

## AGREEMENT FOR THE EXCHANGE OF LAND

This agreement is dated for reference this 29<sup>th</sup> day of April, 2015

### BETWEEN:

HER MAJESTY THE QUEEN

As Represented by the Minister of Forests, Lands and Natural Resource Operations

("the Province")

### AND:

0893178 B.C. LTD

A British Columbia Company Having Incorporation Number BC0893178

(the "Company")

### WHEREAS:

A. The Company is the registered owner in fee simple of THAT PART OF LOT 84 SHOWN ON PLAN A760, DL 105s, SDYD, PLAN 719 (PID 012-198-641) AND PARCEL D, DLs 104s AND 105s, SDYD, PLAN 719 (PID 017- 660-378) AND THAT PART OF LOT 86 SHOWN COLOURED IN RED ON PLAN A760, DL 104s, SDYD, PLAN 719 (PID 012-198-749) AND THAT PART OF LOT 87 SHOWN COLOURED IN RED ON PLAN A760, DL 104s, SDYD, PLAN 719 (PID 012-198-765) (the "Company Land"), a portion of which is shown coloured in red on Schedule "A" (the "Company Exchange Parcel").

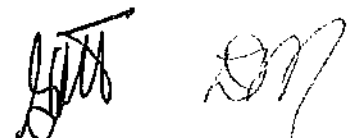
B. The Province has administration and control of THAT PART OF LOT 89 SHOWN COLOURED IN RED ON PLAN A760, DL 104s, SDYD, PLAN 719 (PID 010-015-779) AND ADJACENT FILLED CROWN LAND FORESHORE, TOGETHER WITH FILLED CROWN LAND FORESHORE FRONTING THAT PART 89, PLAN 719 SHOWN IN RED ON PLAN A760 (PID 012-198-790) AND FILLED CROWN LAND FORESHORE FRONTING PARCEL D, DLs 104s AND 105s, SDYD, PLAN 719 (PID 017- 660-378) (the "Crown Land"), a portion of which is shown outlined in red on Schedule "B" (the "Crown Exchange Parcel").

C. The Company wishes to surrender the Company Exchange Parcel to the Province as compensation for acquiring the Crown Exchange Parcel.

NOW THEREFORE in consideration of \$10.00 and other good and valuable consideration now paid by each of the parties to the other (the receipt and sufficiency of which is acknowledged) and of the mutual covenants and agreements contained in this Agreement, the parties agree as follows:

**1. The Company Exchange Parcel**

- 1.01 The parties agree that the sketch of the Company Exchange Parcel attached as Schedule "A" outlines in good approximation how the Company Land is to be reconfigured to create the Company Exchange Parcel.
- 1.02 The parties shall arrange for a survey to be prepared on the basis of survey instructions that are in accordance with this Agreement, and for a reference plan to be prepared from that survey.
- 1.03 No reference plan required to fulfil this Agreement shall be deposited in the land title office, or be binding on the parties, unless and until both parties have provided approval, which approval shall not be unreasonably withheld.
- 1.04 If and when both parties have provided approval:
  - (a) they shall each be bound by the size and shape of the Company Exchange Parcel, regardless of the actual surveyed area; and
  - (b) the reference plan shall be deposited in the land title office as a transfer to the Province for public purposes in accordance with s.99(1)(h)(i) of the *Land Title Act*.
- 1.05 The cost of the survey shall be borne in equal parts by the Parties.
- 1.06 The Province waives the requirement, if any, of the Company to provide a site profile as defined in the *Environmental Management Act* for any of the Company Exchange Parcel.
- 1.07 The Province acknowledges and agrees that the Company has not given any representation or warranty concerning the condition of the Company Exchange Parcel



(including surface water and groundwater), environmental or otherwise, including the presence or absence of any toxic, hazardous, dangerous or potentially dangerous substances on or under the Company Exchange Parcel and on or under any surrounding or neighbouring land and the current and past uses of the Company Exchange Parcel and any surrounding or neighbouring land.

- 1.08 The parties agree that the market value of the Company Exchange Parcel shall be \$435,000.00.

## **2. The Crown Exchange Parcel**

2.01 The parties agree that the sketch of the Crown Exchange Parcel (attached as Schedule "B" to this agreement) shall form the basis of a request to the Surveyor General for survey instructions.

2.02 The parties shall arrange for a survey to be done on the basis of the survey instructions, and for a survey plan to be prepared from the survey.

2.03 The survey plan shall not be deposited in the land title office, or be binding on the parties, unless and until both parties have provided approval, which approval shall not be unreasonably withheld.

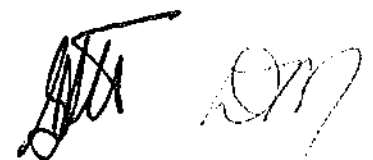
2.04 If and when both parties have provided approval:

- (a) they shall each be bound by the size and shape of the Crown Exchange Parcel as set out in this Agreement regardless of the actual surveyed area; and
- (b) the survey plan shall be filed in the land title office, along with other documents required to raise title in the name of the Company.

2.05 The cost of the survey shall be borne in equal parts by the Parties.

2.06 The Company waives the requirement, if any, of the Province to provide a site profile as defined in the *Environmental Management Act* for any of the Crown Exchange Parcel.

2.07 The Company acknowledges and agrees that the Province has not given any representation or warranty concerning the condition of the Crown Exchange Parcel (including surface water and groundwater), environmental or otherwise, including the presence or absence of any toxic, hazardous, dangerous or potentially dangerous substances on or under the Crown Exchange Parcel and on or under any surrounding or



neighbouring land and the current and past uses of the Crown Exchange Parcel and any surrounding or neighbouring land.

2.08 The Parties agree that the market value of the Crown Exchange Parcel shall be \$435,000.00.

### 3. Crown Grant Fee, Taxes and Adjustments

3.01 Adjustments as to taxes and all other items normally adjusted between a vendor and purchaser on the sale of similar real property in British Columbia will be made between the parties with regard to the land exchange contemplated by this Agreement up to and including the Completion Date.

3.02 The Company will pay all registration charges, *Property Transfer Tax Act* tax, any applicable G.S.T. and all other taxes and charges payable upon the grant of the Crown Exchange Parcel to the Company, which may include administrative fees payable under the Land Act.

3.03 The Province will pay all registration charges, *Property Transfer Tax Act* tax, any applicable G.S.T. and all other taxes and charges payable upon the deposit of the Company Exchange Parcel in the name of the Province.

3.04 The Company Exchange Land is being acquired by the Province for use by the Province and the acquisition is not subject to G.S.T. (the Province's G.S.T. registration number is R107864738).

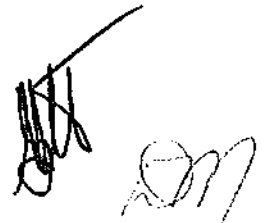
3.05 The Company is a G.S.T. registrant (G.S.T. registration number 84700-5915 RT001) and it will, in accordance with the *Excise Tax Act (Canada)*, account to the Receiver General (Canada) for any G.S.T. payable upon the grant of the Crown Exchange Parcel to it and will provide the Province with an *Excise Tax Act* paragraph 221(2) certificate to that effect at least ten business days before the Closing Date.

3.06 Each of the Parties will be responsible for its own legal fees.

### 4. Closing Date

4.01 Closing Date shall be 30 days following the last-received satisfaction or waiver in writing from:

(a) the Company of the conditions precedent set out in section 6.01(a) (b) and (d);  
and



(b) the Province of the conditions precedent set out in section 6.01(a) through (c) inclusive and in section 6.01(e);  
or any other date agreed to by both parties.

4.02 On Closing Date, the following shall occur:

- (a) the reference plan for the Company Exchange Parcel shall be submitted to the Land Title and Survey Authority for deposit in the name of the Province, so that the Province holds the fee simple free and clear of all encumbrances unless the Province expressly agrees otherwise;
- (b) the fee simple in the Crown Exchange Parcel shall be granted to the Company, free and clear of all encumbrances unless the Company expressly agrees otherwise; and
- (c) the payment of any adjustment under paragraph 3.01 shall be made by the responsible party.

## 5. Notice

5.01 A party may send any notice or other communication concerning this agreement to the other party by either registered mail or by e-mail;

5.02 The addresses for communications are as follows:

To the Province: Gary Townsend, Assistant Deputy Minister  
Integrated Resource Operations Division  
Ministry of Forests, Lands and Natural Resource Operations,  
3<sup>rd</sup> Floor, 780 Blanshard Street Victoria BC V8W 2H1  
Email: Gary.Townsend@gov.bc.ca

To the Company: 0893178 B.C. LTD.  
#707-650 Duncan Ave. W.  
Penticton, BC V2A 7N1  
Email: debimeginn@gmail.com

Handwritten signature and initials, likely representing the parties to the agreement.

5.03 A communication sent by registered mail shall be deemed to have been made 8 working days after it is sent, and a communication sent by e-mail shall be deemed to have been made on the day that receipt of the e-mail is acknowledged.

## 6. Conditions Precedent

6.01 The obligations of the parties to complete this transaction on Closing Date are suspended until the following conditions are met:

- (a) The Company Land has been surveyed and a reference plan prepared in the manner required by Part 1 and title to all the underlying lands are held in the Company's name;
- (b) The Crown Exchange Parcel has been surveyed and a reference plan prepared in the manner required by Part 2 and the underlying lands continue to be under the administration and control of the Province;
- (c) The Company is an incorporated company in good standing in accordance with the provisions of the *Business Corporations Act*;
- (d) The outbuildings indicated on Schedule "A" as "Outbuildings to be removed" have been removed from the Crown Exchange Parcel; and
- (e) The Lieutenant Governor in Council has issued an Order in Council authorizing the transfer of the filled foreshore as contemplated in this agreement.

6.02 The parties covenant that there is an obligation to act in good faith and they will each make reasonable and diligent efforts to see that the condition precedents are met within six months of signing this agreement.

6.03 If, despite the reasonable and diligent efforts of the parties, the condition precedents are not all satisfied or waived by the end of six months after the date this agreement has been signed by both parties, then this agreement shall come to an end unless the parties have agreed in writing to an extension of time.

## 7. Miscellaneous

7.01 Time shall be of the essence.

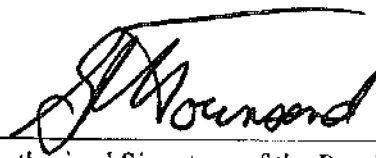
7.02 A party shall not assign any of its rights without the consent of the other party, which consent may be withheld for any reason.

7.03 The schedules to this agreement shall form part of this agreement.

7.04 If any issue arises concerning the subject matter of this agreement, and if the parties are not able to resolve it by agreement, the issue shall be dealt with by arbitration pursuant to the *Commercial Arbitration Act*, with the proviso that each Party shall remain solely responsible for its own legal fees throughout.

7.05 The terms and conditions of this Agreement shall be binding upon the parties and upon their successors, assignees or successors in title.

SIGNED BY THE PROVINCE:



Authorized Signatory of the Province

Print Name: G.M. Townsend

Date of Signature: April 29, 2015

SIGNED BY COMPANY:



Authorized Signatory of Company

Print Name: Debra McGowan

Date of Signature: April 27, 2015

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( ALL DIMENSIONS ARE IN METRES )

TEL: 250-492-7399 OUR FILE NO. 2422-03182-01  
FAX: 250-492-5488 OUR DRAWING NO. J182-1-SCHEDULEA-R1.DWG

TO CROWN FROM COMPANY

NOTE: ALL AREAS SUBJECT TO FINAL SURVEY



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