
 - (ii) the provisions of this Agreement;
- (d) in respect of the use of the Land by you or by any person who enters upon or uses the Land as a result of your use of the Land under this Agreement, keep the Land and the Improvements in a safe, clean and sanitary condition satisfactory to us, and at our written request, rectify any failure to comply with such a covenant by making the Land and the Improvements safe, clean and sanitary;
- (e) not commit any wilful or voluntary waste, spoil or destruction on the Land or do anything on the Land that may be or become a nuisance to an owner or occupier of land in the vicinity of the Land;
- (f) use and occupy the Land only in accordance with and for the purposes set out in the

Management Plan;

- (g) not construct, place, anchor, secure or affix any Improvement in, on, or to the Land or otherwise use the Land in a manner that will interfere with any person's riparian right of access over the Land and you acknowledge and agree that the granting of this Agreement and our approval of the Improvements under this Agreement, whether through our approval of a Management Plan (where applicable) or otherwise, do not:
 - (i) constitute a representation or determination that such Improvements will not give rise to any infringement of any riparian right of access that may exist over the Land; or
 - (ii) abrogate or authorize any infringement of any riparian right of access that may exist over the Land;and you remain responsible for ensuring that you will not cause any infringement of any such riparian right of access;
- (h) pay all accounts and expenses as they become due for work performed on or materials supplied to the Land at your request, on your behalf or with your permission, except for money that you are required to hold back under the *Builders Lien Act*;
- (i) if any claim of lien over the Land is made under the *Builders Lien Act* for work performed on or materials supplied to the Land at your request, on your behalf or with your permission, immediately take all steps necessary to have the lien discharged, unless the claim of lien is being contested in good faith by you and you have taken the steps necessary to ensure that the claim of lien will not subject the Land or any interest of yours under this Agreement to sale or forfeiture;
- (j) not cut or remove timber on or from the Land without
 - (i) our prior written consent, and
 - (ii) being granted the right under the *Forest Act* to harvest Crown timber on the Land;
- (k) not interfere with public access over the Land;
- (l) permit us, or our authorized representatives, at reasonable times, to inspect, copy and audit your books and records that in our opinion relate to the information you are required to report or provide to us under this Agreement;
- (m) deliver to us, as soon as reasonably possible, all reports we may request from you concerning your activities under this Agreement and all other matters related to this

Agreement;

- (n) not 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 unless you obtain our prior written approval;
- (o) not alter or add to any Improvement that was, or may be, placed on or made to the Land under another disposition or in connection with the use of Land apart from this Agreement, unless you obtain our prior written approval;
- (p) take all reasonable precautions to avoid disturbing or damaging any archaeological material found on or under the Land and, upon discovering any archaeological material on or under the Land, you must immediately notify the ministry responsible for administering the *Heritage Conservation Act*;
- (q) permit us, or our authorized representatives, to enter on the Land at any time to inspect the Land and the Improvements, including without limitation to test and remove soil, groundwater and other materials and substances, where the inspection may be necessary or advisable for us to determine whether or not you have complied with your obligations under this Agreement with respect to Hazardous Substances, provided that we take reasonable steps to minimize any disruption of your operations;
- (r) indemnify and save us and our servants, employees and agents harmless against all claims, actions, causes of action, losses, damages, costs and liabilities, including fees of solicitors and other professional advisors, arising out of one or more of the following:
 - (i) any breach, violation or non-performance of a provision of this Agreement,
 - (ii) any conflict between your use of the Land under this Agreement and the lawful use of the Land by any other person, and
 - (iii) any personal injury, bodily injury (including death) or property damage occurring or happening on or off the Land by virtue of your entry upon, use or occupation of the Land,and the amount of all such losses, damages, costs and liabilities will be payable to us immediately upon demand; and
- (s) on the termination of this Agreement,
 - (i) peaceably quit and deliver to us possession of the Land and, subject to paragraphs (ii), (iii) and (iv), the Improvements in a safe, clean and sanitary condition,
 - (ii) within 30 days, remove from the Land any Improvement you want to remove, if

the Improvement was placed on or made to the Land by you, is in the nature of a tenant's fixture normally removable by tenants and is not part of a building (other than as a tenant's fixture) or part of the Land and you are not in default of this Agreement,

- (iii) not remove any Improvement from the Land if you are in default of this Agreement, unless we direct or permit you to do so under paragraph (iv),
- (iv) remove from the Land any Improvement that we, in writing, direct or permit you to remove, other than any Improvement permitted to be placed on or made to the Land under another disposition, and
- (v) restore the surface of the Land as nearly as may reasonably be possible, to the condition that the Land was in at the time it originally began to be used for the purposes described in this Agreement, but if you are not directed or permitted to remove an Improvement under paragraph (iii), this paragraph will not apply to that part of the surface of the Land on which that Improvement is located,

and all of your right, interest and estate in the Land will be absolutely forfeited to us, and to the extent necessary, this covenant will survive the termination of this Agreement.

5.2 You will not permit any person who enters upon or uses the Land as a result of your use of the Land under this Agreement to do anything you are restricted from doing under this Article.

5.3 You must not use all or any part of the Land

- (a) for the storage or disposal of any Hazardous Substances; or
- (b) in any other manner whatsoever which causes or contributes to any Hazardous Substances being added or released on, to or under the Land or into the environment from the Land;

unless

- (c) such storage, disposal, release or other use does not result in your breach of any other provision of this Agreement, including without limitation, your obligation to comply with all laws relating in any way to Hazardous Substances, the environment and human health and safety; and
- (d) we have given our prior written approval to such storage, disposal, release or other use and for certainty any such consent operates only as a consent for the purposes of this section and does not bind, limit, or otherwise affect any other governmental authority from whom any consent, permit or approval may be required.

5.4 Despite any other provision of this Agreement you must:

- (a) on the expiry or earlier termination of this Agreement; and
- (b) at any time if we request and if you are in breach of your obligations under this Agreement relating to Hazardous Substances;

promptly remove from the Land all Hazardous Substances stored, or disposed of, on the Land, or which have otherwise been added or released on, to or under the Land:

- (c) by you; or
- (d) as a result of the use of the Land under this Agreement;

save and except only to the extent that we have given a prior written approval expressly allowing specified Hazardous Substances to remain on the Land following the expiry of the Term.

5.5 We may from time to time

- (a) in the event of the expiry or earlier termination of this Agreement;
- (b) as a condition of our consideration of any request for consent to an assignment of this Agreement; or
- (c) if we have a reasonable basis for believing that you are in breach of your obligations under this Agreement relating to Hazardous Substances;

provide you with a written request to investigate the environmental condition of the Land and upon any such request you must promptly obtain, at your cost, and provide us with, a report from a qualified and independent professional who has been approved by us, as to the environmental condition of the Land, the scope of which must be satisfactory to us and which may include all such tests and investigations that such professional may consider to be necessary or advisable to determine whether or not you have complied with your obligations under this Agreement with respect to Hazardous Substances.

5.6 You must at our request from time to time, but not more frequently than annually, provide us with your certificate (and if you are a corporation such certificate must be given by a senior officer) certifying that you are in compliance with all of your obligations under this Agreement pertaining to Hazardous Substances, and that no adverse environmental occurrences have taken place on the Land, other than as disclosed in writing to us.

ARTICLE 6 - LIMITATIONS**6.1 You agree with us that**

- (a) in addition to the other reservations and exceptions expressly provided in this Agreement this Agreement is subject to the exceptions and reservations of interests, rights, privileges and titles referred to in section 50 of the *Land Act*;
- (b) other persons may hold or acquire rights to use the Land in accordance with enactments other than the *Land Act* or the *Ministry of Lands, Parks and Housing Act*, including rights held or acquired under the *Coal Act*, *Forest Act*, *Geothermal Resources Act*, *Mineral Tenure Act*, *Petroleum and Natural Gas Act*, *Range Act*, *Water Sustainability Act* or *Wildlife Act* (or any prior or subsequent enactment of the Province of British Columbia of like effect); such rights may exist as of the Commencement Date and may be granted or acquired subsequent to the Commencement Date and may affect your use of the Land;
- (c) other persons may hold or acquire interests in or over the Land granted under the *Land Act* or the *Ministry of Lands, Parks and Housing Act*; such interests may exist as of the Commencement Date; following the Commencement Date we may grant such interests (including fee simple interests, leases, statutory rights of way and licences) however we will not grant any such interest that would result in the need to amend the Management Plan unless we have first complied with the requirements of this Agreement with regard to the amendment of the Management Plan; subject to this you acknowledge that your use of the Land may be affected by such interests and the area or boundaries of the Land may change as a result of the granting of such interests;
- (d) you have no right to compensation from us and you release us from all claims, actions, causes of action, suits, debts and demands that you now have or may at any time in the future have against us arising out of any conflict between your use of the Land under this Agreement and any use of, or impact on the Land arising from the exercise, or operation of the interests, rights, privileges and titles described in subsections (a), (b), and (c);
- (e) for greater certainty, our rights to grant other interests over the Land as provided in subsection (c) extends to any Intensive Use Site or area where you are entitled to secure Improvements or otherwise restrict public access as specified in the Management Plan;
- (f) this Agreement does not limit any right to notice, compensation or any other benefit that you may be entitled to from time to time under the enactments described in subsection (b), or any other applicable enactment;
- (g) you will not commence or maintain proceedings under section 65 of the *Land Act* in respect of any interference with your use of the Land as permitted under this Agreement

that arises as a result of:

- (i) the lawful exercise or operation of the interests, rights, privileges and titles described in subsections (a), (b) and (c); or
- (ii) public access to the Land other than public access to an area where you are permitted to secure Improvements or otherwise restrict public access as specified in the Management Plan;
- (h) you will not dredge or displace beach materials on the Land unless you have obtained our prior written approval;
- (i) you will not interrupt or divert the movement of water or of beach materials by water along the shoreline unless you have obtained our prior written approval;
- (j) this Agreement is subject to the prior rights of Black Tusk Helicopter Inc. as holder of a Licence on file 2407357 issued for commercial recreation- heli ski purposes;
- (k) you will not remove or permit the removal of any Improvement from the Land except as expressly permitted or required under this Agreement;
- (l) any interest you may have in the Improvements ceases to exist and becomes our property upon the termination of this Agreement, except where an Improvement may be removed under paragraph 5.1(s)(ii), (iii) or (iv) in which case any interest you may have in that Improvement ceases to exist and becomes our property if the Improvement is not removed from the Land within the time period set out in paragraph 5.1(s)(ii) or the time period provided for in the direction or permission given under paragraph 5.1(s)(iii); and
- (m) if, after the termination of this Agreement, we permit you to remain in possession of the Land and we accept money from you in respect of such possession, a tenancy from year to year will not be created by implication of law and you will be deemed to be a monthly occupier only subject to all of the provisions of this Agreement, except as to duration, in the absence of a written agreement to the contrary.

ARTICLE 7 - SECURITY AND INSURANCE

- 7.1 On the Commencement Date, you will deliver to us Security in the amount of \$1,000.00 which will
- (a) guarantee the performance of your obligations under this Agreement;
 - (b) be in the form required by us; and

- (c) remain in effect until we certify, in writing, that you have fully performed your obligations under this Agreement.

7.2 Despite section 7.1, your obligations under that section are suspended for so long as you maintain in good standing other security acceptable to us to guarantee the performance of your obligations under this Agreement and all other dispositions held by you.

7.3 We may use the Security for the payment of any costs and expenses associated with any of your obligations under this Agreement that are not performed by you or to pay any overdue Fees and, if such event occurs, you will, within 30 days of that event, deliver further Security to us in an amount equal to the amount drawn down by us.

7.4 After we certify, in writing, that you have fully performed your obligations under this Agreement, we will return to you the Security maintained under section 7.1, less all amounts drawn down by us under section 7.3.

7.5 You acknowledge that we may, from time to time, notify you to

- (a) change the form or amount of the Security; and
- (b) provide and maintain another form of Security in replacement of or in addition to the Security posted by you under this Agreement;

and you will, within 60 days of receiving such notice, deliver to us written confirmation that the change has been made or the replacement or additional form of Security has been provided by you.

7.6 You must

- (a) without limiting your obligations or liabilities under this Agreement, at your expense, purchase and maintain during the Term the following insurance with insurers licensed to do business in Canada:
 - (i) Commercial General Liability insurance in an amount of not less than \$2,000,000.00 inclusive per occurrence insuring against liability for personal injury, bodily injury (including death) and property damage, including coverage for all accidents or occurrences on the Land or the Improvements. Such policy will include cross liability, liability assumed under contract, provision to provide 30 days advance notice to us of material change or cancellation, and include us as additional insured;
 - (ii) Aircraft Liability insurance on all aircraft operated or used in the performance of this Agreement insuring against bodily injury, property damage, and passenger liability, in an amount not less than the limits of liability imposed by any

Canadian Aviation Regulation and in any event not less than a per occurrence combined single limit of:

- A three million dollars (\$3,000,000) for aircraft up to 5 passenger seats, or
- B three million dollars (\$3,000,000) plus one million dollars (\$1,000,000) for each additional passenger seat for aircraft up to 10 passenger seats, or
- C ten million dollars (\$10,000,000) for aircraft over 20 passenger seats;

and such policy will include cross liability, provision to provide 30 days advance notice to us of material change or cancellation, and include us as additional insured. Where applicable, such policy will also include coverage for aerial drift or misapplication of fertilizers or herbicide chemicals in an amount not less than fifty thousand dollars (\$50,000) per occurrence;

- (b) ensure that all insurance required to be maintained by you under this Agreement is primary and does not require the sharing of any loss by any of our insurers;
- (c) within 10 working days of Commencement Date of this Agreement, provide to us evidence of all required insurance in the form of a completed "Province of British Columbia Certificate of Insurance";
- (d) if the required insurance policy or policies expire or are cancelled before the end of the Term of this Agreement, provide within 10 working days of the cancellation or expiration, evidence of new or renewal policy or policies of all required insurance in the form of a completed "Province of British Columbia Certificate of Insurance";
- (e) notwithstanding subsection (c) or (d) above, if requested by us, provide to us certified copies of the required insurance policies.

7.7 We may, acting reasonably, from time to time, require you to

- (a) change the amount of insurance set out in subsection 7.6(a); and
- (b) provide and maintain another type or types of insurance in replacement of or in addition to the insurance previously required to be maintained by you under this Agreement;

and you will, within 60 days of receiving such notice, cause the amounts and types to be changed and deliver to us a completed "Province of British Columbia Certificate of Insurance" for all insurance then required to be maintained by you under this Agreement.

7.8 You shall provide, maintain, and pay for any additional insurance which you are required by law to carry, or which you consider necessary to insure risks not otherwise covered by the

insurance specified in this Agreement in your sole discretion.

- 7.9 You waive all rights of recourse against us with regard to damage to your own property.

ARTICLE 8 - ASSIGNMENT

- 8.1 You must not sublicense, assign, mortgage or transfer this Agreement, or permit any person to use or occupy the Land, without our prior written consent, and a request for such consent will be assessed by us in accordance with applicable laws and policy at the time of the request and in the absence of applicable laws and policy consent will not be unreasonably withheld.
- 8.2 Prior to considering a request for our consent under section 8.1, we may require you to meet certain conditions, including without limitation, that you provide us with a report as to the environmental condition of the Land as provided in section 5.5.

ARTICLE 9 - TERMINATION

- 9.1 You agree with us that
- (a) if you
 - (i) default in the payment of any money payable by you under this Agreement, or
 - (ii) fail to observe, abide by and comply with the provisions of this Agreement (other than the payment of any money payable by you under this Agreement),and your default or failure continues for 60 days after we give written notice of the default or failure to you,
 - (b) if, in our opinion, you fail to make diligent use of the Land for the purposes set out in this Agreement, and your failure continues for 60 days after we give written notice of the failure to you;
 - (c) if we cancel another disposition made to you for a purpose set out in the Management Plan, because of your default or failure under that disposition;
 - (d) if you
 - (i) become insolvent or make an assignment for the general benefit of your creditors,
 - (ii) commit an act which entitles a person to take action under the *Bankruptcy and*

Insolvency Act (Canada) or a bankruptcy petition is filed or presented against you or you consent to the filing of the petition or a decree is entered by a court of competent jurisdiction adjudging you bankrupt under any law relating to bankruptcy or insolvency, or

- (iii) voluntarily enter into an arrangement with your creditors;
- (e) if you are a corporation,
 - (i) a receiver or receiver-manager is appointed to administer or carry on your business, or
 - (ii) an order is made, a resolution passed or a petition filed for your liquidation or winding up;
- (f) if you are a society, you convert into a company in accordance with the *Society Act* without our prior written consent;
- (g) if this Agreement is taken in execution or attachment by any person; or
- (h) if we require the Land for our own use or, in our opinion, it is in the public interest to cancel this Agreement and we have given you 60 days' written notice of such requirement or opinion;

this Agreement will, at our option and with or without entry, terminate and your right to use and occupy the Land will cease.

9.2 If the condition complained of (other than the payment of any money payable by you under this Agreement) reasonably requires more time to cure than 60 days, you will be deemed to have complied with the remedying of it if you commence remedying or curing the condition within 60 days and diligently complete the same.

9.3 You agree with us that

- (a) you will make no claim against us for compensation, in damages or otherwise, upon the lawful termination of this Agreement under section 9.1; and
- (b) our remedies under this Article are in addition to those available to us under the *Land Act*.

ARTICLE 10 - DISPUTE RESOLUTION

10.1 If any dispute arises under this Agreement, the parties will make all reasonable efforts to resolve the dispute within 60 days of the dispute arising (or within such other time period

agreed to by the parties) and, subject to applicable laws, provide candid and timely disclosure to each other of all relevant facts, information and documents to facilitate those efforts.

- 10.2 Subject to section 10.5, if a dispute under this Agreement cannot be resolved under section 10.1, we or you may refer the dispute to arbitration conducted by a sole arbitrator appointed pursuant to the *Commercial Arbitration Act*.
- 10.3 The cost of the arbitration referred to in section 10.2 will be shared equally by the parties and the arbitration will be governed by the laws of the Province of British Columbia.
- 10.4 The arbitration will be conducted at our offices (or the offices of our authorized representative) in Surrey, British Columbia, and if we or our authorized representative have no office in Surrey, British Columbia, then our offices (or the offices of our authorized representative) that are closest to Surrey, British Columbia.
- 10.5 A dispute under this Agreement in respect of a matter within our sole discretion cannot, unless we agree, be referred to arbitration as set out in section 10.2.

ARTICLE 11 - NOTICE

- 11.1 Any notice required to be given by either party to the other will be deemed to be given if mailed by prepaid registered mail in Canada or delivered to the address of the other as follows:

to us

MINISTRY OF FORESTS, LANDS
AND NATURAL RESOURCE OPERATIONS
200-10428 153 St
Surrey, BC V3R 1E1;

to you

SEA TO SKY AIR LTD
PO Box 2789
Garibaldi Highlands, BC V0N 1T0;

or at such other address as a party may, from time to time, direct in writing, and any such notice will be deemed to have been received if delivered, on the day of delivery, and if mailed, 7 days after the time of mailing, except in the case of mail interruption in which case actual receipt is required.

- 11.2 In order to expedite the delivery of any notice required to be given by either party to the other,

a concurrent facsimile copy of any notice will, where possible, be provided to the other party but nothing in this section, and specifically the lack of delivery of a facsimile copy of any notice, will affect the deemed delivery provided in section 11.1.

- 11.3 The delivery of all money payable to us under this Agreement will be effected by hand, courier or prepaid regular mail to the address specified above, or by any other payment procedure agreed to by the parties, such deliveries to be effective on actual receipt.

ARTICLE 12 - MISCELLANEOUS

- 12.1 No provision of this Agreement will be considered to have been waived unless the waiver is in writing, and a waiver of a breach of a provision of this Agreement will not be construed as or constitute a waiver of any further or other breach of the same or any other provision of this Agreement, and a consent or approval to any act requiring consent or approval will not waive or render unnecessary the requirement to obtain consent or approval to any subsequent same or similar act.
- 12.2 No remedy conferred upon or reserved to us under this Agreement is exclusive of any other remedy in this Agreement or provided by law, but that remedy will be in addition to all other remedies in this Agreement or then existing at law, in equity or by statute.
- 12.3 The grant of a sublicence, assignment or transfer of this Agreement does not release you from your obligation to observe and perform all the provisions of this Agreement on your part to be observed and performed unless we specifically release you from such obligation in our consent to the sublicence, assignment or transfer of this Agreement.
- 12.4 This Agreement extends to, is binding upon and enures to the benefit of the parties, their heirs, executors, administrators, successors and permitted assigns.
- 12.5 If, due to a strike, lockout, labour dispute, act of God, inability to obtain labour or materials, law, ordinance, rule, regulation or order of a competent governmental authority, enemy or hostile action, civil commotion, fire or other casualty or any condition or cause beyond your reasonable control, other than normal weather conditions, you are delayed in performing any of your obligations under this Agreement, the time for the performance of that obligation will be extended by a period of time equal to the period of time of the delay so long as
- (a) you give notice to us within 30 days of the commencement of the delay setting forth the nature of the delay and an estimated time frame for the performance of your obligation; and
 - (b) you diligently attempt to remove the delay.

12.6 You acknowledge and agree with us that

- (a) this Agreement has been granted to you on the basis that you accept the Land on an “as is” basis;
- (b) without limitation we have not made, and you have not relied upon, any representation or warranty from us as to
 - (i) the suitability of the Land for any particular use, including the use permitted by this Agreement;
 - (ii) the condition of the Land (including surface and groundwater), environmental or otherwise, including the presence of or absence of any toxic, hazardous, dangerous or potentially dangerous substances on or under the Land and the current and past uses of the Land and any surrounding land and whether or not the Land is susceptible to erosion or flooding;
 - (iii) the general condition and state of all utilities or other systems on or under the Land or which serve the Land;
 - (iv) the zoning of the Land and the bylaws of any government authority which relate to the development, use and occupation of the Land; and
 - (v) the application of any federal or Provincial enactment or law to the Land;
- (c) you have been afforded a reasonable opportunity to inspect the Land or to carry out such other audits, investigations, tests and surveys as you consider necessary to investigate those matters set out in subsection (b) to your satisfaction before entering into this Agreement;
- (d) you waive, to the extent permitted by law, the requirement if any, for us to provide you with a “site profile” under the *Environmental Management Act* or any regulations made under that act;
- (e) we are under no obligation, express or implied, to provide financial assistance or to contribute toward the cost of servicing, creating or developing the Land or the Improvements and you are solely responsible for all costs and expenses associated with your use of the Land and the Improvements for the purposes set out in this Agreement; and
- (f) we are under no obligation to provide access or services to the Land or to maintain or improve existing access roads.

12.7 You agree with us that nothing in this Agreement constitutes you as our agent, joint venturer or

partner or gives you any authority or power to bind us in any way.

- 12.8 This Agreement does not override or affect any powers, privileges or immunities to which you are entitled under any enactment of the Province of British Columbia.

The parties have executed this Agreement as of the date of reference of this Agreement.

SIGNED on behalf of **HER MAJESTY
THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA**
by the minister responsible for the *Land Act*
or the minister's authorized representative



Minister responsible for the *Land Act*
or the minister's authorized representative

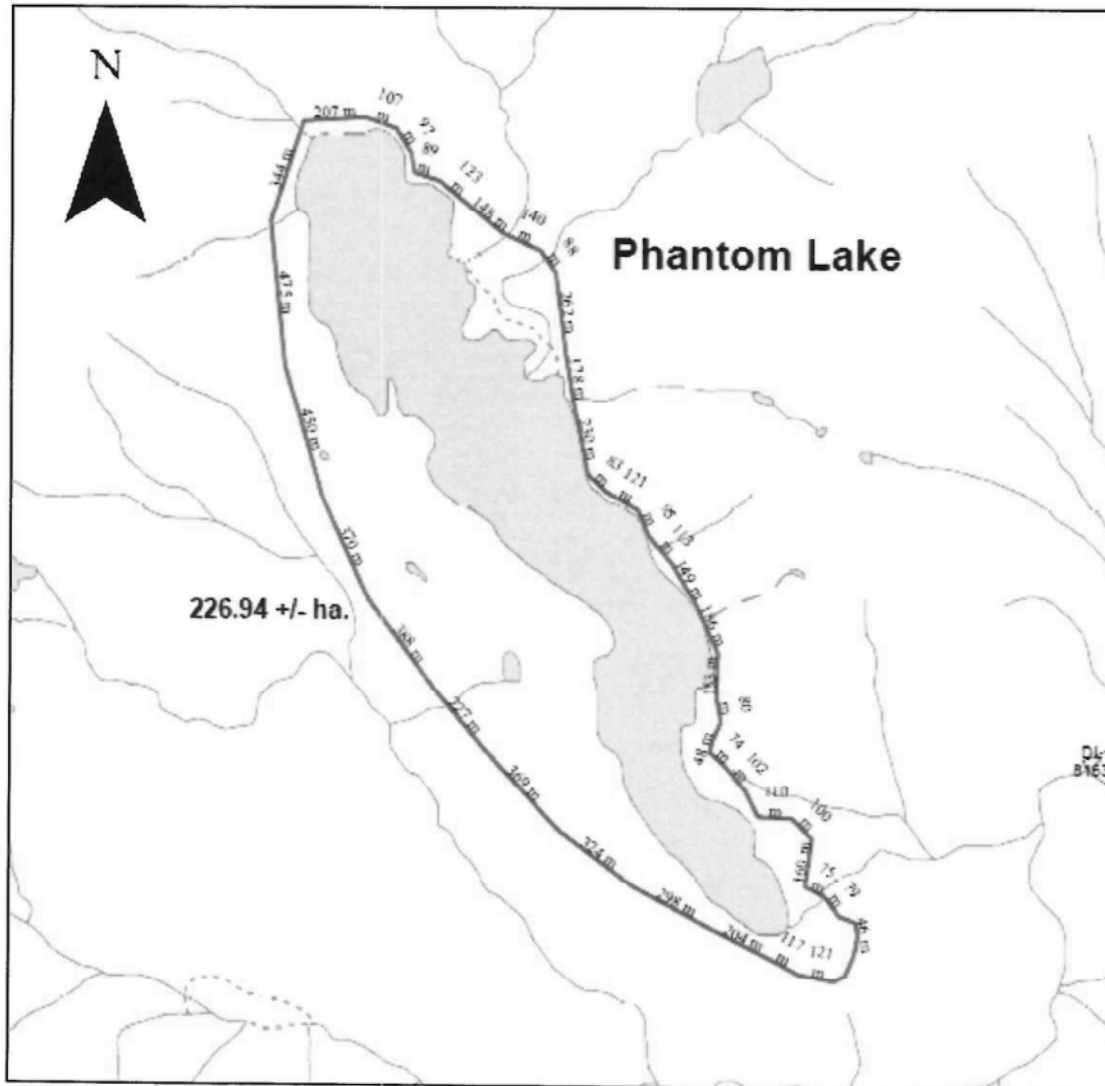
SIGNED on behalf of
SEA TO SKY AIR LTD
by a duly authorized signatory



Authorized Signatory

LEGAL DESCRIPTION SCHEDULE

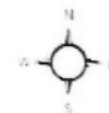
THAT PARCEL OR TRACT OF LAND IN THE VICINITY OF PHANTOM MOUNTAIN,
TOGETHER WITH UNSURVEYED FORESHORE OR LAND COVERED BY WATER BEING
PART OF THE BED OF PHANTOM LAKE, GROUP 1, NEW WESTMINSTER DISTRICT,
CONTAINING 226.94 HECTARES, MORE OR LESS



Scale: 1:20,000

Type: LICENCE

Legal Description: THAT PARCEL OR TRACT OF LAND IN THE VICINITY OF PHANTOM MOUNTAIN, TOGETHER WITH
UNSURVEYED FORESHORE OR LAND COVERED BY WATER BEING PART OF THE BED OF PHANTOM LAKE,
GROUP 1, NEW WESTMINSTER DISTRICT



Area= 226.94 ha +/-

Adventure Tourism Management Plan: Phantom Lake. v. 2.2 - 170223

Submitted By:

Sea to Sky Air Ltd.
Office phone: 604-898-1975
46041 Government Road.
Squamish Airport
Squamish, BC.

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Withheld pursuant to/removed as

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