RE: Tenure Conflicts

From:	Marika Forge <marika@zimmfor.com>
To:	Outhwaite, Jessica FLNR:EX <Jessica.Outhwaite@gov.bc.ca>
Cc:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent:	January 16, 2018 9:19:39 AM PST
Attachments:	image001.png, image003.jpg, image002.png

Thanks Jessica.
I had spoken to Annette about this lease previously as well and she had told me about needing to complete a new application if the intention was to change the use.

However, I was wondering if there was a way that an initial assessment of the area and the proposed change in use, would be possible? My concern is that a lot of time and effort will be spent (including having professional drawings, and biophysical assessments done) to complete an application package, only to find out that due to something like an adjacent land use, the application is turned down. As mentioned before, Annette had stated that a marina cannot be constructed within 150m of an aquaculture tenure. Is this true? And if so, where can I find this type of information. Additionally, if this is true, there happens to be an aquaculture tenure directly south of the log handling tenure, so would this conflict alone cause a marina application to be denied?
I guess what I am wondering is what circumstances would cause the marina application not to go through?
My client does have a meeting with the area's regional district next week to discuss the feasibility of such a project, so I intend to have a similar discussion with the regional district. We just want to know what we're getting into and if a project of this scope is feasible before investing too much time into it.
I really appreciate any information you can offer.
Thank you.

Marika Forge, RPBio.
250.202.3338

From: Outhwaite, Jessica FLNR:EX [mailto:Jessica.Outhwaite@gov.bc.ca]
Sent: Tuesday, January 16, 2018 9:04 AM
To: Marika Forge
Cc: Bailey, Annette FLNR:EX
Subject: RE: Tenure Conflicts
Good morning Marika,
I have taken a look at your client's current lease for log handling in Baynes Sound. The lease is up for renewal this year. To proceed with the renewal you would need to keep the purpose and use of the lease consistent with its current use – Industrial/Log Handling.
If you client would like to changes the lease's use to a Marina or any other Crown Land use your client would need to submit a new application which would be subject to referrals, public consultation and First Nations Consultations.
At this time without an application I cannot confirm whether the application would be approved or not however, this location is contentious with the amount of interest in the area as well as the amount of Crown land uses already occurring.
Please let me know if you have any further questions.
Cheers,

Jessica Outhwaite (Leitao)
Natural Resource Specialist
Certified Service Manager
South Island Natural Resource District
Ministry of Forests, Lands, and Natural Resource Operations and Rural Development
4885 Cherry Creek Road, Port Alberni, BC, V9Y 8E9
Phone: (250) 731-3046
Fax: (250) 731-3010
mailto:Jessica.Outhwaite@gov.bc.ca

2016 Top Work Unit Award
British Columbia BC Public Service
Where ideas work

From: Marika Forge [mailto:marika@zimmfor.com]
Sent: Monday, January 15, 2018 2:08 PM
To: Outhwaite, Jessica FLNR:EX
Cc: Bailey, Annette FLNR:EX
Subject: RE: Tenure Conflicts

Thanks Jessica,
Lease Number: 102057
File Number: 0021050

Marika Forge, RPBio.
250.202.3338

From: Outhwaite, Jessica FLNR:EX [mailto:Jessica.Outhwaite@gov.bc.ca]
Sent: Monday, January 15, 2018 2:06 PM
To: Marika Forge <marika@zimmfor.com>
Cc: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Subject: RE: Tenure Conflicts

Hi Marika,
Could you send me the Crown Land file number of the current tenure or the area you are looking at and I will take a look.
Cheers,

Jessica Outhwaite (Leitao)
Natural Resource Specialist
South Island Natural Resource District
Ministry of Forests, Lands, and Natural Resource Operations and Rural Development
4885 Cherry Creek Road, Port Alberni, BC, V9Y 8E9
Phone: (250) 731-3046
Fax: (250) 731-3010
mailto:Jessica.Outhwaite@gov.bc.ca



From: Marika Forge [mailto:marika@zimmfor.com]
Sent: Monday, January 15, 2018 1:41 PM
To: Outhwaite, Jessica FLNR:EX
Cc: Bailey, Annette FLNR:EX
Subject: RE: Tenure Conflicts

Hi Jessica,
I was speaking with Annette about this last week since she is currently looking after the file, however, if you could help me that would be greatly appreciated.
I have a client that currently has a valid log handling lease.
Their renewal is coming up and they were wanting to investigate the possibility of changing their land use type from log handling to commercial marina. Their lot is zoned for this use through the local regional district.
From the information I could find on the ILRR, immediately adjacent to their tenure lot (it actually appears to be sharing a border with the log handling lot) is a shellfish aquaculture LOO.
I was wanting to check if this was an absolute conflict (one that cannot be worked around). If this is the case, I would like to let me client know as soon as possible if converting their lease from log handling to commercial marina would be impossible, so no more time and effort will get wasted for this cause.
Thank you.

Marika Forge, RPBio.
250.202.3338

From: Outhwaite, Jessica FLNR:EX [mailto:Jessica.Outhwaite@gov.bc.ca]
Sent: Monday, January 15, 2018 7:43 AM
To: Marika Forge <marika@zimmfor.com>

Cc: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Subject: RE: Tenure Conflicts

Good morning Marika,

Annette Bailey forwarded me your email and contact information regarding your request to find potential active tenures that may be in conflict of a marina.

I am happy to help you. Couple of questions, do you have a BCEID? If so, you are able to run a report in a system called the Integrated Land Resource Registry. Here is the website site : https://a100.gov.bc.ca/apps/ilrr/html/ILRRWelcome.html This system is best used with either Chrome or Firefox as your browser.

From here you select 'Guest User' under the Public User heading. There is an option for Business Users and this is if you have a Business BCEID.

You will need to accept the terms and conditions before proceeding. Once you have done that a secondary window should pop up with the mapping system.

Alternatively you can also try our new system NRSOS : https://portal.nrs.gov.bc.ca/web/client/home

This system will allow you to run a report quickly and efficiently on a submitted shape or a current tenure and provide conflicts.

Let me know if you need any further assistance. I would be happy to help.

Cheers,

Jessica Outhwaite (Leitao)
Natural Resource Specialist
South Island Natural Resource District
Ministry of Forests, Lands, and Natural Resource Operations and Rural Development
4885 Cherry Creek Road, Port Alberni, BC, V9Y 8E9
Phone: (250) 731-3046
Fax: (250) 731-3010
mailto:Jessica.Outhwaite@gov.bc.ca

2016 Top Work Unit Award — British Columbia BC Public Service — Where ideas work

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From: Marika Forge [mailto:marika@zimmfor.com]
Sent: Monday, January 8, 2018 4:27 PM
To: Bailey, Annette FLNR:EX
Subject: Tenure Conflicts

Hi Annette,

I was wondering if you would be able to send me the link to where I can find any potential tenure type conflicts for a marina.

I have looked through the land use policy for Commercial marina and cannot find anywhere in there that outlines adjacent uses that would cause conflict.

Just wanting to make sure Im covering all by bases.

Thank you!

-Mairka

Zimmfor management services ltd.
Marika Forge, RPBio
562 Colwyn Street • Campbell River, BC • V9W 2W9
Office 250.287.9167 • Fax 250.287.9165 • Cell 250.202.3338
www.zimmfor.com

2018-02-13 Rem Ltr MP SP 0021050

From: Jones, Tori FLNR:EX
s.15

To: gloverannie@shaw.ca

Sent: February 13, 2018 4:25:34 PM PST

Attachments: 2018-02-10 Rem Ltr MP SP 0021050.pdf

If you have any questions don't hesitate to contact me.

Victoria (Tori) Jones
Authorizations Administrator
South Island Natural Resource District
Ph: 250-731-3018

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BRITISH COLUMBIA

Land File No. 0021050

February 13, 2018

Email: gloverannie@shaw.ca

Union Bay Industries Ltd.
1085 Comox Rd
Courtenay, BC V9N 3P7

Dear: Sir or Madam

This is a follow-up letter to your response received September 25, 2017 indicating you wish to replace your land tenure file **0021050** for log booming and storage. As indicated in the original replacement letter you are required to submit an up-to-date and accurate Management Plan as well as a Site Plan.

Your tenure will be expiring May 10, 2018.

The requirements and description of a Management Plan and Site are listed below.

Please submit the required Management and Site Plans no later than **March 15, 2018.** We will be happy to review your file for replacement at that time.

If you have any questions or concerns feel free to contact me at annette.bailey@gov.bc.ca or 250-731-3028.

Thank you,

Digitally signed by Annette Bailey
Date: 2018.02.13 13:20:05 -08'00'

Annette Bailey RPBio
Authorizations Specialist
South Island Natural Resource District

Ministry of Forests, Lands, Natural Resource Operations and Rural Development
South Island Natural Resource District
Mailing Address:
4885 Cherry Creek Road
Port Alberni BC V9Y 8E9
Tel: (250) 731-3000
Fax: (250) 731-3010
Website: www.for.gov.bc.ca/dsi

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Definitions:

Site Plan Map - a map or shape files of the entire tenure area, drawn to scale (including a north arrow), identifying the location and dimensions of all improvements (i.e. structures and provisions related to sewage, water, utilities, access, parking, fences etc.) in relation to the established tenure area boundary and other legal boundaries. If you hold a lease or a statutory right-of-way, then the Site Plan Map will depict all improvements within the subject District Lot i.e. legal survey. If you hold a Licence of Occupation, then the Site Plan Map will depict all improvements within the area defined by metes and bounds (i.e. distances and bearings) tied to a legally surveyed point.

Management Plan - a narrative report that fully describes all uses of Crown land, detailing site location and history, the need and purpose for the tenure, what infrastructure currently exists (e.g. buildings, pilings, anchor lines, concrete fill etc.) within the tenure boundaries, consistency with local government zoning, known hazards and mitigation plan(s) to protect environmental integrity etc. It may be as short as one or two pages, or much larger, depending on the complexity of the land use.

Change of Purpose – The Ministry of Forests, Lands and Natural Resource Operations administers numerous Crown land program areas. Each program area represents a purpose for potential land use. They include:

- Adventure Tourism
- Aggregate (Quarrying)
- Agriculture
- Commercial
- Communication Site
- Community and Institutional
- Film
- Golf Courses
- Industrial General
- Log Handling
- Marina
- Mining
- Residential
- Roads
- Utilities

If the Crown land you are currently operating upon has undergone a change from one program area/purpose to another within the term of your most recently issued tenure, then this constitutes a change of purpose. A change of purpose requires a new application to be submitted to FrontCounterBC.

RE: Union Bay Foreshore Lease Renewal (File #0021050)

From: Marika Forge <marika@zimmfor.com>
To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent: June 21, 2018 9:08:56 AM PDT
Attachments: image004.jpg, image003.png

Sounds good.
Thanks for the update Annette ☺

Marika Forge, RPBio
250-202-3338

From: Bailey, Annette FLNR:EX
Sent: Thursday, June 21, 2018 9:06 AM
To: Marika Forge
Subject: RE: Union Bay Foreshore Lease Renewal (File #0021050)
Hi Marika
I have a bit of a queue at the moment. First Nation consultation has been sent and the 30 day response period ended June 18th.
I am hoping to clear most of the reviewed files off my desk in the next couple of weeks.
Thank you for your continued patience.
Annette

From: Marika Forge [mailto:marika@zimmfor.com]
Sent: Thursday, June 21, 2018 9:02 AM
To: Bailey, Annette FLNR:EX
Subject: RE: Union Bay Foreshore Lease Renewal (File #0021050)
Hi Annette,
I just wanted to follow up on this lease renewal. Just wondering how its going and if you require any additional information at this time?
Thank you,

Marika Forge, RPBio
250-202-3338

From: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent: Wednesday, February 28, 2018 4:20 PM
To: Marika Forge <marika@zimmfor.com>
Subject: RE: Union Bay Foreshore Lease Renewal (File #0021050)
Thanks Marika

From: Marika Forge [mailto:marika@zimmfor.com]
Sent: Wednesday, February 28, 2018 1:28 PM
To: Bailey, Annette FLNR:EX
Cc: 'Rob Wood'; Mike Hamilton; Annie Glover; Jason Zimmermann
Subject: Union Bay Foreshore Lease Renewal (File #0021050)
Hello Annette,
Please see attached an updated management plan and site map for the Union Bay foreshore lease renewal.
Please let me know if you require any further information.
Thank you,
-Marika Forge

Zimmfor management services ltd.
Marika Forge, RPBio
562 Colwyn Street • Campbell River, BC • V9W 2W9
Office 250.287.9167 • Fax 250.287.9165 • Cell 250.202.3338
www.zimmfor.com

Page 008 of 646 to/à Page 009 of 646

Withheld pursuant to/removed as

s.3

RE: Union Bay Industries - File #0021050

From: Annie Glover <gloverannie@shaw.ca>
To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent: August 16, 2018 10:22:48 AM PDT

Thanks Annette

From: Bailey, Annette FLNR:EX [mailto:Annette.Bailey@gov.bc.ca]
Sent: August-16-18 9:59 AM
To: 'Annie Glover'
Subject: RE: Union Bay Industries - File #0021050

Hi Annie
Thanks for the email.
Your file is with our Administrative staff to create the documents. Unfortunately, our long time administrative person retired this year and the replacement is still training and learning the job.
We appreciate your continued patience as she learns the position.
Thank you
Annette

From: Annie Glover [mailto:gloverannie@shaw.ca]
Sent: Thursday, August 16, 2018 9:34 AM
To: Bailey, Annette FLNR:EX
Subject: Union Bay Industries - File #0021050
Importance: High

Hi Annette,
We were wondering about the status of our submission for the Union Bay foreshore lease FLNRO file #0021050. Is there any more information you need from us?
Thanks,
Annie
Union Bay Industries Ltd.
1085 Comox Road
Courtenay, BC V9N 3P7
Ph: 250-338-6932
Fax: 250-338-9638

Ministry of Forests, Lands, Natural Resource Operations and Rural Development
~~Suite 142 - 2080 Labieux Road~~
~~Nanaimo, BC V9T 6J9~~4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9

Telephone No: 250 731-3018
Facsimile No: 250 731-3010

GST Registration No: R107864738

Your contact is: Carolyn Shearer

Our file: 0021050

~~Your file: delete~~

NOTICE OF FINAL REVIEW

September 10, 2018

UNION BAY INDUSTRIES LTD.
1085 Comox Rd
Courtenay, BC V9N 3P7

~~Attention: delete~~

Dear Sir or Madam:

Re: Your Application for a Tenure over Crown Land

The review of your application for a lease for log booming and storage purposes over:

District Lot 2020, Nanaimo District

(the "Land") has reached the stage where we anticipate making our final decision once the various matters described in this letter have been completed.

This is to replace Lease No. 102057.

1. Deadline for Completion of Requirements

We ask that you complete the requirements described below by November 10, 2018.

Please complete the Response to Notice of Final Review page attached, indicating whether you will **or** will not proceed with the application and sign and return that page to us for our records.

2. Requirements

Signing and Return of Tenure Documents

You must sign and deliver to us two copies of the lease document which are enclosed with this letter. You are responsible for ensuring that this is properly completed including, if applicable, obtaining any appropriate corporate authorizations and having any Land Title Act form C or D witnessed by a solicitor, notary or commissioner.

Monies Payable

You must deliver to us the following amounts:

Lease Rental	*$ 5,382.72
Application Fee	*$ 500.00
GST Total	$ 294.14
Total Fees Payable	$ 6,176.86

* denotes GST payable

Your cheque or money order must be payable to the Minister of Finance and be delivered to ~~Suite 142 - 2080 Labieux Road Nanaimo, BC V9T 6J9~~4885 Cherry Creek Road, Port Alberni, BC V9Y 8E9. Please quote our file number when sending us your payment.

If we disallow your application and do not grant a Crown land tenure to you, the Lease Rental and associated GST payment made by you as set out in section 2 will be returned to you.

Insurance

You must deliver to us the attached Province of British Columbia Certificate of Insurance, signed by your insurance agent, for the insurance required to be maintained under the lease. A sample certificate is enclosed.

3. Process following completion of Requirements

If the requirements set out above are completed within the required time we expect to make our decision and advise you of that decision within 30 days.

Please note however that this letter does not constitute an offer by us and we reserve all our rights in connection with the decision making process, including,

if appropriate, to disallow your application, to extend the decision making process and to establish additional requirements not set out in this letter.

Upon decision to issue the lease to you we will sign and return one copy of the lease to you.

4. Acknowledgments of the Applicant

You represent, acknowledge and agree that:

(a) Your application for a Crown land tenure cannot be transferred to another person.

(b) This Letter does not obligate us to issue the lease to you and does not give you any right to use or occupy the Land for any purpose.

(c) You are responsible for, and encouraged to seek, your own legal advice with respect to:

(i) any laws, bylaws, orders, directions, ordinances and regulations associated with your use of the Land,

(ii) the terms and conditions set out in this Letter, and

(iii) the terms and conditions of, and your rights and obligations that will arise under, the lease.

(d) You are responsible for the costs and expenses incurred by you in pursuing your application, including any cost you incur in connection with satisfying the requirements set out in this letter.

(e) If you sign and return the lease to us that will constitute your offer to us to enter into the lease.

Freedom of Information

Personal information is collected under the *Land Act* for the purpose of administering Crown land. Information on your application, and if issued, your tenure, will become part of the Crown Land Registry, from which information is routinely made available to the public under Freedom of Information and Protection of Privacy legislation.

Yours truly,

Authorized Representative

~~cc:~~

Response to Notice of Final Review

File No. 0021050

Ministry of Forests, Lands, Natural Resource Operations and Rural Development
~~Suite 142 - 2080 Labieux Road~~
~~Nanaimo, BC V9T 6J9~~4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9

Dear Carolyn Shearer:

Re: Application for lease

☐ I/We wish to proceed to obtain a lease in accordance with the letter dated September 10, 2018 from the Ministry of Forests, Lands, Natural Resource Operations and Rural Development and enclose all copies of the lease which I/We have signed.

☐ I/We do not wish to proceed to obtain a lease in accordance with the letter dated September 10, 2018 from the Ministry of Forests, Lands, Natural Resource Operations and Rural Development.

DATED the ____ of _____, ____.

_____	_____
Applicant's signature/Applicant's representative's signature	Applicant's signature/Applicant's representative's signature
_____	_____
Print name of person signing	Print name of person signing

BRITISH COLUMBIA

LEASE

Lease No.: V102057

File No.: 0021050
Disposition No.: 930973

THIS AGREEMENT is dated for reference September 7, 2018 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:

UNION BAY INDUSTRIES LTD.
1085 Comox Rd
Courtenay, BC V9N 3P7

(the "Lessee")

The parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 In this Agreement,

"Agreement" means this lease;

"Commencement Date" means September 7, 2018;

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

"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;

"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;

"Rent" means the rent set out in Article 3;

"Security" means the security referred to in section 6.1 or 6.2, as replaced or supplemented in accordance with section 6.5;

"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 Lessee: that combination is referred to as **"the parties"**; and

"you" or **"your"** refers to the Lessee.

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 Where this Agreement contains the forms of words contained in Column I of Schedule 4 of the *Land Transfer Form Act,* those words will have the same effect and be construed as if the appropriate forms of words contained in Column II of that Schedule were contained in this Agreement, unless the context requires another construction of those words.

1.15 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 you a lease of the Land for log booming and storage purposes, as set out in the Management Plan.

2.2 The term of this Agreement commences on the Commencement Date and terminates on the 20th 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 - RENT

3.1 You will pay to us Rent of $5,382.72, payable in advance on the Commencement Date and on each anniversary of the Commencement Date.

3.2 You acknowledge that we may, on written notice to you and in our sole discretion, change the Rent payable by you under this Agreement.

ARTICLE 4 - COVENANTS

4.1 You must

(a) pay, when due,

(i) the Rent to us at the address set out in Article 10,

(ii) the Realty Taxes, and

(iii) all charges for electricity, gas, water and other utilities supplied to the Land;

(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; despite the foregoing, you will be deemed to not be in breach of this subsection so long as you are the owner of an upland property adjacent to the Land and your activities on the Land only interfere with riparian rights of access held by you; you acknowledge that if you cease to own the upland property you will remain responsible for complying with this subsection and we may terminate this Agreement in accordance with Article 8 if you fail to satisfy your obligations under this subsection;

(h) pay all accounts and expenses as they become due for labour or services performed on, or materials supplied to, the Land 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*, 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) Must adhere to most recent Debris Management Plan;

(k) 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*;

(l) 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;

(m) 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

(n) on the termination of this Agreement,

(i) peaceably quit and deliver to us possession of the Land and, subject to paragraphs (ii) and (iii), the Improvements in a safe, clean and sanitary condition,

(ii) within 60 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) 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

(iv) 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.

4.2 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.

4.3 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.

4.4 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.

4.5 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.

4.6 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.

4.7 We will provide you with quiet enjoyment of the Land.

ARTICLE 5 - LIMITATIONS

5.1 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) with your prior consent, which consent you will not unreasonably withhold, we may make other dispositions of or over the Land, or any part of it, by way of easement, right of way or statutory right of way, to any person, including a Crown agency or ministry, and, upon such consent being given you will, if required by us, execute and deliver to us such instrument as may be necessary to subordinate your rights under this Agreement to such easement, right of way or statutory right of way;

(d) for the purpose of subsection (c), you will be deemed to have reasonably withheld your consent if a disposition made under that subsection would have a material adverse impact on your use of the Land under this Agreement;

(e) 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);

(f) if a proposed disposition under subsection (c) will not have a material adverse impact on your use of the Land under this Agreement you must not require any payment, whether as compensation or any other charge, as a condition of your consent to that disposition;

(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 under this Agreement that arises as a result of the exercise or operation of the interests, rights, privileges and titles described in subsections (a), (b) and (c);

(h) any interference with your use of the Land under this Agreement as a result of the exercise or operation of the interests, rights, privileges and titles described in subsection (a), (b) and (c) will not constitute a breach of our covenant of quiet enjoyment and you release and discharge us from all claims for loss or damage arising directly or indirectly out of any such interference;

(i) 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;

(j) you will not dredge or displace beach materials on the Land unless you have obtained our prior written approval;

(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 termination of this Agreement, except where an Improvement may be removed under paragraph 4.1(n)(ii) or (iii) 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 4.1(n)(ii) or the time period provided for in the direction or permission given under paragraph 4.1(n)(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 tenant 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 6 - SECURITY AND INSURANCE

6.1 On the Commencement Date, you will deliver to us Security in the amount of $50,000.00 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.

6.2 Despite section 6.1, 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.

6.3 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 Rent 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.

6.4 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 6.1, less all amounts drawn down by us under section 6.3.

6.5 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.

6.6 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;

(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.

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

(a) change the amount of insurance set out in subsection 6.6(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.

6.8 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.

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

ARTICLE 7 - ASSIGNMENT

7.1 You must not sublease, assign, mortgage or transfer this Agreement, or permit any person to use or occupy the Land, without our prior written consent, which consent we may withhold.

7.2 Prior to considering a request for our consent under section 7.1, 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 4.5.

ARTICLE 8 - TERMINATION

8.1 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 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;

(d) 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;

(e) if you are a society, you convert into a company in accordance with the *Society Act* without our prior written consent; or

(f) if this Agreement is taken in execution or attachment by any person;

this Agreement will, at our option and with or without entry, terminate, and all of your right, interest and estate in the Land will be absolutely forfeited to us.

8.2 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.

8.3 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 8.1; and

(b) our remedies under this Article are in addition to those available to us under the *Land Act*.

ARTICLE 9 - DISPUTE RESOLUTION

9.1 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.

9.2 Subject to section 9.5, if a dispute under this Agreement cannot be resolved under section 9.1, we or you may refer the dispute to arbitration conducted by a sole arbitrator appointed pursuant to the *Commercial Arbitration Act*.

9.3 The cost of the arbitration referred to in section 9.2 will be shared equally by the parties and the arbitration will be governed by the laws of the Province of British Columbia.

9.4 The arbitration will be conducted at our offices (or the offices of our authorized representative)

in Port Alberni, British Columbia, and if we or our authorized representative have no office in Port Alberni, British Columbia, then our offices (or the offices of our authorized representative) that are closest to Port Alberni, British Columbia.

9.5 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 9.2.

ARTICLE 10 - NOTICE

10.1 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, NATURAL RESOURCE OPERATIONS AND RURAL DEVELOPMENT
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9;

to you

UNION BAY INDUSTRIES LTD.
1085 Comox Rd
Courtenay, BC V9N 3P7;

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.

10.2 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 10.1.

10.3 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 11 - MISCELLANEOUS

11.1 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.

11.2 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.

11.3 The grant of a sublease, 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 sublease, assignment or transfer of this Agreement.

11.4 This Agreement extends to, is binding upon and enures to the benefit of the parties, their heirs, executors, administrators, successors and permitted assigns.

11.5 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.

11.6 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.

11.7 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.

11.8 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

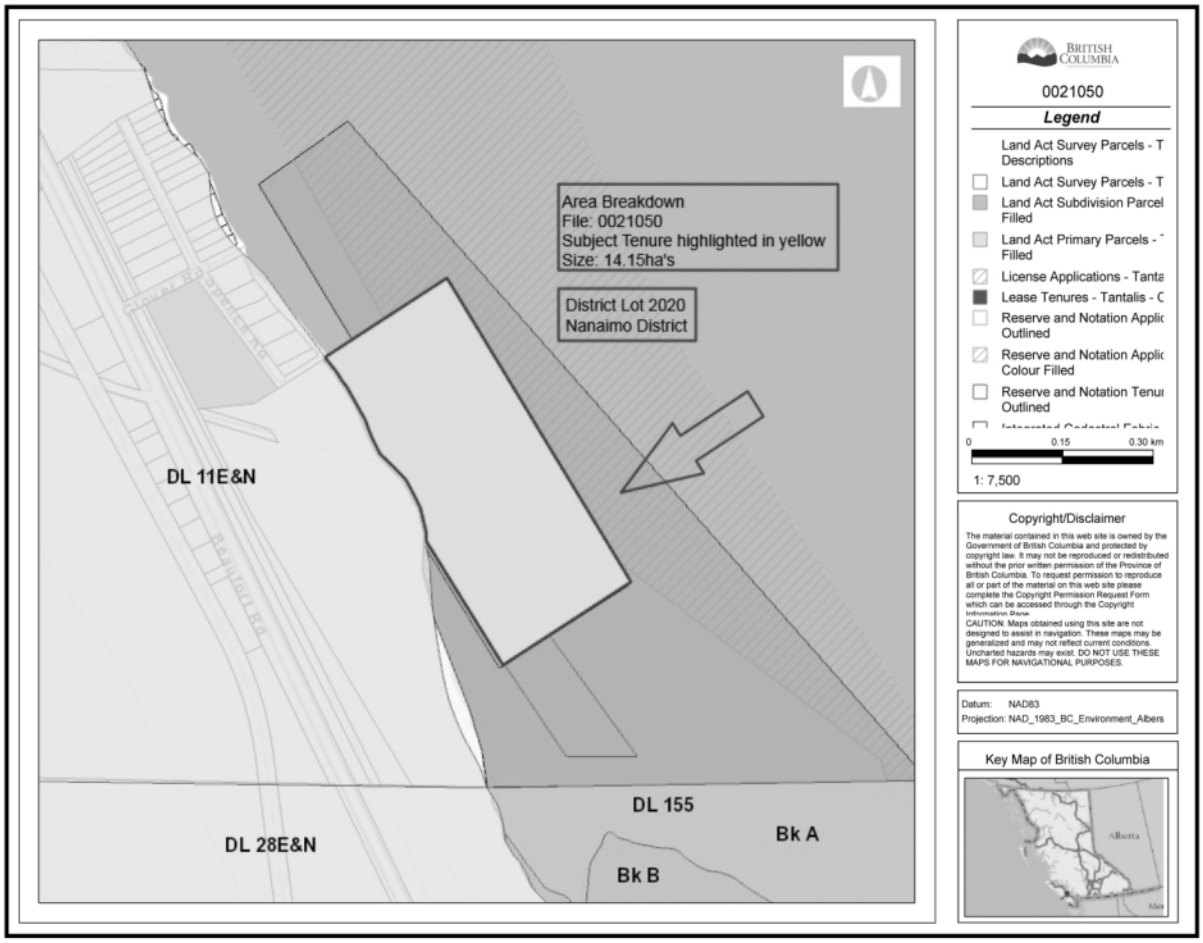
_____
Minister responsible for the *Land Act*
or the minister's authorized representative

SIGNED on behalf of **UNION BAY INDUSTRIES LTD.**
by a duly authorized signatory

_____
Authorized Signatory

LEGAL DESCRIPTION SCHEDULE

LEGAL DESCRIPTION: District Lot 2020, Nanaimo District



BRITISH COLUMBIA

LEASE

Lease No.: V102057 File No.: 0021050
Disposition No.: 930973

THIS AGREEMENT is dated for reference September 10, 2018 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:

UNION BAY INDUSTRIES LTD.
1085 Comox Rd
Courtenay, BC V9N 3P7

(the "Lessee")

The parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 In this Agreement,

"Agreement" means this lease;

"Commencement Date" means September 10, 2018;

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

"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;

"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;

"Rent" means the rent set out in Article 3;

"Security" means the security referred to in section 6.1 or 6.2, as replaced or supplemented in accordance with section 6.5;

"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 Lessee: that combination is referred to as **"the parties"**; and

"you" or **"your"** refers to the Lessee.

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 Where this Agreement contains the forms of words contained in Column I of Schedule 4 of the *Land Transfer Form Act,* those words will have the same effect and be construed as if the appropriate forms of words contained in Column II of that Schedule were contained in this Agreement, unless the context requires another construction of those words.

1.15 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 you a lease of the Land for log booming and storage purposes, as set out in the Management Plan.

2.2 The term of this Agreement commences on the Commencement Date and terminates on the 20th 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 - RENT

3.1 You will pay to us Rent of $5,382.72, payable in advance on the Commencement Date and on each anniversary of the Commencement Date.

3.2 You acknowledge that we may, on written notice to you and in our sole discretion, change the Rent payable by you under this Agreement.

ARTICLE 4 - COVENANTS

4.1 You must

(a) pay, when due,

(i) the Rent to us at the address set out in Article 10,

(ii) the Realty Taxes, and

(iii) all charges for electricity, gas, water and other utilities supplied to the Land;

(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; despite the foregoing, you will be deemed to not be in breach of this subsection so long as you are the owner of an upland property adjacent to the Land and your activities on the Land only interfere with riparian rights of access held by you; you acknowledge that if you cease to own the upland property you will remain responsible for complying with this subsection and we may terminate this Agreement in accordance with Article 8 if you fail to satisfy your obligations under this subsection;

(h) pay all accounts and expenses as they become due for labour or services performed on, or materials supplied to, the Land 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*, 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) Must adhere to most recent Debris Management Plan;

(k) 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*;

(l) 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;

(m) 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

(n) on the termination of this Agreement,

(i) peaceably quit and deliver to us possession of the Land and, subject to paragraphs (ii) and (iii), the Improvements in a safe, clean and sanitary condition,

(ii) within 60 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) 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

(iv) 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.

4.2 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.

4.3 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.

4.4 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.

4.5 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.

4.6 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.

4.7 We will provide you with quiet enjoyment of the Land.

ARTICLE 5 - LIMITATIONS

5.1 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) with your prior consent, which consent you will not unreasonably withhold, we may make other dispositions of or over the Land, or any part of it, by way of easement, right of way or statutory right of way, to any person, including a Crown agency or ministry, and, upon such consent being given you will, if required by us, execute and deliver to us such instrument as may be necessary to subordinate your rights under this Agreement to such easement, right of way or statutory right of way;

(d) for the purpose of subsection (c), you will be deemed to have reasonably withheld your consent if a disposition made under that subsection would have a material adverse impact on your use of the Land under this Agreement;

(e) 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);

(f) if a proposed disposition under subsection (c) will not have a material adverse impact on your use of the Land under this Agreement you must not require any payment, whether as compensation or any other charge, as a condition of your consent to that disposition;

(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 under this Agreement that arises as a result of the exercise or operation of the interests, rights, privileges and titles described in subsections (a), (b) and (c);

(h) any interference with your use of the Land under this Agreement as a result of the exercise or operation of the interests, rights, privileges and titles described in subsection (a), (b) and (c) will not constitute a breach of our covenant of quiet enjoyment and you release and discharge us from all claims for loss or damage arising directly or indirectly out of any such interference;

(i) 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;

(j) you will not dredge or displace beach materials on the Land unless you have obtained our prior written approval;

(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 termination of this Agreement, except where an Improvement may be removed under paragraph 4.1(n)(ii) or (iii) 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 4.1(n)(ii) or the time period provided for in the direction or permission given under paragraph 4.1(n)(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 tenant 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 6 - SECURITY AND INSURANCE

6.1 On the Commencement Date, you will deliver to us Security in the amount of $50,000.00 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.

6.2 Despite section 6.1, 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.

6.3 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 Rent 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.

6.4 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 6.1, less all amounts drawn down by us under section 6.3.

6.5 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.

6.6 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;

(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.

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

(a) change the amount of insurance set out in subsection 6.6(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.

6.8 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.

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

ARTICLE 7 - ASSIGNMENT

7.1 You must not sublease, assign, mortgage or transfer this Agreement, or permit any person to use or occupy the Land, without our prior written consent, which consent we may withhold.

7.2 Prior to considering a request for our consent under section 7.1, 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 4.5.

ARTICLE 8 - TERMINATION

8.1 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 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;

(d) 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;

(e) if you are a society, you convert into a company in accordance with the *Society Act* without our prior written consent; or

(f) if this Agreement is taken in execution or attachment by any person;

this Agreement will, at our option and with or without entry, terminate, and all of your right, interest and estate in the Land will be absolutely forfeited to us.

8.2 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.

8.3 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 8.1; and

(b) our remedies under this Article are in addition to those available to us under the *Land Act*.

ARTICLE 9 - DISPUTE RESOLUTION

9.1 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.

9.2 Subject to section 9.5, if a dispute under this Agreement cannot be resolved under section 9.1, we or you may refer the dispute to arbitration conducted by a sole arbitrator appointed pursuant to the *Commercial Arbitration Act*.

9.3 The cost of the arbitration referred to in section 9.2 will be shared equally by the parties and the arbitration will be governed by the laws of the Province of British Columbia.

9.4 The arbitration will be conducted at our offices (or the offices of our authorized representative)

in Port Alberni, British Columbia, and if we or our authorized representative have no office in Port Alberni, British Columbia, then our offices (or the offices of our authorized representative) that are closest to Port Alberni, British Columbia.

9.5 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 9.2.

ARTICLE 10 - NOTICE

10.1 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, NATURAL RESOURCE OPERATIONS AND RURAL DEVELOPMENT
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9;

to you

UNION BAY INDUSTRIES LTD.
1085 Comox Rd
Courtenay, BC V9N 3P7;

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.

10.2 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 10.1.

10.3 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 11 - MISCELLANEOUS

11.1 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.

11.2 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.

11.3 The grant of a sublease, 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 sublease, assignment or transfer of this Agreement.

11.4 This Agreement extends to, is binding upon and enures to the benefit of the parties, their heirs, executors, administrators, successors and permitted assigns.

11.5 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.

11.6 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.

11.7 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.

11.8 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

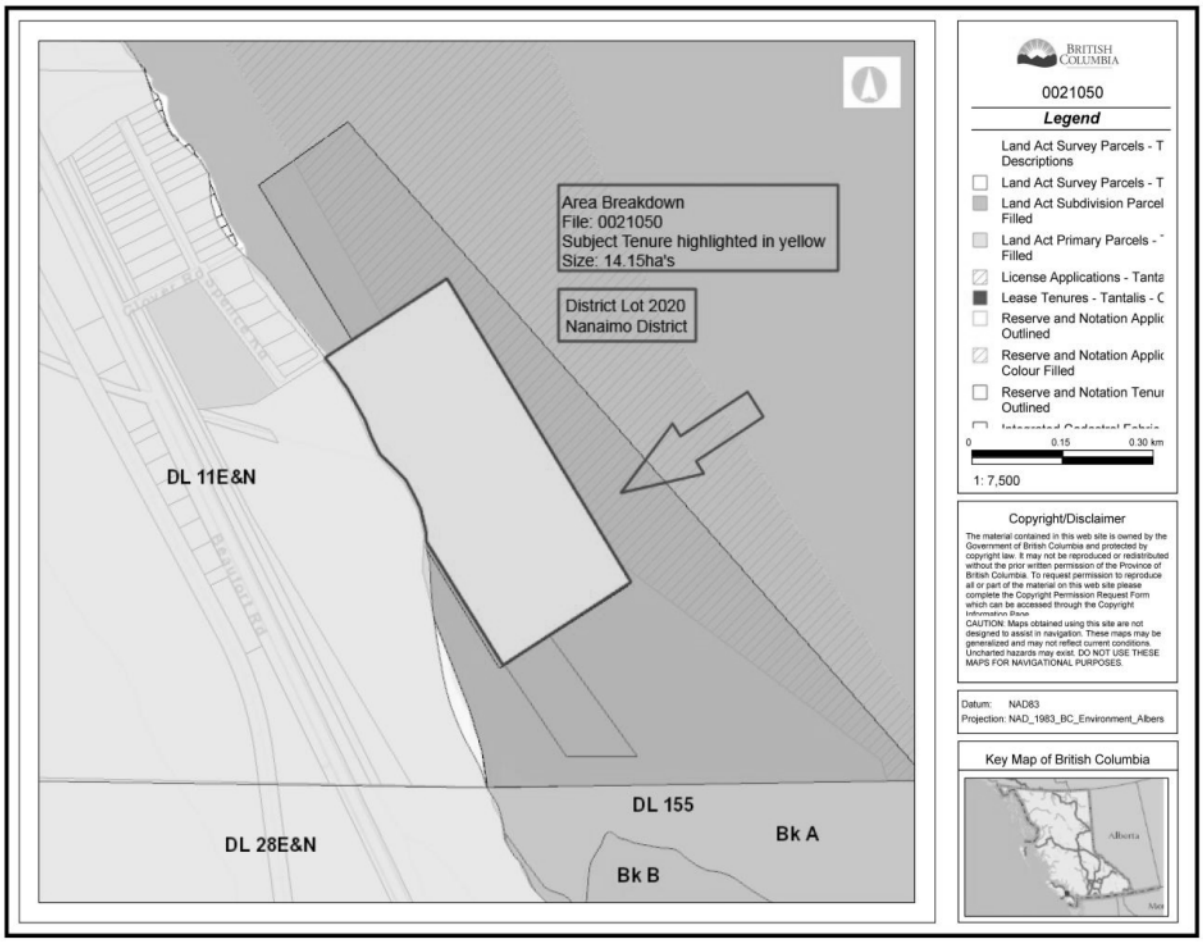
SIGNED on behalf of **UNION BAY INDUSTRIES LTD.**
by a duly authorized signatory

_____

Authorized Signatory

LEGAL DESCRIPTION SCHEDULE

LEGAL DESCRIPTION: District Lot 2020, Nanaimo District



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Ministry of Forests, Lands, Natural Resource Operations and Rural Development
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9

Telephone No: 250 731-3018
Facsimile No: 250 731-3010

GST Registration No: R107864738

Your contact is: Carolyn Shearer

Our file: 0021050

NOTICE OF FINAL REVIEW

September 10, 2018

UNION BAY INDUSTRIES LTD.
1085 Comox Rd
Courtenay, BC V9N 3P7

Dear Sir or Madam:

Re: Your Application for a Tenure over Crown Land

The review of your application for a lease for log booming and storage purposes over:

District Lot 2020, Nanaimo District

(the "Land") has reached the stage where we anticipate making our final decision once the various matters described in this letter have been completed.

This is to replace Lease No. 102057.

1. Deadline for Completion of Requirements

We ask that you complete the requirements described below by November 10, 2018.

Please complete the Response to Notice of Final Review page attached, indicating whether you will **or** will not proceed with the application and sign and return that page to us for our records.

2. Requirements

Signing and Return of Tenure Documents

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You must sign and deliver to us two copies of the lease document which are enclosed with this letter. You are responsible for ensuring that this is properly completed including, if applicable, obtaining any appropriate corporate authorizations and having any Land Title Act form C or D witnessed by a solicitor, notary or commissioner.

Monies Payable

You must deliver to us the following amounts:

Lease Rental	*$	5,382.72
Application Fee	*$	500.00
GST Total	$	294.14
Total Fees Payable	$	6,176.86

* denotes GST payable

Your cheque or money order must be payable to the Minister of Finance and be delivered to 4885 Cherry Creek Road, Port Alberni, BC V9Y 8E9. Please quote our file number when sending us your payment.

If we disallow your application and do not grant a Crown land tenure to you, the Lease Rental and associated GST payment made by you as set out in section 2 will be returned to you.

Insurance

You must deliver to us the attached Province of British Columbia Certificate of Insurance, signed by your insurance agent, for the insurance required to be maintained under the lease. A sample certificate is enclosed.

3. Process following completion of Requirements

If the requirements set out above are completed within the required time we expect to make our decision and advise you of that decision within 30 days.

Please note however that this letter does not constitute an offer by us and we reserve all our rights in connection with the decision making process, including, if appropriate, to disallow your application, to extend the decision making process and to establish additional requirements not set out in this letter.

Upon decision to issue the lease to you we will sign and return one copy of the lease to you.

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4. Acknowledgments of the Applicant

You represent, acknowledge and agree that:

(a) Your application for a Crown land tenure cannot be transferred to another person.

(b) This Letter does not obligate us to issue the lease to you and does not give you any right to use or occupy the Land for any purpose.

(c) You are responsible for, and encouraged to seek, your own legal advice with respect to:

(i) any laws, bylaws, orders, directions, ordinances and regulations associated with your use of the Land,

(ii) the terms and conditions set out in this Letter, and

(iii) the terms and conditions of, and your rights and obligations that will arise under, the lease.

(d) You are responsible for the costs and expenses incurred by you in pursuing your application, including any cost you incur in connection with satisfying the requirements set out in this letter.

(e) If you sign and return the lease to us that will constitute your offer to us to enter into the lease.

Freedom of Information

Personal information is collected under the *Land Act* for the purpose of administering Crown land. Information on your application, and if issued, your tenure, will become part of the Crown Land Registry, from which information is routinely made available to the public under Freedom of Information and Protection of Privacy legislation.

Yours truly,

Carolyn Shearer Digitally signed by Carolyn Shearer
Date: 2018.09.19 15:27:02 -07'00'

Authorized Representative

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Response to Notice of Final Review

File No. 0021050

Ministry of Forests, Lands, Natural Resource Operations and Rural Development
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9

Dear Carolyn Shearer:

Re: Application for lease

☐ I/We wish to proceed to obtain a lease in accordance with the letter dated September 10, 2018 from the Ministry of Forests, Lands, Natural Resource Operations and Rural Development and enclose all copies of the lease which I/We have signed.

☐ I/We do not wish to proceed to obtain a lease in accordance with the letter dated September 10, 2018 from the Ministry of Forests, Lands, Natural Resource Operations and Rural Development.

DATED the ____ of _____, ____.

_____	_____
Applicant's signature/Applicant's representative's signature	Applicant's signature/Applicant's representative's signature
_____	_____
Print name of person signing	Print name of person signing

BRITISH COLUMBIA

CERTIFICATE OF INSURANCE

Freedom of Information and Protection of Privacy Act
The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Financial Administration Act*. Questions about the collection and use of this information can be directed to the Director, Client Services, Core Government and Crowns at 250 356-8915, PO Box 9405 STN PROV GOVT, Victoria BC V8W 9V1.
Please refer *all other questions* to the contact named in Part 1.

Part 1 To be completed by the Province

THIS CERTIFICATE IS REQUESTED BY and ISSUED TO *(Name of office)* HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister responsible for the Land Act	AGREEMENT IDENTIFICATION NO. File: 0021050
PROVINCE'S CONTACT PERSON NAME & TITLE Carolyn Shearer, Authorizations Administrator	PHONE NO. 250-731-3018 FAX NO. 250-731-3010
MAILING ADDRESS 4885 Cherry Creek Road, Port Alberni, BC V9Y 8E9	POSTAL CODE V9T 6J9
CONTRACTOR NAME Union Bay Industries Ltd.	
CONTRACTOR ADDRESS 1085 Comox Rd., Courtenay, BC	POSTAL CODE V9N 3P7

Part 2 To be completed by the Insurance Agent or Broker

INSURED	NAME Union Bay Industries Ltd	
	ADDRESS 1085 Comox Road, Courtenay, BC	POSTAL CODE V9N 2P7
OPERATIONS INSURED	PROVIDE DETAILS All Operations of the Named Insured as Described in the Policy Declarations	

TYPE OF INSURANCE *List each separately*	COMPANY NAME, POLICY NO. & BRIEF DESCRIPTION	EXPIRY DATE YYYY/MM/DD	LIMIT OF LIABILITY/AMOUNT
General Liability including Non-Owned Auto Liability	Certain Lloyd's Underwriters s.21	2019/01/01	Bodily Injury and Property Damage $5,000,000.00 Inclusive $5,000,000.00 Aggregate with respect to Products/Completed Operations $2,000,000.00 Fire Fighting Expense

This certificate certifies that policies of insurance described herein are in full force and effective as of the date of this certificate and comply with the insurance requirements of the Agreement identified above, except as follows:

AGENT OR BROKER COMMENTS:
These statements have been made in good faith and are a summary of the insurance cover in force (which is subject to the full terms and conditions of the policy). We accept no responsibility whatsoever for any inadvertent or negligent act, error or omission on our part in preparing these statements or for any loss, damage or expense thereby occasioned to any recipient of this certificate.

AGENT OR BROKERAGE FIRM	ADDRESS	PHONE NO.
Jardine Lloyd Thompson Canada Inc.	350-4396 West Saanich Road, Victoria, BC V8Z 3E9	250.388.4416
NAME OF AUTHORIZED AGENT OR BROKER (PRINT)	SIGNATURE OF AGENT OR BROKER ON BEHALF OF THE ABOVE INSURER(S)	DATE SIGNED
Kevin Stark		September 24, 2018

Lease for Log Handling and Storage - Our File No. 0021050

From: Shearer, Carolyn FLNR:EX <s.15
s.15
-SHEARER, CAROLYN>
To: Annie Glover <gloverannie@shaw.ca>
Sent: September 24, 2018 8:42:38 AM PDT
Attachments: 2018-09-01 NFR 0021050.pdf, 2018-09-19 Insurance Certificate 0021050.pdf, image001.png, 2018-09-07 Lease 0021050.pdf

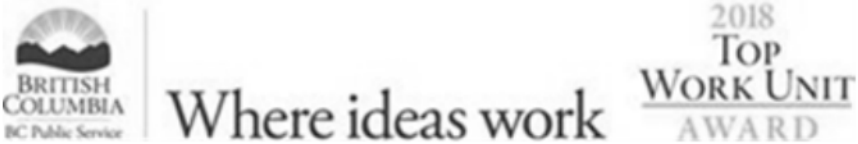
Good morning,
Please find your Licence of Occupation document and Notice of Final Review document attached to this email.
Please print out:

2 copies of Licence of Occupation
1 Acceptance page (Last page of the Notice of Final Review)

Sign both copies of Licence and 1 copy of Acceptance page.

Attached to this email is the insurance form that needs to be filled out and returned to our office.

Send the whole package back to our office with monies explained in the Notice of Final Review Letter.
If you have any questions please do not hesitate to contact me.
Thank you,
Carolyn Shearer
Authorizations Administrator
South Island Natural Resource District
Ministry of Forests, Lands, Natural Resource Operations and Rural Development
Phone: 250-731-3018



CERTIFICATE OF INSURANCE

Freedom of Information and Protection of Privacy Act
The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Financial Administration Act*. Questions about the collection and use of this information can be directed to the Director, Client Services, Core Government and Crowns at 250 356-8915, PO Box 9405 STN PROV GOVT, Victoria BC V8W 9V1.
Please refer *all other questions* to the contact named in Part 1.

Part 1 To be completed by the Province

THIS CERTIFICATE IS REQUESTED BY and ISSUED TO *(Name of office)* HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister responsible for the Land Act	AGREEMENT IDENTIFICATION NO. File: 0021050
PROVINCE'S CONTACT PERSON NAME & TITLE Carolyn Shearer, Authorizations Administrator	PHONE NO. 250-731-3018 FAX NO. 250-731-3010
MAILING ADDRESS 4885 Cherry Creek Road, Port Alberni, BC V9Y 8E9	POSTAL CODE V9T 6J9
CONTRACTOR NAME Union Bay Industries Ltd.	
CONTRACTOR ADDRESS 1085 Comox Rd., Courtenay, BC	POSTAL CODE V9N 3P7

Part 2 To be completed by the Insurance Agent or Broker

INSURED	NAME	
	ADDRESS	POSTAL CODE
OPERATIONS INSURED	PROVIDE DETAILS	

TYPE OF INSURANCE *List each separately*	COMPANY NAME, POLICY NO. & BRIEF DESCRIPTION	EXPIRY DATE YYYY/MM/DD	LIMIT OF LIABILITY/AMOUNT

This certificate certifies that policies of insurance described herein are in full force and effective as of the date of this certificate and comply with the insurance requirements of the Agreement identified above, except as follows:

AGENT OR BROKER COMMENTS:

AGENT OR BROKERAGE FIRM	ADDRESS	PHONE NO.
NAME OF AUTHORIZED AGENT OR BROKER (PRINT)	SIGNATURE OF AGENT OR BROKER ON BEHALF OF THE ABOVE INSURER(S)	DATE SIGNED

RE: Lease for Log Handling and Storage - Our File No. 0021050

From: Shearer, Carolyn FLNR:EX <s.15
s.15

To: Annie Glover <gloverannie@shaw.ca>
Sent: September 24, 2018 1:58:26 PM PDT
Attachments: image001.png, Acceptable_Securities-Nanaimo Sept 2017.pdf

Hi Annie,
You can just pay the additional $25,000.00. I attached information regarding acceptable securities for your reference.
Best regards,
Carolyn Shearer
Authorizations Administrator
South Island Natural Resource District
Ministry of Forests, Lands, Natural Resource Operations and Rural Development
Phone: 250-731-3018



From: Annie Glover [mailto:gloverannie@shaw.ca]
Sent: Monday, September 24, 2018 10:13 AM
To: Shearer, Carolyn FLNR:EX
Subject: RE: Lease for Log Handling and Storage - Our File No. 0021050
Thanks Carolyn

From: Shearer, Carolyn FLNR:EX [mailto:Carolyn.Shearer@gov.bc.ca]
Sent: September-24-18 9:46 AM
To: 'Annie Glover'
Subject: RE: Lease for Log Handling and Storage - Our File No. 0021050
Hi Annie,
I'm just confirming the process with our accounting department in Nanaimo, and will let you know once I hear from them. Thank you for your continued patience.
Best regards,
Carolyn Shearer
Authorizations Administrator
South Island Natural Resource District
Ministry of Forests, Lands, Natural Resource Operations and Rural Development
Phone: 250-731-3018



From: Annie Glover [mailto:gloverannie@shaw.ca]
Sent: Monday, September 24, 2018 8:49 AM
To: Shearer, Carolyn FLNR:EX
Subject: RE: Lease for Log Handling and Storage - Our File No. 0021050
Hi Carolyn,
Thanks for the documents. The security deposit is now $50,000. Our previous deposit was $25,000. Do we pay the difference of $25,000 or is it refunded & then we pay the full amount?
Thanks,
Annie
Union Bay Industries Ltd.
Ph: 250-338-6932

From: Shearer, Carolyn FLNR:EX [mailto:Carolyn.Shearer@gov.bc.ca]
Sent: September-24-18 8:43 AM

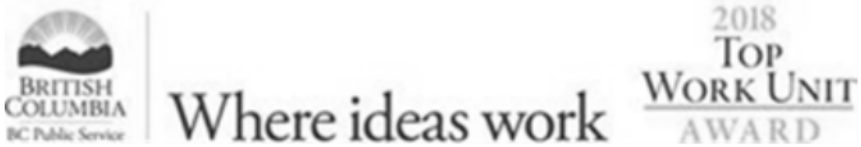
To: 'Annie Glover' <gloverannie@shaw.ca>
Subject: Lease for Log Handling and Storage - Our File No. 0021050
Good morning,
Please find your Licence of Occupation document and Notice of Final Review document attached to this email.
Please print out:

2 copies of Licence of Occupation
1 Acceptance page (Last page of the Notice of Final Review)

Sign both copies of Licence and 1 copy of Acceptance page.

Attached to this email is the insurance form that needs to be filled out and returned to our office.

Send the whole package back to our office with monies explained in the Notice of Final Review Letter.
If you have any questions please do not hesitate to contact me.
Thank you,
Carolyn Shearer
Authorizations Administrator
South Island Natural Resource District
Ministry of Forests, Lands, Natural Resource Operations and Rural Development
Phone: 250-731-3018



The following types of security deposits are acceptable:

Irrevocable Letter of Credit (ILoC): An irrevocable letter of credit can be issued by a financial institution and accepted by the Authorizing Agency provided that:

- The expiry of the term of the Letter of Credit is at least 120 days after the expiry of the term of any tenure being secured

  OR
- The financial institution indicates in the Letter of Credit that it will automatically renew the Letter of Credit for a period of one or more years from the present or any future expiration date unless it notifies the Authorizing Agency in writing at least 90 days before the expiry date of the Letter of Credit

The format of the Letter of Credit must clearly identify:

- The beneficiary is "Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Finance"
- The gross amount that may be claimed
- The description of the tenure(s) being secured
- That a claim must be paid by the financial institution at any time and from time to time upon written demand from the Minister
- That partial drawings are permitted

Cash and cash alternatives – no interest is paid on the following:

a) personal cheques received and converted to cash immediately to be treated as cash;
b) bank drafts issued by a financial institution, payable to the Minister of Finance;
c) certified cheques issued by a financial institution, payable to the Minister of Finance; and
d) personal money orders issued by a financial institution or postal money orders issued by Canada Post Corporation, payable to the Minister of Finance.

****bank drafts, money orders, or postal money orders are acceptable but not preferred****

Funds must be confirmed prior to tenure commencement. Interest on these securities must be paid only where a statutory obligation or contractual agreement so stipulates. In such cases, the interest component must be the responsibility of the Authorizing Agency. **The Province will not pay interest otherwise** and the depositor must acknowledge this at the time of deposit by way of acknowledgment "That No Interest is Payable on Cash Deposits". An acknowledgement form for signature is attached.

Ministry of Forests, Lands, Natural Resource Operations and Rural Development

West Coast
Natural Resource Region

Location:
#142 - 2080 Labieux Road
Nanaimo, BC
V9T 6J9
CANADA

Mailing Address:
#142 - 2080 Labieux Road
Nanaimo, BC V9T 6J9

Tel: (250) 751-7220
Fax: (250) 751-7224

Land File No. _____

ACKNOWLEDGEMENT OF NO INTEREST PAID ON CASH DEPOSITS

WHEREAS the amount of $ _____ (the "Cash Deposit") has been deposited by or on behalf of

_____

_____

(the "Depositor") with Minister of Finance pursuant to the *Land Act* of British Columbia.

I, the Depositor (or the duly authorized representative of the Depositor) hereby acknowledge that no interest will be payable by the Minister on the Cash Deposit.

THIS ACKNOWLEDGEMENT given this _____ day of _____ , 20___.

_____

Depositor (or duly authorized representative of Depositor)

NOTE: If a corporation is making the deposit, then the correct corporate name must be used.

Ministry of Forests, Lands, Natural Resource Operations and Rural Development

West Coast
Natural Resource Region

Location:
#142 - 2080 Labieux Road
Nanaimo, BC
V9T 6J9
CANADA

Mailing Address:
#142 - 2080 Labieux Road
Nanaimo, BC V9T 6J9

Tel: (250) 751-7220
Fax: (250) 751-7224

BRITISH COLUMBIA

LEASE

Lease No.: V102057

File No.: 0021050
Disposition No.: 930973

THIS AGREEMENT is dated for reference September 10, 2018 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:

UNION BAY INDUSTRIES LTD.
1085 Comox Rd
Courtenay, BC V9N 3P7

(the "Lessee")

The parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 In this Agreement,

"Agreement" means this lease;

"Commencement Date" means September 10, 2018;

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

"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;

"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;

"Rent" means the rent set out in Article 3;

"Security" means the security referred to in section 6.1 or 6.2, as replaced or supplemented in accordance with section 6.5;

"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 Lessee: that combination is referred to as **"the parties"**; and

"you" or **"your"** refers to the Lessee.

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 Where this Agreement contains the forms of words contained in Column I of Schedule 4 of the *Land Transfer Form Act,* those words will have the same effect and be construed as if the appropriate forms of words contained in Column II of that Schedule were contained in this Agreement, unless the context requires another construction of those words.

1.15 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 you a lease of the Land for log booming and storage purposes, as set out in the Management Plan.

2.2 The term of this Agreement commences on the Commencement Date and terminates on the 20th 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 - RENT

3.1 You will pay to us Rent of $5,382.72, payable in advance on the Commencement Date and on each anniversary of the Commencement Date.

3.2 You acknowledge that we may, on written notice to you and in our sole discretion, change the Rent payable by you under this Agreement.

ARTICLE 4 - COVENANTS

4.1 You must

(a) pay, when due,

(i) the Rent to us at the address set out in Article 10,

(ii) the Realty Taxes, and

(iii) all charges for electricity, gas, water and other utilities supplied to the Land;

(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; despite the foregoing, you will be deemed to not be in breach of this subsection so long as you are the owner of an upland property adjacent to the Land and your activities on the Land only interfere with riparian rights of access held by you; you acknowledge that if you cease to own the upland property you will remain responsible for complying with this subsection and we may terminate this Agreement in accordance with Article 8 if you fail to satisfy your obligations under this subsection;

(h) pay all accounts and expenses as they become due for labour or services performed on, or materials supplied to, the Land 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*, 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) Must adhere to most recent Debris Management Plan;

(k) 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*;

(l) 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;

(m) 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

(n) on the termination of this Agreement,

(i) peaceably quit and deliver to us possession of the Land and, subject to paragraphs (ii) and (iii), the Improvements in a safe, clean and sanitary condition,

(ii) within 60 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) 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

(iv) 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.

4.2 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.

4.3 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.

4.4 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.

4.5 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.

4.6 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.

4.7 We will provide you with quiet enjoyment of the Land.

ARTICLE 5 - LIMITATIONS

5.1 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) with your prior consent, which consent you will not unreasonably withhold, we may make other dispositions of or over the Land, or any part of it, by way of easement, right of way or statutory right of way, to any person, including a Crown agency or ministry, and, upon such consent being given you will, if required by us, execute and deliver to us such instrument as may be necessary to subordinate your rights under this Agreement to such easement, right of way or statutory right of way;

(d) for the purpose of subsection (c), you will be deemed to have reasonably withheld your consent if a disposition made under that subsection would have a material adverse impact on your use of the Land under this Agreement;

(e) 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);

(f) if a proposed disposition under subsection (c) will not have a material adverse impact on your use of the Land under this Agreement you must not require any payment, whether as compensation or any other charge, as a condition of your consent to that disposition;

(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 under this Agreement that arises as a result of the exercise or operation of the interests, rights, privileges and titles described in subsections (a), (b) and (c);

(h) any interference with your use of the Land under this Agreement as a result of the exercise or operation of the interests, rights, privileges and titles described in subsection (a), (b) and (c) will not constitute a breach of our covenant of quiet enjoyment and you release and discharge us from all claims for loss or damage arising directly or indirectly out of any such interference;

(i) 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;

(j) you will not dredge or displace beach materials on the Land unless you have obtained our prior written approval;

(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 termination of this Agreement, except where an Improvement may be removed under paragraph 4.1(n)(ii) or (iii) 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 4.1(n)(ii) or the time period provided for in the direction or permission given under paragraph 4.1(n)(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 tenant 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 6 - SECURITY AND INSURANCE

6.1 On the Commencement Date, you will deliver to us Security in the amount of $50,000.00 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.

6.2 Despite section 6.1, 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.

6.3 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 Rent 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.

6.4 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 6.1, less all amounts drawn down by us under section 6.3.

6.5 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.

6.6 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;

(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.

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

(a) change the amount of insurance set out in subsection 6.6(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.

6.8 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.

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

ARTICLE 7 - ASSIGNMENT

7.1 You must not sublease, assign, mortgage or transfer this Agreement, or permit any person to use or occupy the Land, without our prior written consent, which consent we may withhold.

7.2 Prior to considering a request for our consent under section 7.1, 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 4.5.

ARTICLE 8 - TERMINATION

8.1 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 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;

(d) 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;

(e) if you are a society, you convert into a company in accordance with the *Society Act* without our prior written consent; or

(f) if this Agreement is taken in execution or attachment by any person;

this Agreement will, at our option and with or without entry, terminate, and all of your right, interest and estate in the Land will be absolutely forfeited to us.

8.2 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.

8.3 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 8.1; and

(b) our remedies under this Article are in addition to those available to us under the *Land Act*.

ARTICLE 9 - DISPUTE RESOLUTION

9.1 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.

9.2 Subject to section 9.5, if a dispute under this Agreement cannot be resolved under section 9.1, we or you may refer the dispute to arbitration conducted by a sole arbitrator appointed pursuant to the *Commercial Arbitration Act*.

9.3 The cost of the arbitration referred to in section 9.2 will be shared equally by the parties and the arbitration will be governed by the laws of the Province of British Columbia.

9.4 The arbitration will be conducted at our offices (or the offices of our authorized representative)

in Port Alberni, British Columbia, and if we or our authorized representative have no office in Port Alberni, British Columbia, then our offices (or the offices of our authorized representative) that are closest to Port Alberni, British Columbia.

9.5 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 9.2.

ARTICLE 10 - NOTICE

10.1 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, NATURAL RESOURCE OPERATIONS AND RURAL DEVELOPMENT
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9;

to you

UNION BAY INDUSTRIES LTD.
1085 Comox Rd
Courtenay, BC V9N 3P7;

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.

10.2 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 10.1.

10.3 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 11 - MISCELLANEOUS

11.1 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.

11.2 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.

11.3 The grant of a sublease, 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 sublease, assignment or transfer of this Agreement.

11.4 This Agreement extends to, is binding upon and enures to the benefit of the parties, their heirs, executors, administrators, successors and permitted assigns.

11.5 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.

11.6 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.

11.7 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.

11.8 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

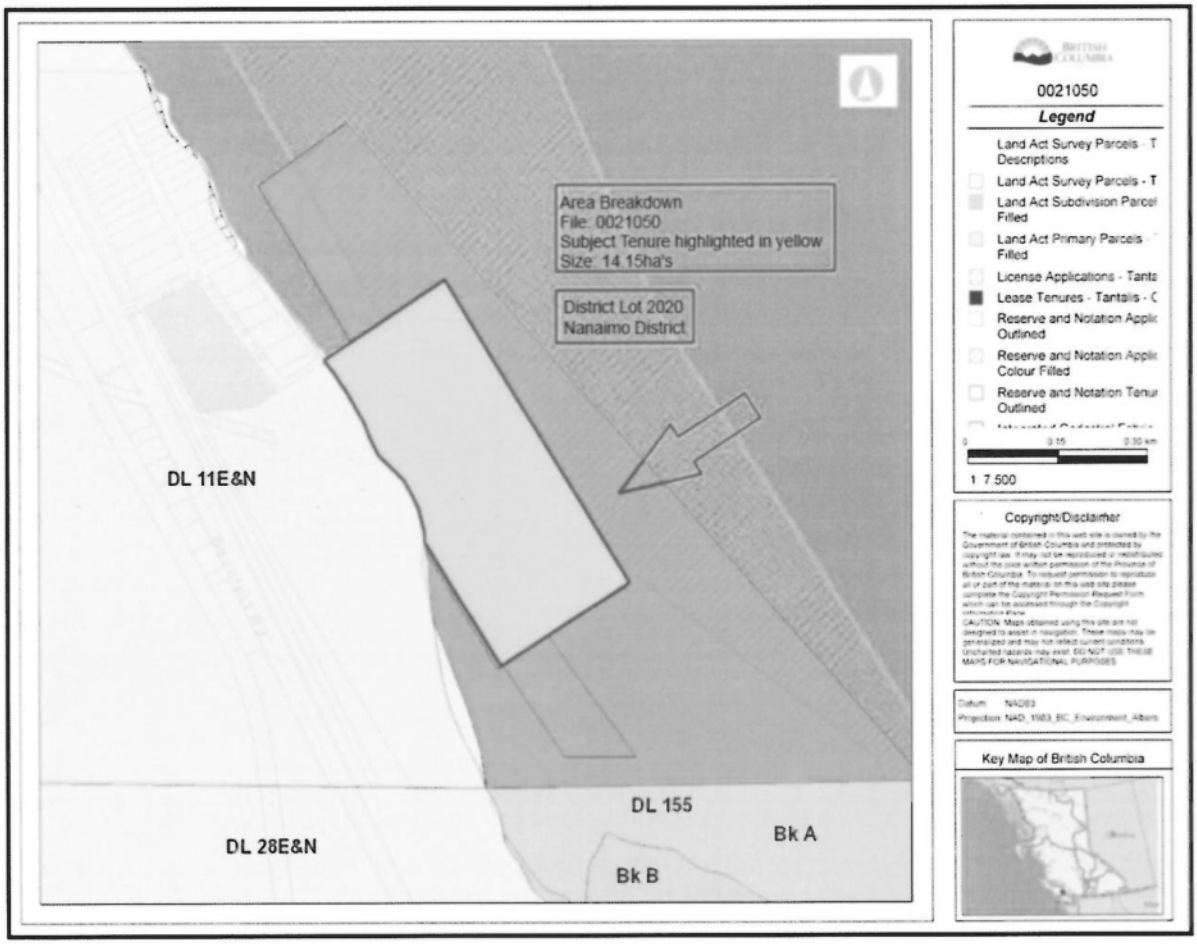
Minister responsible for the *Land Act*
or the minister's authorized representative

SIGNED on behalf of **UNION BAY INDUSTRIES LTD.**
by a duly authorized signatory

Authorized Signatory
MICHAEL DAVID HAMILTON

LEGAL DESCRIPTION SCHEDULE

LEGAL DESCRIPTION: District Lot 2020, Nanaimo District



Lease for Log Handling and Storage - Our File No. 0021050

From: Shearer, Carolyn FLNR:EX s.15
s.15

To: Annie Glover <gloverannie@shaw.ca>
Cc: 'vancouver.island@bcassessment.ca', 'planning@rdn.bc.ca'
Sent: October 18, 2018 3:30:57 PM PDT
Attachments: image001.png, Scan_20181018.pdf

Attached is a copy of your executed Lease, File No. 0021050 Disposition No. V102057 over:
District Lot 2020, Nanaimo District
The Lease No.V102057 is issued in the name of UNION BAY INDUSTRIES LTD.
Lease/Licence/Permission term commencing on September 10, 2018 and terminating on September 10, 2038 for Log Booming and Storage purposes.
The original signed document will be sent in the mail.
Should you have any questions, please contact me.
Sincerely,
Carolyn Shearer
Authorizations Administrator
South Island Natural Resource District
Ministry of Forests, Lands, Natural Resource Operations and Rural Development
Phone: 250-731-3018

BRITISH COLUMBIA
BC Public Service

Where ideas work

2018 TOP WORK UNIT AWARD

BRITISH COLUMBIA

November 20, 2018

File No. 0021050

Attention: Annie Glover
Union Bay Industries Ltd.
1085 Comox Road
Courtenay, BC V9N 3P7

Dear Madam:

Enclosed is originally executed Lease No. V102057 covering District Lot 2020, Nanaimo District.

This Lease is issued in the name of UNION BAY INDUSTRIES LTD. commencing the 10th day of September, 2018 for a 20 year term for log booming and storage purposes.

Should you have any further questions, please contact me at (250) 731-3018.

Yours truly,

Authorizations Administrator

Enclosure

Ministry of Forests, Lands, Natural Resource Operations and Rural Development
South Island Natural Resource District
Location:
4885 Cherry Creek Road
Port Alberni, BC
V9Y 8E9
CANADA
Mailing Address:
4885 Cherry Creek Road
Port Alberni, BC
V9Y 8E9
Tel: (250) 731-3000
Fax: (250) 731-3010

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BRITISH COLUMBIA

November 20, 2018

File No. 0021050

Attention: Annie Glover
Union Bay Industries Ltd.
1085 Comox Road
Courtenay, BC V9N 3P7

Dear Madam:

Enclosed is originally executed Lease No. V102057 covering District Lot 2020, Nanaimo District.

This Lease is issued in the name of UNION BAY INDUSTRIES LTD. commencing the 10th day of September, 2018 for a 20 year term for log booming and storage purposes.

Should you have any further questions, please contact me at (250) 731-3018.

Yours truly,

Carolyn Shearer Digitally signed by Carolyn Shearer
Date: 2018.11.20 11:23:26 -08'00'

Authorizations Administrator

Enclosure

Ministry of Forests, Lands, Natural Resource Operations and Rural Development
South Island Natural Resource District
Location:
4885 Cherry Creek Road
Port Alberni, BC
V9Y 8E9
CANADA
Mailing Address:
4885 Cherry Creek Road
Port Alberni, BC
V9Y 8E9
Tel: (250) 731-3000
Fax: (250) 731-3010

FW: File 0021050 -

From:	South Island District Office, Forests FLNR:EX <Forests.SouthIslandDistrictOffice@gov.bc.ca>
To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent:	August 22, 2019 10:39:06 AM PDT
Attachments:	image001.png

From: West Coast Land Referrals FLNR:EX
Sent: Thursday, August 22, 2019 9:48 AM
To: South Island District Office, Forests FLNR:EX
Subject: File 0021050 -

Pamela Germann (604 661-0610) called on behalf of Union Bay Industries Ltd. (File Number 0021050) this is a log handing/storage tenure and they are wanting to change to industrial general. as far Pamela is aware they are not looking to change the area just amend the purpose. she would like to know the process that they need to follow to apply for this change. I told her that they would most likely have to submit a new application and reference the file number. we talked about how the existing referrals and consultation that was just carried out for the existing tenure may be of use for the amendment but I need you to please call her and confirm this. thanks!
This message was forwarded from the Contact Centre.

FrontCounter BC - WestCoast.LandReferrals@gov.bc.ca
Ministry of Forests, Lands, Natural Resource Operations & Rural Development
Suite 142 – 2080 Labieux Road | Nanaimo, BC V9T 6J9
Tel: (250) 751-7220 Fax: (250) 751-7224
FrontCounter BC Website | Toll-Free Contact Centre: 1-877-855-3222
Tell us about your experience with FrontCounter BC: Complete an Online Comment Card

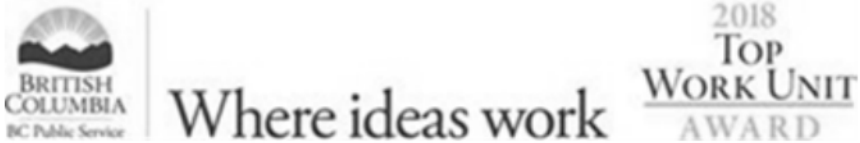
Address Change

From:	Annie Glover <gloverannie@shaw.ca>
To:	Shearer, Carolyn FLNR:EX <Carolyn.Shearer@gov.bc.ca>
Sent:	September 16, 2019 11:57:34 AM PDT
Attachments:	image001.png

Hi Carolyn,
We have a new address & contact information:
#1500 – 570 Granville Street, Vancouver, BC V6C 3P1
Phone: 760-250-2384
Contact: Dena Balla
Thanks,
Annie Glover
Union Bay Industries Ltd.

From: Shearer, Carolyn FLNR:EX [mailto:Carolyn.Shearer@gov.bc.ca]
Sent: October-18-18 3:31 PM
To: 'Annie Glover'
Cc: 'vancouver.island@bcassessment.ca' ; 'planning@rdn.bc.ca'
Subject: Lease for Log Handling and Storage - Our File No. 0021050

Attached is a copy of your executed Lease, File No. 0021050 Disposition No. V102057 over:
District Lot 2020, Nanaimo District
The Lease No.V102057 is issued in the name of UNION BAY INDUSTRIES LTD.
Lease/Licence/Permission term commencing on September 10, 2018 and terminating on September 10, 2038 for Log Booming and Storage purposes.
The original signed document will be sent in the mail.
Should you have any questions, please contact me.
Sincerely,
Carolyn Shearer
Authorizations Administrator
South Island Natural Resource District
Ministry of Forests, Lands, Natural Resource Operations and Rural Development
Phone: 250-731-3018



RE: Log Handling File 0021050

From: Shanks-Startup, Nicole FLNR:EX <Nicole.ShanksStartup@gov.bc.ca>
To: Pamela Germann <Germann@bernardllp.ca>
Cc: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent: September 17, 2019 11:53:30 AM PDT
Attachments: image002.jpg, image004.jpg, image007.jpg, image003.png, image001.png

Hi Pamela,
I did receive it, sorry for the delayed response. I have forwarded your email and discussed the amendment with Annette Bailey. She is the Land Officer that handles all of our Log Handling tenures. Because the changes do not prompt a new application, she will be your contact moving forward. We have had a bit of upheaval in our office as one of our land officers s.22 . We are all trying to pick up his files so please understand there may be a delay in her response, but she has been cc'd here should you wish to reach out.
Thank you,

Nicole Shanks-Startup
Natural Resource Specialist
Ministry of Forests, Lands, Natural Resource Operations
and Rural Development
South Island Natural Resource District – Port Alberni
Phone (250) 731-3049 Fax (250) 731-3010

BRITISH COLUMBIA BC Public Service Where ideas work 2018 Top Work Unit Award

From: Pamela Germann [mailto:Germann@bernardllp.ca]
Sent: Tuesday, September 17, 2019 11:30 AM
To: Shanks-Startup, Nicole FLNR:EX
Cc: Catherine Hofmann
Subject: RE: Log Handling File 0021050

Hi Nicole,
I just wanted to follow up on my email below as I received an out of office email from you when I sent this last week.
Thanks,

Pamela Germann
BERNARD LLP*
BARRISTERS & SOLICITORS

1500 - 570 Granville Street
Vancouver, BC, V6C 3P1, Canada

D: 604.661.0610
T: 604.681.1700
F: 604.681.1788
E: germann@bernardllp.ca
W: www.bernardllp.ca

Confidentiality Message:
This e-mail message and any attachments hereto is confidential, may be privileged and is intended for the exclusive use of the addressee. All rights to that privilege are expressly claimed and not waived. Any other person is strictly prohibited from disclosing, distributing or reproducing it. If the addressee cannot be reached or is unknown to you, please inform the sender by return e-mail immediately and delete this e-mail message and destroy all copies. Email communication may not be secure unless properly encrypted. Please advise if you wish us to use a mode of communication other than regular e-mail. Thank you. *Partnership of law corporations in British Columbia.

From: Pamela Germann
Sent: Tuesday, September 10, 2019 2:51 PM
To: 'Shanks-Startup, Nicole FLNR:EX'
Cc: Catherine Hofmann
Subject: RE: Log Handling File 0021050

Hi Nicole,
Thanks for the this and the follow up conversation a week or so ago. I was away from the office last week; however based upon our last conversation we would like to proceed with amending the current water lot lease on the basis

that you mentioned to me – that we will continue on with log handling now partially in addition to tying up barges (no dissembling of the barges). I understood that amending the lease this way would be possible and wouldn't necessitate a whole new application, consultations etc. Could you also let me know whether the Management Plan referred to in the lease will need to be amended as well? Or whether the Management Plan will continue on as is for the partial log booming that will happen.
I am assuming your office will be driving the amending process and language, please let us know any questions, information or other things you may need from us.
Thank you,

Pamela Germann

BERNARD LLP*
BARRISTERS & SOLICITORS

1500 - 570 Granville Street
Vancouver, BC, V6C 3P1, Canada

D: 604.661.0610
T: 604.681.1700
F: 604.681.1788
E: germann@bernardllp.ca
W: www.bernardllp.ca

Confidentiality Message:
This e-mail message and any attachments hereto is confidential, may be privileged and is intended for the exclusive use of the addressee. All rights to that privilege are expressly claimed and not waived. Any other person is strictly prohibited from disclosing, distributing or reproducing it. If the addressee cannot be reached or is unknown to you, please inform the sender by return e-mail immediately and delete this e-mail message and destroy all copies. Email communication may not be secure unless properly encrypted. Please advise if you wish us to use a mode of communication other than regular e-mail. Thank you. *Partnership of law corporations in British Columbia.

From: Shanks-Startup, Nicole FLNR:EX [mailto:Nicole.ShanksStartup@gov.bc.ca]
Sent: Thursday, August 29, 2019 11:42 AM
To: Pamela Germann <Germann@bernardllp.ca>
Subject: RE: Log Handling File 0021050

Hi Pamela,
The imagery that I sent is from May 27, 2015.
At this point it is most important to be aware of where the footprint is and know that it can (and should) be modified depending on their operations.
The barge moorage may require more or less area, and of course rent is dependent on the size of the tenure.
Thank you,

Nicole Shanks-Startup
Natural Resource Specialist
Ministry of Forests, Lands, Natural Resource Operations
and Rural Development
South Island Natural Resource District – Port Alberni
Phone (250) 731-3049 Fax (250) 731-3010

BRITISH COLUMBIA BC Public Service | Where ideas work | 2018 Top Work Unit Award

From: Pamela Germann [mailto:Germann@bernardllp.ca]
Sent: Friday, August 23, 2019 11:47 AM
To: Shanks-Startup, Nicole FLNR:EX
Subject: RE: Log Handling File 0021050

Thank you, Nicole. I will get back to you soon.
Thanks,

Pamela Germann

BERNARD LLP*
BARRISTERS & SOLICITORS

1500 - 570 Granville Street
Vancouver, BC, V6C 3P1, Canada

D: 604.661.0610
T: 604.681.1700

F: 604.681.1788
E: germann@bernardllp.ca
W: www.bernardllp.ca
Confidentiality Message:
This e-mail message and any attachments hereto is confidential, may be privileged and is intended for the exclusive use of the addressee. All rights to that privilege are expressly claimed and not waived. Any other person is strictly prohibited from disclosing, distributing or reproducing it. If the addressee cannot be reached or is unknown to you, please inform the sender by return e-mail immediately and delete this e-mail message and destroy all copies. Email communication may not be secure unless properly encrypted. Please advise if you wish us to use a mode of communication other than regular e-mail. Thank you. *Partnership of law corporations in British Columbia.

From: Shanks-Startup, Nicole FLNR:EX [mailto:Nicole.ShanksStartup@gov.bc.ca]
Sent: Friday, August 23, 2019 11:44 AM
To: Pamela Germann <Germann@bernardllp.ca>
Subject: Log Handling File 0021050

Hi Pamela,

Here is the snip of the tenure boundary, and the log handling operations showing as outside the boundary. I understand that log handling is transient in nature, but this is substantially outside of their footprint.



When inquiring on the other points we discussed, could you please ask the tenure holder if the barge activities are part of log handling? Is the proposed activity ancillary to the log handling operations? Or will the log handling operations cease all-together?

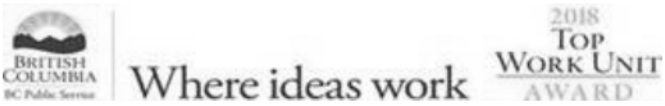
Here is the policy for Commercial General purposes.

https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/natural-resource-use/land-water-use/crown-land/commercial_general.pdf

Appendix 2 Section 2.1 lists repair centres as an example of use. Determining if they will be commercially repairing the barges will help to select the best-suited policy. This tenure does not need to be disposed of by a competitive process as the use is exempt as per Section 7.1 of the policy.

Thank you,

Nicole Shanks-Startup
Natural Resource Specialist
Ministry of Forests, Lands, Natural Resource Operations
and Rural Development
South Island Natural Resource District – Port Alberni
Phone (250) 731-3049 Fax (250) 731-3010




DL 2020
DL 11E&N

Union Bay Log Handling/Storage Facility

Management Plan and Debris Management Plan

FLNRO File 0021050 - Union Bay Lease Renewal

Background

The Lease is permitted for log booming and storage . The lease is currently and has been used for this purpose since its issuance in 1988. The log storage facility is currently in use. From 2014-2017 an estimated 85,000m ^{3} of logs per year, were watered at the facility.

The foreshore site is 13.79 hectares of land covered by water, with a log storage area and a skidway for log dumping.

Location

The lot is located on the east side of Vancouver Island, in Baynes Sound, within the community of Union Bay, approximately 14 kilometers south of Courtenay, BC. Access to the lease area is off of Highway 19A (South Island Highway).

Activities

There are no changes to use, location or area of this lease.

First Nations Consultation

First Nations consultation was not completed with the K'6moks First Nations, prior to submitting this application for renewal.

Equipment on Site

Equipment required for log dumping and booming is stored on site during operational use of the log storage area. Equipment used within the upland portion of the property includes, a stacker, front end loader, log loader and a bundle truck . Boom boats are used within the booming grounds to maneuver logs.

Infrastructure

Infrastructure currently in place within the lease area includes (refer to Figure 1):

Skidway:

A metal skidway is located within the northern half of the lease area.

Booming grounds:

- Booms have been adequately anchored to ensure the boom perimeter has been maintained in water of adequate depth for log storage.
- Stiff legs have been used to prevent boom sticks from collapsing onto the shoreline. Anchor lines, chains or cables have been employed such that excess line does not collect on the bed of the water body or form loops that may ensnare marine mammals. Concrete anchors are pre-cast and cured away from water before use to prevent seepage of potentially toxic substances .
- Double boomsticks have been employed to ensure containment of logs and debris.
- Boom corners are appropriately marked for navigation purposes as per the Navigable Waters Protection Act.

Access :

- Existing road access is Highway 19A (South Island Highway) off Highway 1.

Utilities:

- The foreshore property is serviced by the local Union Bay sewer and power lines. Union Bay is within the Comox Valley Regional District. No proposed changes in the requirements for utilities are proposed .

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- The foreshore property is serviced by the local Union Bay water supply . Union Bay is within the Comox Valley Regional District. No proposed changes to the water supply use is proposed.

Waste disposal:

- Any waste that is generated in the foreshore area is disposed of offsite on a periodic basis.

Environmental Considerations

Land Impacts :

No timber removal is required and the existing site will not be enlarged;
Fuel storage is located on upland portion of the log sort away from the waters edge and spill kits are available.

- There are no freshwater streams in the vicinity of the lease area.
- There are no identified invasive species within the foreshore area. However, any herbicide use will comply with the Integrated Pest Management Act and Regulation (including buffers from waterbodies) .
- Visual impacts will not change from the existing condition .
- There are no archaeological sites within the area[1].

Atmospheric Impacts :

Sound:

Sound impacts from the lease area are anticipated to be the same as typical log sort operations. Sound sources directly from the lease area include, the operation of heavy duty machinery, alarm bells/horns, and the operation of boom boats.

Odor , gas and fuel emissions for this site are minimal; as expected for general log storage operations.

Water or Land covered by Water Impacts:

Drainage and flood potential will not be altered by the continuation of these operations .
Public access will be limited at the site when operations are occurring due to safety concerns.

Fish and Wildlife Habitat

Wildlife:

- Adverse effects to wildlife and wildlife habitat are not expected (the site is already established).
- The project is located within Baynes Sound . Hart Creek (fish bearing creek) discharges into Baynes sound ~430m south of the southwest corner of the lease area.
  Increased erosion or sedimentation is not expected to occur.
- There is no water diversion planned.
  Species at risk are not expected to be impacted (none noted in immediate area[2]).

Fish and Anadromous Fish Bearing Streams :

- The fish bearing Hart Creek (Watershed Code: 920-538600) is located 430 m south of the booming grounds. Hart Creek is reported as having chum salmon *(Oncorhynchus keta),* coho salmon *(Oncorhynchus kisutch),* steelhead trout *(Oncorhynchus mykiss),* and cutthroat trout *(Oncorhynchus clarkii)*.
  Fisheries and Oceans Canada "Measures to avoid causing harm to fish and fish habitat including aquatic species at risk" advice will be followed to avoid negative impacts to fish , fish habitat and marine mammals.

Sensitive Habitats:

- The west side of Baynes Sound within the vicinity of the Union Bay log sort is primarily a bedrock dominated steep shoreline and features with some silt sand shores and no sensitive habitats; tidal flats, salt marshes or kelp beds, shellfish harvest areas, or marine mammal haul outs in the vicinity of the Union Bay log storage facility [3].
- The Coastal Resource Information Management System (CRIMS) shows the southeastern corner of the lease area to potentially contain eelgrass (Figure 2). Given the prolonged use of the lease area (~30 years) as booming grounds, that the continual use as such should not further disturb the area. Additionally , measures outlined within the Debris Management Plan will aide in reducing the amount of woody debris introduced into the marine environment.

Marine mammals (dolphins , porpoises, whales) :

It is unlikely that whales will be present in the area. Where marine mammals are encountered :

- Vessels operating near whales , dolphins and porpoises should be cautious , slow down, keep clear of the animals ' path and not approach or be positioned within 400m . If a vessel is

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- At all times , operations will be suspended if marine mammals are observed to approach within 500m of the log storage area.

Herring:

The last year of documented evidence of herring spawn within Union Bay was 1981 [4], however herring spawn has been recorded in the area in 2017. Due to the rare occurrence of herring spawn occurring at Union Bay, it is not anticipated that the continued activity has the potential to impact herring.

Salmon :

There is no anticipated construction within the Union Bay foreshore area at this time.

Due to the lack of planned construction within the foreshore area, it is not anticipated that salmon will be impacted by the continued activities at the sort.

Socio-Community

The Union Bay log sort falls within the community of Union Bay within the Comox Valley Regional District. The sort is an accepted use for the area as it is zoned as IM - Industrial Marine. The sort has been at its current location for over 30 years , and therefore it is not anticipated to create an increased demand on the fire protection and other health facility and emergency services . Also, the sort will continue to follow standard Occupational Health and Safety Regulations already in place at the site.

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Debris Management Plan

Excessive volumes of wood waste on the sea floor can negatively impact habitat by smothering organisms and introducing toxic leachates into the water. The amount of wood waste deposited into the marine and foreshore environment will be limited through the use of both Infrastructure and Design components .

Log sto rage:

- To prevent boom sticks from collapsing onto the shoreline, boom sticks are kept offshore with stiff legs and/or anchors.
- All bundled booms will be stored in deep water and secured so they do not de-water or touch the ocean bottom at any time during watering , storing or transport.
  Waterborne debris will be contained within boom pockets at all times via a ring of boom sticks.
  Storage on site will be tempo rary.
- Wood waste is removed by a certified dredging company and properly disposed of, when required.

Wood Debris Management:

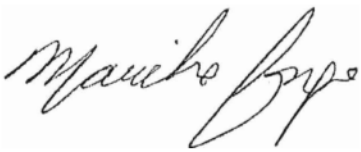
Logs will be limbed and bucked, prior to being transferred into the water at the sort to prevent excessive wood waste introduction to the marine environment.
The upland log sort and skidway will be periodically cleared of wood debris (removed to an upland location) as to prevent wood debris accumulation and deposition into the marine environment.

Waste Management:

- Any solid waste (i.e. cables, garbage, etc.) that is generated on site will not be disposed of in the marine environment and will be disposed of as per legislated requirements.

Spill Prevention and Management:

Marine log storage operations are conducted in a manner to avoid spi lls. (i.e. machinery is routinely maintained and repaired , fuel and other oil is stored in tanks and barrels on land). Machinery on site are equipped with spill kits . Additional spill containments supplies are available to mitigate spills to water.
Two debris sump systems are located within the upland sort to manage site run off.



February 27, 2018

Marika Forge, RPBio . Date signed
Zimmfor Management Services Ltd.
Signed on behalf of Union Bay Industries Ltd.

References

1. Fisheries and Oceans Canada. Measures to avoid causing harm to fish and fish habitat including aquatic species at risk. Found at http://www.dfo-mpo.gc.ca/pnw-ppe/measures-mesures/measures-mesures-eng.html. Accessed August 2017.
2. BC Land Use - Log Handling . Found at http://www2.gov.bc.ca/gov/conten t/industry/natural-resource-use/land-use/crown-land/crown-land-uses/log-handling Accessed August 2017.
3. Department of Fisheries and Oceans Canada . Section 172, Nanoose Bay Herring Spawn Records . Found at http://www.pac.dfo-mpo.qc.ca/science/species-especes/pelagic-pelaqique/herring-hareng/herspawn/172fig-eng.html. Accessed August 2017.



Figure 1. Site map of Union Bay foreshore lease area (lands file 0021050).



Figure 2. GRIMS data showing the potential for eelgrass within the foreshore area (green layer).



Crown Land Policies

The Province of British Columbia operates within a framework of policies that govern the disposition, administration and management of Crown land. The policies are developed in consultation with other provincial agencies and stakeholder groups.

In developing policies to assist staff, stakeholders and the public, the policies establish principles on land use, allocation, tenure term, pricing and all other aspects associated with Crown land.

> **NOTE:** *The Internet Explorer 11 browser has a known 'refresh ' issue. If you use IE 11, press CTRL + F5 (or Apple Cmd + R) to ensure you download the most recent versions of any documents .*

Strategic Land Policies

Crown Land Allocation PrinciRles (PDF).
Crown Land Sales (PDF)

General Land Policies

- Eligi9J.illY. and Restrictions (PDF)
- Form of Crown Land Allocation (PDF)
- ., Permission (PDF).
- Pricing (PDF)
- Fee Refunds - ARRlication Fees (PDF}
- Glossary and Abbreviations (PDF}

Land Use Policies

*Additional informa tion on Community and Institutional use of Crown land can be found on the Local Government page

- Adventure Tourism/Commercial Recreation (PDF)
- 8ggregate and Quarry Materials (PDF}
- 8griculture - Extensive (PDF)
- 8griculture - Intensive (PDF)
- AirRorts (PDF)
- All Seasons Resorts/AIRine Skiing (Mountain Resorts Branch, MFLNRORD) (PDF)
- Aguaculture (PDF)
- Commercial - General (Film, Golf Courses , Marinas, and Yacht Clubs) (PDF).

- Communication Sites (PDF)
- Community & Institutional (PDF)
  Floating Home Community (PDF)
- Grazing (PDF)
- Industrial - General (PDF)
  Land and Management Transfers (PDF).
  Log Handling (PDF).
- Mining (PDF)
- Ocean Energy (PDF).
- Oil & Gas (PDF)
  Private Moorag§...(PDF).
  Reserves, Withdrawals, Notations & Prohibitions (PDF)
  Residential (P DF)
  Roadway § (PDF).
  TraRline Cabins (PDF)
  Utilities (PDF).
- Watemower (PDF)
  Wind Power (PDF).

Consulting with First Nations

Consultation with First Nations is an important part of land and resource decision-making.

Find out more about this Rrocess

FrontCounter BC

The FrontCounter BC online tool will help you complete the tenure process . Start by submitting a Provincial Crown Land Use application.

8RR1Y. to use Crown land

If you have questions regarding a specific file or a proposal about a specific area, or any aspect of the application process, please contact FrontCounter BC.

Contact Information

Toll Free:
1-877-855-3222

Outside North America:
1-778-372-0729

Email:
FrontCounterBC@gov.bc.ca

RE: Union Bay - Log Handling File 0021050

From: Bailey, Annette FLNR:EX s.15
s.15
To: Pamela Germann <Germann@bernardllp.ca>
Sent: October 1, 2019 1:54:03 PM PDT
Attachments: image001.png, Management Plan and Debris Management Plan (00158902xE4B69).docx

Hi Pamela
We received this report as a .pdf I do not have a word version.
I have tried converting the .pdf to a .docx, it is not perfect but hopefully it helps. I have attached it here.
Annette

From: Pamela Germann [mailto:Germann@bernardllp.ca]
Sent: Tuesday, October 1, 2019 1:22 PM
To: Bailey, Annette FLNR:EX
Cc: Goldie Hamer
Subject: Union Bay - Log Handling File 0021050
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To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Cc: Goldie Hamer <Hamer@bernardllp.ca>
Sent: October 1, 2019 2:20:24 PM PDT
Attachments: image001.png

Thank you Annette. Appreciated; for some reason we have difficulty with the conversion and formatting here and it can be quite time consuming.

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To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Cc:	Goldie Hamer <Hamer@bernardllp.ca>
Sent:	October 3, 2019 11:07:25 AM PDT
Attachments:	image001.png, Amendments to Management Plan_Union Bay_Oct3_2019 (00159501xE4B69).DOCX

Hi Annette,
As discussed I've made a few proposed changes to the plan. The changes are red-lined in the attached document. There aren't many as after reviewing the document it seems many points were outside of things that we could speak to.
Please note I have **not** run the proposed changes by the client yet, as I wanted to get a sense of what changes the government would want to this document so it remains subject to their review and comment.
Perhaps you could do the same sort of red-lining to let me know what you are looking for as ultimately we will need to comply with your requirements.
Any questions feel free to give me a call.
Thanks,

Pamela Germann

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Union Bay Log Handling/Storage Facility

Management Plan and Debris Management Plan

FLNRO File 0021050 - Union Bay ~~Lease~~Lease Renewal

Background

The ~~Lease~~Lease is permitted for log booming and storage. As of October ____, 2019 the Lease is also permitted for the storage and tie up barges. The ~~lease~~Lease ~~is currently and~~ has been used for ~~this~~ the purpose of log booming and storage since its issuance in 1988. The log storage facility is not currently in use. From 2014-2017 an estimated 85,000m ^{3} of logs per year, were watered at the facility.

Commented [PG1]: To be confirmed with client

The foreshore site is 13.79 hectares of land covered by water, with a log storage area and a skidway for log dumping.

Location

The lot is located on the east side of Vancouver Island, in Baynes Sound, within the community of Union Bay, approximately 14 kilometers south of Courtenay, BC. Access to the ~~lease~~Lease area is off of Highway 19A (South Island Highway).

Activities

As of October ____, 2019 the storage and tie up of barges is permitted in addition to log booming and storage. There are no other changes to ~~use,~~ location or area of this ~~lease~~Lease.

First Nations Consultation

First Nations consultation was not completed with the K'6moks First Nations, prior to submitting this application for renewal.

Equipment on Site

Equipment required for log dumping and booming is stored on site during operational use of the ~~log storage~~ area. Equipment used within the upland portion of the property includes, a stacker, front end loader, log loader and a bundle truck . Boom boats are used within the booming grounds to maneuver logs.

Equipment required for barge storage and tie up is stored on site during the use of the area.

Infrastructure

Infrastructure currently in place within the ~~lease~~Lease area includes (refer to Figure 1):

Skidway:

A metal skidway is located within the northern half of the ~~lease~~Lease area.

Booming grounds:

- Booms have been adequately anchored to ensure the boom perimeter has been maintained in water of adequate depth for log storage.
- Stiff legs have been used to prevent boom sticks from collapsing onto the shoreline. Anchor lines, chains or cables have been employed such that excess line does not collect on the bed of the water body or form loops that may ensnare marine mammals. Concrete anchors are pre-cast and cured away from water before use to prevent seepage of potentially toxic substances .
- Double boomsticks have been employed to ensure containment of logs and debris.
- Boom corners are appropriately marked for navigation purposes as per the Navigable Waters Protection Act.

Access :

- Existing road access is Highway 19A (South Island Highway) off Highway 1.

Utilities:

- The foreshore property is serviced by the local Union Bay sewer and power lines. Union Bay is within the Comox Valley Regional District. No proposed changes in the requirements for utilities are proposed .

Water supply :

- The foreshore property is serviced by the local Union Bay water supply . Union Bay is within the Comox Valley Regional District. No proposed changes to the water supply use is proposed.

Waste disposal:

- Any waste that is generated in the foreshore area is disposed of offsite on a periodic basis.

Environmental Considerations

Land Impacts :

No timber removal is required and the existing site will not be enlarged;
Fuel storage is located on upland portion of the log sort away from the waters edge and spill kits are available.

- There are no freshwater streams in the vicinity of the ~~lease~~Lease area.
- There are no identified invasive species within the foreshore area. However, any herbicide use will comply with the Integrated Pest Management Act and Regulation (including buffers from waterbodies) .
- Visual impacts will not change from the existing condition .
- There are no archaeological sites within the area[1].

Atmospheric Impacts :

Sound:

Sound impacts from the ~~lease~~Lease area are anticipated to be the same as typical log sort operations. Sound sources directly from the ~~lease~~Lease area include, the operation of heavy duty machinery, alarm bells/horns, and the operation of boom boats.
Odor , gas and fuel emissions for this site are minimal; as expected for general log storage operations.

Water or Land covered by Water Impacts:

Drainage and flood potential will not be altered by the continuation of these operations .
Public access will be limited at the site when operations are occurring due to safety concerns.

Fish and Wildlife Habitat

Wildlife:

- Adverse effects to wildlife and wildlife habitat are not expected (the site is already established).
- The project is located within Baynes Sound . Hart Creek (fish bearing creek) discharges into Baynes sound ~430m south of the southwest corner of the ~~lease~~Lease area.
  Increased erosion or sedimentation is not expected to occur.
- There is no water diversion planned.
  Species at risk are not expected to be impacted (none noted in immediate area[2]).

Fish and Anadromous Fish Bearing Streams :

- The fish bearing Hart Creek (Watershed Code: 920-538600) is located 430 m south of the booming grounds. Hart Creek is reported as having chum salmon *(Oncorhynchus keta),* coho salmon *(Oncorhynchus kisutch),* steelhead trout *(Oncorhynchus mykiss),* and cutthroat trout *(Oncorhynchus clarkii)*.
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- The west side of Baynes Sound within the vicinity of the Union Bay log sort is primarily a bedrock dominated steep shoreline and features with some silt sand shores and no sensitive habitats; tidal flats, salt marshes or kelp beds, shellfish harvest areas, or marine mammal haul outs in the vicinity of the Union Bay log storage facility [3].
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Marine mammals (dolphins , porpoises, whales) :

It is unlikely that whales will be present in the area. Where marine mammals are encountered :

- Vessels operating near whales , dolphins and porpoises should be cautious , slow down, keep clear of the animals ' path and not approach or be positioned within 400m . If a vessel is

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Herring:

The last year of documented evidence of herring spawn within Union Bay was 1981 [4], however herring spawn has been recorded in the area in 2017. Due to the rare occurrence of herring spawn occurring at Union Bay, it is not anticipated that the continued activity has the potential to impact herring.

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Due to the lack of planned construction within the foreshore area, it is not anticipated that salmon will be impacted by the continued activities at the sort.

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{00159501;1}

Debris Management Plan

Excessive volumes of wood waste on the sea floor can negatively impact habitat by smothering organisms and introducing toxic leachates into the water. The amount of wood waste deposited into the marine and foreshore environment will be limited through the use of both Infrastructure and Design components .

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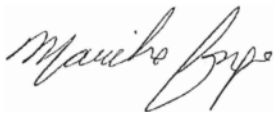
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February 27, 2018

Marika Forge, RPBio . Date signed
Zimmfor Management Services Ltd.
Signed on behalf of Union Bay Industries Ltd.

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References

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Figure 1. Site map of Union Bay foreshore leaseLease area (lands file 0021050).

{00159501;1}



Figure 2. GRIMS data showing the potential for eelgrass within the foreshore area (green layer).

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  Roadway § (PDF).
  TraRline Cabins (PDF)
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Outside North America:

{00159501;1}

1-778-372-0729

Email:

FrontCounterBC@gov.bc.ca

{00159501;1}

{00159501;1}

RE: Union Bay - Log Handling File 0021050

From:	Pamela Germann <Germann@bernardllp.ca>
To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Cc:	Goldie Hamer <Hamer@bernardllp.ca>
Sent:	October 16, 2019 2:04:50 PM PDT
Attachments:	image001.png

Hi Annette,
I just wanted to follow up on the below. Do you have an update?
Thanks,

Pamela Germann

BERNARD LLP*
BARRISTERS & SOLICITORS

1500 - 570 Granville Street
Vancouver, BC, V6C 3P1, Canada

D: 604.661.0610
T: 604.681.1700
F: 604.681.1788
E: germann@bernardllp.ca
W: www.bernardllp.ca

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From: Pamela Germann
Sent: Thursday, October 3, 2019 11:07 AM
To: 'Bailey, Annette FLNR:EX'
Cc: Goldie Hamer
Subject: RE: Union Bay - Log Handling File 0021050

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From: Pamela Germann
Sent: Tuesday, October 1, 2019 2:20 PM
To: 'Bailey, Annette FLNR:EX' <Annette.Bailey@gov.bc.ca>
Cc: Goldie Hamer <Hamer@bernardllp.ca>
Subject: RE: Union Bay - Log Handling File 0021050

Thank you Annette. Appreciated; for some reason we have difficulty with the conversion and formatting here and it can be quite time consuming.

Pamela Germann

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From: Bailey, Annette FLNR:EX [mailto:Annette.Bailey@gov.bc.ca]
Sent: Tuesday, October 1, 2019 1:54 PM
To: Pamela Germann <Germann@bernardllp.ca>
Subject: RE: Union Bay - Log Handling File 0021050

Hi Pamela
We received this report as a .pdf I do not have a word version.
I have tried converting the .pdf to a .docx, it is not perfect but hopefully it helps. I have attached it here.
Annette

From: Pamela Germann [mailto:Germann@bernardllp.ca]
Sent: Tuesday, October 1, 2019 1:22 PM
To: Bailey, Annette FLNR:EX
Cc: Goldie Hamer
Subject: Union Bay - Log Handling File 0021050

Hi Annette,
We spoke a couple of weeks ago about the above noted file. You asked me to make changes to the existing plan that is associate with the lease. I have attached the associated plan. My time was occupied these past two weeks by other pressing matters but I am hoping to work on this file this week. I don't suppose you would be able to send me a word version of the attached? We can convert the pdf so I can then mark it up in a red-line with the proposed amendments for your review but this is rather time consuming for us so if you have a word version available this would be appreciated.
Thank you,

Pamela Germann

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Union Bay Log Handling/Storage Facility

Management Plan and Debris Management Plan

FLNRO File 0021050 - Union Bay ~~Lease~~Lease ~~Renewal~~Amendment

Background

The current lease is granted for the purpose of log booming and storages purposes. The applicant is applying to amend the lease for the purpose to include the storage and tie up of barges for the purpose of ?????.

Will this area be used for log booming and storage purposes in the future? Or, is this a complete change in purpose to storage and tie up of barges.

The ~~Lease~~Lease is permitted for log booming and storage. As of October _____, 2019 the Lease is also permitted for the storage and tie up barges. The ~~lease~~Lease ~~is currently and~~ has been used for ~~this~~ the purpose of log booming and storage since its issuance in 1988. The log storage facility is not currently in use. From 2014-2017 an estimated 85,000m ^{3} of logs per year, were watered at the facility.

Commented [PG1]: To be confirmed with client

The foreshore site is 13.79 hectares of land covered by water, with a log storage area and a skidway for log dumping.

Location

The lot is located on the east side of Vancouver Island, in Baynes Sound, within the community of Union Bay, approximately 14 kilometers south of Courtenay, BC. Access to the ~~lease~~Lease area is off of Highway 19A (South Island Highway).

Activities

In this section you should be describing the reason why you require an amendment to the purpose and why the barge tie up and storage is specifically required. Ultimately the decision to allow this type of amendment and activity lies with our decision maker. Be sure to state your case in a complete manner so no questions are left unanswered.

As of October ____, 2019 the storage and tie up of barges is permitted in addition to log booming and storage. There are no other changes to ~~use, location~~ or area of this ~~lease~~Lease.

First Nations Consultation

First Nations consultation was not completed with the K'6moks First Nations, prior to submitting this application for renewal.

The province has the duty to consult and will base the consultation on the information contained in the Management Plan and Debris Management Plan

Equipment on Site

Equipment required for log dumping and booming is stored on site during operational use of the ~~log storage~~ area. Equipment used within the upland portion of the property includes, a stacker, front end loader, log loader and a bundle truck . Boom boats are used within the booming grounds to maneuver logs.

Equipment required for barge storage and tie up is stored on site during the use of the area.

What specific equipment will be used in the requested barge tie up area. Do you have barges? Or are others using the area for their barges? Is their a bouy or can for storage or something larger. How many? What type of barges, size etc?

Infrastructure

Infrastructure currently in place within the ~~lease~~Lease area includes (refer to Figure 1):

Skidway:

A metal skidway is located within the northern half of the ~~lease~~Lease area.

Booming grounds:

- Booms have been adequately anchored to ensure the boom perimeter has been maintained in water of adequate depth for log storage.
- Stiff legs have been used to prevent boom sticks from collapsing onto the shoreline. Anchor lines, chains or cables have been employed such that excess line does not collect on the bed of the water body or form loops that may ensnare marine mammals. Concrete anchors are pre-cast and cured away from water before use to prevent seepage of potentially toxic substances .
- Double boomsticks have been employed to ensure containment of logs and debris.
- Boom corners are appropriately marked for navigation purposes as per the Navigable Waters Protection Act.

Access :

- Existing road access is Highway 19A (South Island Highway) off Highway 1.

Utilities:

- The foreshore property is serviced by the local Union Bay sewer and power lines. Union Bay is within the Comox Valley Regional District. No proposed changes in the requirements for utilities are proposed .

Water supply :

- The foreshore property is serviced by the local Union Bay water supply . Union Bay is within the Comox Valley Regional District. No proposed changes to the water supply use is proposed.

Waste disposal:

- Any waste that is generated in the foreshore area is disposed of offsite on a periodic basis.

Environmental Considerations

Land Impacts :

No timber removal is required and the existing site will not be enlarged;
Fuel storage is located on upland portion of the log sort away from the waters edge and spill kits are available.

- There are no freshwater streams in the vicinity of the ~~lease~~Lease area.
- There are no identified invasive species within the foreshore area. However, any herbicide use will comply with the Integrated Pest Management Act and Regulation (including buffers from waterbodies) .
- Visual impacts will not change from the existing condition .
- There are no archaeological sites within the area[1].

Atmospheric Impacts :

Sound:

Sound impacts from the ~~lease~~Lease area are anticipated to be the same as typical log sort operations. Sound sources directly from the ~~lease~~Lease area include, the operation of heavy duty machinery, alarm bells/horns, and the operation of boom boats.
Odor , gas and fuel emissions for this site are minimal; as expected for general log storage operations.

Water or Land covered by Water Impacts:

Drainage and flood potential will not be altered by the continuation of these operations .
Public access will be limited at the site when operations are occurring due to safety concerns.

Fish and Wildlife Habitat

Wildlife:

- Adverse effects to wildlife and wildlife habitat are not expected (the site is already established).
- The project is located within Baynes Sound . Hart Creek (fish bearing creek) discharges into Baynes sound ~430m south of the southwest corner of the ~~lease~~Lease area.
  Increased erosion or sedimentation is not expected to occur.
- There is no water diversion planned.
  Species at risk are not expected to be impacted (none noted in immediate area[2]).

Fish and Anadromous Fish Bearing Streams :

- The fish bearing Hart Creek (Watershed Code: 920-538600) is located 430 m south of the booming grounds. Hart Creek is reported as having chum salmon *(Oncorhynchus keta),* coho salmon *(Oncorhynchus kisutch),* steelhead trout *(Oncorhynchus mykiss),* and cutthroat trout *(Oncorhynchus clarkii)*.
  Fisheries and Oceans Canada "Measures to avoid causing harm to fish and fish habitat including aquatic species at risk" advice will be followed to avoid negative impacts to fish , fish habitat and marine mammals.

Sensitive Habitats:

- The west side of Baynes Sound within the vicinity of the Union Bay log sort is primarily a bedrock dominated steep shoreline and features with some silt sand shores and no sensitive habitats; tidal flats, salt marshes or kelp beds, shellfish harvest areas, or marine mammal haul outs in the vicinity of the Union Bay log storage facility [3].
- The Coastal Resource Information Management System (CRIMS) shows the southeastern corner of the ~~lease~~Lease area to potentially contain eelgrass (Figure 2). Given the prolonged use of the ~~lease~~Lease area (~30 years) as booming grounds, that the continual use as such should not further disturb the area. Additionally , measures outlined within the Debris Management Plan will aide in reducing the amount of woody debris introduced into the marine environment.

Marine mammals (dolphins , porpoises, whales) :

It is unlikely that whales will be present in the area. Where marine mammals are encountered :

- Vessels operating near whales , dolphins and porpoises should be cautious , slow down, keep clear of the animals ' path and not approach or be positioned within 400m . If a vessel is

[1] iMapBC: http://maps.gov.bc.ca/ess/sv/imapbc/ - accessed February 23, 2018 .
[2] BC Species and Ecosystems Explorer: http://a100.gov.bc.ca/pub/eswp/ - accessed February 23, 2018
[3] Coastal Resource Informat ion Management System : http://maps.gov.bc .ca/ess/sv/crims/ - accessed February 23, 2018.

unexpectedly within 200m of a dolphin, porpoise, or whale, stop immediately and allow the animal(s) to pass.

- At all times , operations will be suspended if marine mammals are observed to approach within 500m of the log storage area.

Herring:

The last year of documented evidence of herring spawn within Union Bay was 1981 [4], however herring spawn has been recorded in the area in 2017. Due to the rare occurrence of herring spawn occurring at Union Bay, it is not anticipated that the continued activity has the potential to impact herring.

Salmon :

There is no anticipated construction within the Union Bay foreshore area at this time.

Due to the lack of planned construction within the foreshore area, it is not anticipated that salmon will be impacted by the continued activities at the sort.

Socio-Community

The Union Bay log sort falls within the community of Union Bay within the Comox Valley Regional District. The sort is an accepted use for the area as it is zoned as IM - Industrial Marine. The sort has been at its current location for over 30 years , and therefore it is not anticipated to create an increased demand on the fire protection and other health facility and emergency services . Also, the sort will continue to follow standard Occupational Health and Safety Regulations already in place at the site.

[4] DFO Herring Spawn Records : http://www.pac.dfo-mpo.gc.ca/science/species-especes/pelagic-pelagique/herring-hareng/herspawn/142fig-eng .html - accessed February 23, 2018 .

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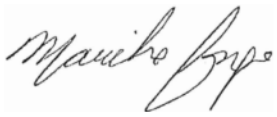
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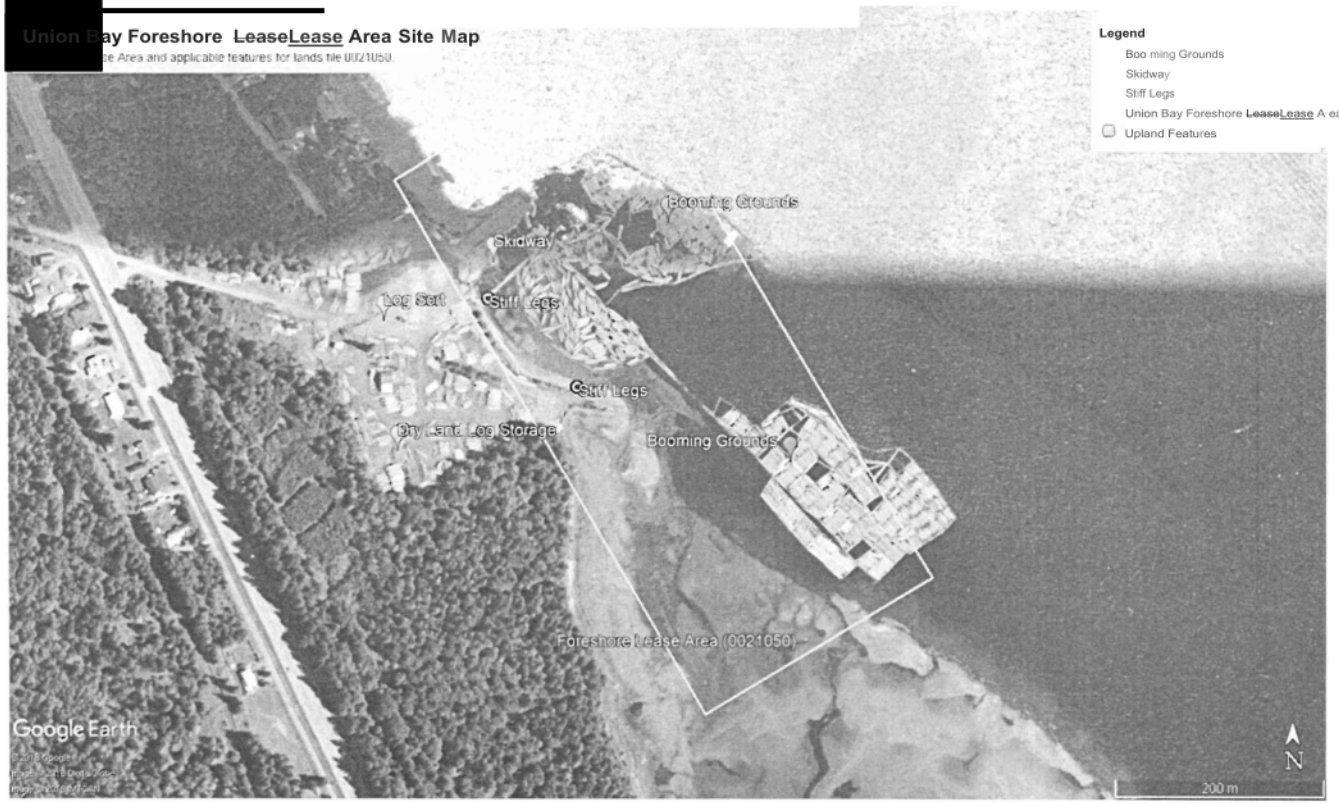


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Contact Information

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Outside North America:

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Email:

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To: Pamela Germann <Germann@bernardllp.ca>
Sent: October 21, 2019 2:14:53 PM PDT
Attachments: image001.png

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From: Pamela Germann
Sent: Tuesday, October 1, 2019 2:20 PM
To: 'Bailey, Annette FLNR:EX'
Cc: Goldie Hamer
Subject: RE: Union Bay - Log Handling File 0021050

Thank you Annette. Appreciated; for some reason we have difficulty with the conversion and formatting here and it can be quite time consuming.

Pamela Germann

BERNARD LLP*
BARRISTERS & SOLICITORS

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From: Bailey, Annette FLNR:EX [mailto:Annette.Bailey@gov.bc.ca]
Sent: Tuesday, October 1, 2019 1:54 PM
To: Pamela Germann <Germann@bernardllp.ca>
Subject: RE: Union Bay - Log Handling File 0021050

Hi Pamela
We received this report as a .pdf I do not have a word version.
I have tried converting the .pdf to a .docx, it is not perfect but hopefully it helps. I have attached it here.
Annette

From: Pamela Germann [mailto:Germann@bernardllp.ca]
Sent: Tuesday, October 1, 2019 1:22 PM
To: Bailey, Annette FLNR:EX
Cc: Goldie Hamer
Subject: Union Bay - Log Handling File 0021050

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Thank you,

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RE: Union Bay - Log Handling File 0021050

From: Pamela Germann <Germann@bernardllp.ca>
To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent: October 31, 2019 10:15:45 AM PDT
Attachments: image001.png

Hi Annette,
I've been tied up with other matters this week but hope to get the discussed revisions to you soon. In the meantime I'm going to ask the client to do the site plan.
I understood that this was to be a drawing/picture/map of the water lot lease area with drawings (or something similar) to indicate the areas of their proposed activities. Can you confirm that I understood this properly? Or if I didn't provide some clarification so I can explain to the client? Thanks.
Best,

Pamela Germann

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From: Bailey, Annette FLNR:EX [mailto:Annette.Bailey@gov.bc.ca]
Sent: Friday, October 25, 2019 1:06 PM
To: Pamela Germann
Subject: RE: Union Bay - Log Handling File 0021050

Sounds good

From: Pamela Germann [mailto:Germann@bernardllp.ca]
Sent: Friday, October 25, 2019 12:11 PM
To: Bailey, Annette FLNR:EX
Subject: RE: Union Bay - Log Handling File 0021050

Can we make it 2pm? I have a meeting at 1pm that should be quick but just in case it isn't 2pm would be safer.
Thanks,

Pamela Germann

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From: Bailey, Annette FLNR:EX [mailto:Annette.Bailey@gov.bc.ca]
Sent: Friday, October 25, 2019 12:03 PM
To: Pamela Germann <Germann@bernardllp.ca>
Subject: RE: Union Bay - Log Handling File 0021050

Hi
Sorry, I was called away. How about 1:30pm?
Annette

From: Pamela Germann [mailto:Germann@bernardllp.ca]
Sent: Friday, October 25, 2019 11:59 AM
To: Bailey, Annette FLNR:EX
Subject: RE: Union Bay - Log Handling File 0021050

Hi Annette,
I didn't hear from you at 11am. Is there another time that works for you?
Thanks,

Pamela Germann

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From: Bailey, Annette FLNR:EX [mailto:Annette.Bailey@gov.bc.ca]
Sent: Friday, October 25, 2019 8:32 AM
To: Pamela Germann <Germann@bernardllp.ca>
Subject: RE: Union Bay - Log Handling File 0021050

Hi
Sounds good. I will phone you at 11
Annette

From: Pamela Germann [mailto:Germann@bernardllp.ca]
Sent: Thursday, October 24, 2019 2:57 PM
To: Bailey, Annette FLNR:EX
Subject: RE: Union Bay - Log Handling File 0021050

Hi Annette,
11am works. If you could call me then (as I don't have a direct telephone number for you) that would be good.
Thanks,

Pamela Germann

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From: Bailey, Annette FLNR:EX [mailto:Annette.Bailey@gov.bc.ca]
Sent: Thursday, October 24, 2019 2:25 PM
To: Pamela Germann <Germann@bernardllp.ca>
Subject: RE: Union Bay - Log Handling File 0021050

Hi Pamela
I have time open tomorrow. What time works for you?
Thanks
Annette

From: Pamela Germann [mailto:Germann@bernardllp.ca]
Sent: Thursday, October 24, 2019 1:27 PM
To: Bailey, Annette FLNR:EX
Subject: RE: Union Bay - Log Handling File 0021050

Thanks Annette.
The client and I have now connected about this. Would you have some time for a phone call? After speaking with the client I have some questions that I think would be easier to discuss. Please let me know when may be convenient for you.
Thank you,

Pamela Germann

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From: Bailey, Annette FLNR:EX [mailto:Annette.Bailey@gov.bc.ca]
Sent: Monday, October 21, 2019 2:19 PM
To: Pamela Germann <Germann@bernardllp.ca>
Subject: RE: Union Bay - Log Handling File 0021050

Hi
Oops, here it is
Thanks
Annette

From: Pamela Germann [mailto:Germann@bernardllp.ca]
Sent: Monday, October 21, 2019 2:18 PM
To: Bailey, Annette FLNR:EX
Subject: RE: Union Bay - Log Handling File 0021050

Thanks Annette. I think you forgot to include the attachment so if you wouldn't mind sending that along that would be great.
Thanks,

Pamela Germann

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From: Bailey, Annette FLNR:EX [mailto:Annette.Bailey@gov.bc.ca]
Sent: Monday, October 21, 2019 2:15 PM
To: Pamela Germann <Germann@bernardllp.ca>
Subject: RE: Union Bay - Log Handling File 0021050

Hi Pamela
I have read through your application and included some comments and suggestions.
If you have any questions please feel free to contact me.
Thanks
Annette

From: Pamela Germann [mailto:Germann@bernardllp.ca]
Sent: Thursday, October 3, 2019 11:07 AM
To: Bailey, Annette FLNR:EX
Cc: Goldie Hamer
Subject: RE: Union Bay - Log Handling File 0021050

Hi Annette,
As discussed I've made a few proposed changes to the plan. The changes are red-lined in the attached document. There aren't many as after reviewing the document it seems many points were outside of things that we could speak to.
Please note I have **not** run the proposed changes by the client yet, as I wanted to get a sense of what changes the government would want to this document so it remains subject to their review and comment.
Perhaps you could do the same sort of red-lining to let me know what you are looking for as ultimately we will need to comply with your requirements.
Any questions feel free to give me a call.
Thanks,

Pamela Germann

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To: 'Bailey, Annette FLNR:EX' <Annette.Bailey@gov.bc.ca>
Cc: Goldie Hamer <Hamer@bernardllp.ca>
Subject: RE: Union Bay - Log Handling File 0021050

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Sent: Tuesday, October 1, 2019 1:54 PM
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Subject: RE: Union Bay - Log Handling File 0021050

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Cc: Goldie Hamer
Subject: Union Bay - Log Handling File 0021050

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100′
Dismantling pad w/ water and particulate filtration
Water and particulate collection & filtration system
500′
50′
200′
BARGE
50′ x 200′
Haul Out Winch
100′

Union Bay Log Handling/Storage Facility

Management Plan and Debris Management Plan

FLNRO File 0021050 - Union Bay ~~Lease~~Lease ~~Renewal~~Amendment

Background

The current lease is granted for the purpose of log booming and storages purposes. The ~~Lessee applicant~~ is applying to amend the lease for the purpose to include the storage and tie up of ~~bargesvessels~~ for the purpose of ~~?????~~ vessel haul out. The Lessee will currently continue to store and boom logs.

Will this area be used for log booming and storage purposes in the future? Or, is this a complete change in purpose to storage and tie up of barges.

~~The Lease~~Lease ~~is permitted for log booming and storage. As of November ____, 2019 the Lease will permit the storage, tie up and haul out of vessels.~~ The ~~lease~~Lease ~~is currently and~~ has been used for ~~this~~ the purpose of log booming and storage since its issuance in 1988. The log storage facility is not currently ~~-~~in use. From 2014-2017 an estimated 85,000m ^{3} of logs per year, were watered at the facility.

The foreshore site is 13.79 hectares of land covered by water, with a log storage area and a skidway for log dumping.

Location

The lot is located on the east side of Vancouver Island, in Baynes Sound, within the community of Union Bay, approximately 14 kilometers south of Courtenay, BC. Access to the ~~lease~~Lease area is off of Highway 19A (South Island Highway).

Activities

In this section you should be describing the reason why you require an amendment to the purpose and why the barge tie up and storage is specifically required. Ultimately the decision to allow this type of amendment and activity lies with our decision maker. Be sure to state your case in a complete manner so no questions are left unanswered.

As of November ____, 2019 the storage, tie up and haul out of vessels is permitted in addition to log booming and storage. Vessel storage and tie up will occur for purpose of facilitating vessel haul out. There are no other changes to ~~use,~~ location or area of this ~~lease~~Lease and the log booming and storage activities will continue in addition to the aforementioned activities. The Lessee will undertake the activities described herein with the goal of transition the water lot lease to a more commercial purpose in the long term.

First Nations Consultation

First Nations consultation was not completed with the K'6moks First Nations, prior to submitting this application for renewal.

-The province has the duty to consult and will base the consultation on the information contained in the Management Plan and Debris Management Plan

NTD/Comment: the clients goal is to remove vessels that are no longer used or wanted from the water in accordance with a new federal government initiative, debris will be unlikely.

Equipment on Site

Equipment required for log dumping and booming is stored on site during operational use of the ~~log storage~~ area. Equipment used within the upland portion of the property includes, a stacker, front end loader, log loader and a bundle truck . Boom boats are used within the booming grounds to maneuver logs.

Equipment required for vessel storage, tie up and haul out is stored on site during the use of the area. The

{00162905;2}

Commented [PG1]: See above amendment. The client will continue to store and log books and will store and tie up vessels for the purpose of vessel haul out.

Commented [DAB2]: This should not be in the Management Plan, this is something that will be determined by the Decision maker

Commented [PG3]: To be confirmed with client

Commented [DAB4]: This section is very vague, please expand to include all activities. One way to think of this is; What, Where, When, Why and How.

Commented [DAB5]: This is not the place for the date and assumption of approval, this will be determined by the Decision maker.

Lessee is the upland owner of lands adjacent to the water lot lease. Vessel storage and tie up will occur using the existing structures in the Lease. Vessel haul out will also use the existing structures in place as well as specialized equipment such as inflatable bags that will be placed under the vessel at high tide in order to facilitate vessel haul out. The Lease will not be used by third party for the purposes identified in this Lease Amendment and the vessels, will be brought in by the Lessee for the identified purposes herein. The size and type of the vessels will be variable.

What specific equipment will be used in the requested barge tie up area. Do you have barges? Or are others using the area for their barges? Is their a bouy or can for storage or something larger. How many? What type of barges, size etc?

Infrastructure

Infrastructure currently in place within the ~~lease~~Lease area includes (refer to Figure 1):

Skidway:

A metal skidway is located within the northern half of the ~~lease~~Lease area.

Booming grounds:

- Booms have been adequately anchored to ensure the boom perimeter has been maintained in water of adequate depth for log storage.
- Stiff legs have been used to prevent boom sticks from collapsing onto the shoreline. Anchor lines, chains or cables have been employed such that excess line does not collect on the bed of the water body or form loops that may ensnare marine mammals. Concrete anchors are pre-cast and cured away from water before use to prevent seepage of potentially toxic substances .
- Double boomsticks have been employed to ensure containment of logs and debris.
- Boom corners are appropriately marked for navigation purposes as per the Navigable Waters Protection Act.

Access :

- Existing road access is Highway 19A (South Island Highway) off Highway 1.

Utilities:

- The foreshore property is serviced by the local Union Bay sewer and power lines. Union Bay is within the Comox Valley Regional District. No proposed changes in the requirements for utilities are proposed .

Water supply :

- The foreshore property is serviced by the local Union Bay water supply . Union Bay is within the Comox Valley Regional District. No proposed changes to the water supply use is proposed.

Waste disposal:

- Any waste that is generated in the foreshore area is disposed of offsite on a periodic basis.

Environmental Considerations

Land Impacts :

No timber removal is required and the existing site will not be enlarged;
Fuel storage is located on upland portion of the log sort away from the waters edge and spill kits are available.

- There are no freshwater streams in the vicinity of the ~~lease~~Lease area.
- There are no identified invasive species within the foreshore area. However, any herbicide use will comply with the Integrated Pest Management Act and Regulation (including buffers from waterbodies) .
- Visual impacts will not change from the existing condition .
- There are no archaeological sites within the area[1].

Atmospheric Impacts :

Sound:

Sound impacts from the ~~lease~~Lease area are anticipated to be the same as typical log sort operations. Sound sources directly from the ~~lease~~Lease area include, the operation of heavy duty machinery, alarm bells/horns, and the operation of boom boats.
Odor , gas and fuel emissions for this site are minimal; as expected for general log storage operations.

Water or Land covered by Water Impacts:

Drainage and flood potential will not be altered by the continuation of these operations .
Public access will be limited at the site when operations are occurring due to safety concerns.

Fish and Wildlife Habitat

Wildlife:

- Adverse effects to wildlife and wildlife habitat are not expected (the site is already established).
- The project is located within Baynes Sound . Hart Creek (fish bearing creek) discharges into Baynes sound ~430m south of the southwest corner of the ~~lease~~Lease area.
  Increased erosion or sedimentation is not expected to occur.
- There is no water diversion planned.
  Species at risk are not expected to be impacted (none noted in immediate area[2]).

Fish and Anadromous Fish Bearing Streams :

- The fish bearing Hart Creek (Watershed Code: 920-538600) is located 430 m south of the booming grounds. Hart Creek is reported as having chum salmon *(Oncorhynchus keta),* coho salmon *(Oncorhynchus kisutch),* steelhead trout *(Oncorhynchus mykiss),* and cutthroat trout *(Oncorhynchus clarkii)*.
  Fisheries and Oceans Canada "Measures to avoid causing harm to fish and fish habitat including aquatic species at risk" advice will be followed to avoid negative impacts to fish , fish habitat and marine mammals.

Sensitive Habitats:

- The west side of Baynes Sound within the vicinity of the Union Bay log sort is primarily a bedrock dominated steep shoreline and features with some silt sand shores and no sensitive habitats; tidal flats, salt marshes or kelp beds, shellfish harvest areas, or marine mammal haul outs in the vicinity of the Union Bay log storage facility [3].
- The Coastal Resource Information Management System (CRIMS) shows the southeastern corner of the ~~lease~~Lease area to potentially contain eelgrass (Figure 2). Given the prolonged use of the ~~lease~~Lease area (~30 years) as booming grounds, that the continual use as such should not further disturb the area. Additionally , measures outlined within the Debris Management Plan will aide in reducing the amount of woody debris introduced into the marine environment.

Marine mammals (dolphins , porpoises, whales) :

It is unlikely that whales will be present in the area. Where marine mammals are encountered :

- Vessels operating near whales , dolphins and porpoises should be cautious , slow down, keep clear of the animals ' path and not approach or be positioned within 400m . If a vessel is

[1] iMapBC: http://maps.gov.bc.ca/ess/sv/imapbc/ - accessed February 23, 2018 .
[2] BC Species and Ecosystems Explorer: http://a100.gov.bc.ca/pub/eswp/ - accessed February 23, 2018
[3] Coastal Resource Informat ion Management System : http://maps.gov.bc .ca/ess/sv/crims/ - accessed February 23, 2018.

unexpectedly within 200m of a dolphin, porpoise, or whale, stop immediately and allow the animal(s) to pass.

- At all times , operations will be suspended if marine mammals are observed to approach within 500m of the log storage area.

Herring:

The last year of documented evidence of herring spawn within Union Bay was 1981 [4], however herring spawn has been recorded in the area in 2017. Due to the rare occurrence of herring spawn occurring at Union Bay, it is not anticipated that the continued activity has the potential to impact herring.

Salmon :

There is no anticipated construction within the Union Bay foreshore area at this time.

Due to the lack of planned construction within the foreshore area, it is not anticipated that salmon will be impacted by the continued activities at the sort.

Socio-Community

The Union Bay log sort falls within the community of Union Bay within the Comox Valley Regional District. The sort is an accepted use for the area as it is zoned as IM - Industrial Marine. The sort has been at its current location for over 30 years , and therefore it is not anticipated to create an increased demand on the fire protection and other health facility and emergency services . Also, the sort will continue to follow standard Occupational Health and Safety Regulations already in place at the site.

[4] DFO Herring Spawn Records : http://www.pac.dfo-mpo.gc.ca/science/species-especes/pelagic-pelagique/herring-hareng/herspawn/142fig-eng .html - accessed February 23, 2018 .

Debris Management Plan

Excessive volumes of wood waste on the sea floor can negatively impact habitat by smothering organisms and introducing toxic leachates into the water. The amount of wood waste deposited into the marine and foreshore environment will be limited through the use of both Infrastructure and Design components .

Log sto rage:

- To prevent boom sticks from collapsing onto the shoreline, boom sticks are kept offshore with stiff legs and/or anchors.
- All bundled booms will be stored in deep water and secured so they do not de-water or touch the ocean bottom at any time during watering , storing or transport.
  Waterborne debris will be contained within boom pockets at all times via a ring of boom sticks.
  Storage on site will be tempo rary.
- Wood waste is removed by a certified dredging company and properly disposed of, when required.

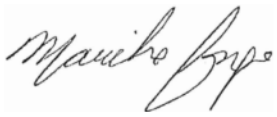
Wood Debris Management:

Logs will be limbed and bucked, prior to being transferred into the water at the sort to prevent excessive wood waste introduction to the marine environment.
The upland log sort and skidway will be periodically cleared of wood debris (removed to an upland location) as to prevent wood debris accumulation and deposition into the marine environment.

Waste Management:

- Any solid waste (i.e. cables, garbage, etc.) that is generated on site will not be disposed of in the marine environment and will be disposed of as per legislated requirements.

Spill Prevention and Management:
Marine log storage operations are conducted in a manner to avoid spi lls. (i.e. machinery is routinely maintained and repaired , fuel and other oil is stored in tanks and barrels on land). Machinery on site are equipped with spill kits . Additional spill containments supplies are available to mitigate spills to water.
Two debris sump systems are located within the upland sort to manage site run off.



February 27, 2018

Marika Forge, RPBio . Date signed
Zimmfor Management Services Ltd.
Signed on behalf of Union Bay Industries Ltd.

{00162905;2}

References

1. Fisheries and Oceans Canada. Measures to avoid causing harm to fish and fish habitat including aquatic species at risk . Found at http://www.dfo-mpo.gc.ca/pnw-ppe/measures-mesures/measures-mesures-eng.html. Accessed August 2017.
2. BC Land Use - Log Handling . Found at http://www2.gov.bc.ca/gov/conten t/industry/natural-resource-use/land-use/crown-land/crown-land-uses/log-handling Accessed August 2017.
3. Department of Fisheries and Oceans Canada . Section 172, Nanoose Bay Herring Spawn Records . Found at http://www.pac.dfo-mpo.gc.ca/science/species-especes/pelagic-pelagique/herring-hareng/herspawn/172fig-eng.html. Accessed August 2017.

[redacted]

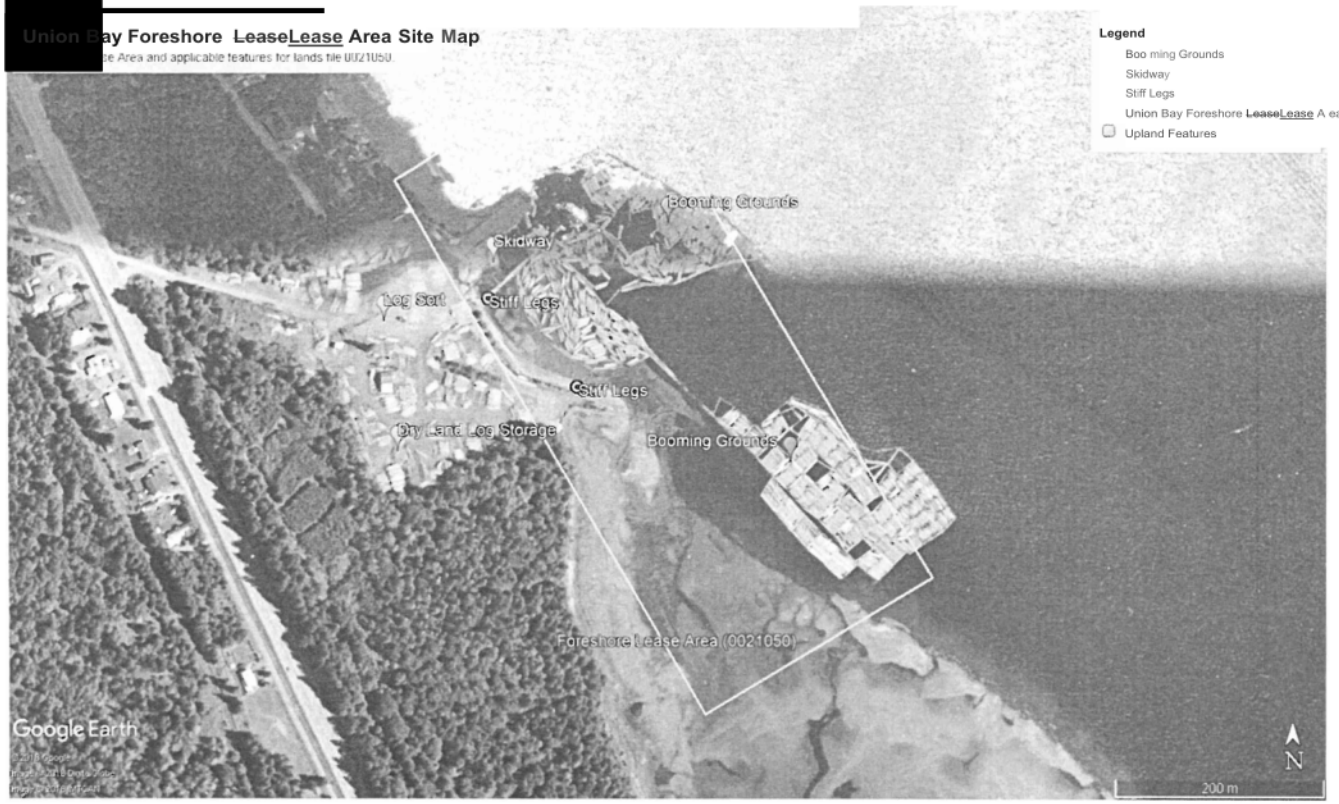


Figure 1. Site map of Union Bay foreshore leaseLease area (lands file 0021050).

{00162905;2}



Figure 2. GRIMS data showing the potential for eelgrass within the foreshore area (green layer).

{00162905;2}



Crown Land Policies

The Province of British Columbia operates within a framework of policies that govern the disposition, administration and management of Crown land. The policies are developed in consultation with other provincial agencies and stakeholder groups.

In developing policies to assist staff, stakeholders and the public, the policies establish principles on land use, allocation, tenure term, pricing and all other aspects associated with Crown land.

> **NOTE:** *The Internet Explorer 11 browser has a known 'refresh ' issue. If you use IE 11, press CTRL + F5 (or Apple Cmd + R) to ensure you download the most recent versions of any documents .*

Strategic Land Policies

Crown Land Allocation PrinciRles (PDF).
Crown Land Sales (PDF)

General Land Policies

- Eligi9J.illY. and Restrictions (PDF)
- Form of Crown Land Allocation (PDF)
- ., Permission (PDF).
- Pricing (PDF)
- Fee Refunds - ARRlication Fees (PDF}
- Glossary and Abbreviations (PDF}

Land Use Policies

*Additional informa tion on Community and Institutional use of Crown land can be found on the Local Government page

- Adventure Tourism/Commercial Recreation (PDF)
- 8ggregate and Quarry Materials (PDF}
- 8griculture - Extensive (PDF)
- 8griculture - Intensive (PDF)
- AirRorts (PDF)
- All Seasons Resorts/AIRine Skiing (Mountain Resorts Branch, MFLNRORD) (PDF)
- Aguaculture (PDF)

{00162905;2}

- Commercial - General (Film, Golf Courses , Marinas, and Yacht Clubs) (PDF).

- Communication Sites (PDF)
- Community & Institutional (PDF)
  Floating Home Community (PDF)
- Grazing (PDF)
- Industrial - General (PDF)
  Land and Management Transfers (PDF).
  Log Handling (PDF).
- Mining (PDF)
- Ocean Energy (PDF).
- Oil & Gas (PDF)
  Private Moorag§. ..(PDF).
  Reserves, Withdrawals, Notations & Prohibitions (PDF)
  Residential (P DF).
  Roadway § (PDF).
  TraRline Cabins (PDF)
  Utilities (PDF).
- Watemower (PDF)
  Wind Power (PDF).

Consulting with First Nations

Consultation with First Nations is an important part of land and resource decision-making.

Find out more about this Rrocess

FrontCounter BC

The FrontCounter BC online tool will help you complete the tenure process . Start by submitting a Provincial Crown Land Use application.

8RR1Y. to use Crown land

If you have questions regarding a specific file or a proposal about a specific area, or any aspect of the application process, pleaseLease contact FrontCounter BC.

Contact Information

Toll Free:
1-877-855-3222

Outside North America:

{00162905;2}

1-778-372-0729

Email:

FrontCounterBC@gov.bc.ca

{00162905;2}

RE: Union Bay - Log Handling File 0021050

From: Bailey, Annette FLNR:EX <s.15
s.15
To: Pamela Germann <Germann@bernardllp.ca>
Sent: November 21, 2019 10:16:00 AM PST
Attachments: image001.png, Amendments to Management Plan with_Provinces Comments_November 21_2019 (00162905-2xE4B69).docx

Hi Pamela
I have reviewed your Management plan (MP)and made some additional comments. I still have unanswered questions. The MP is vague is explaining why the tie up of vessels is required. Something to consider - what work will be done, how often, for who, why are they hauling out vessels…etc. More details are required.
I have attached the document here.
Thanks
Annette

From: Pamela Germann [mailto:Germann@bernardllp.ca]
Sent: Tuesday, November 19, 2019 2:52 PM
To: Bailey, Annette FLNR:EX
Subject: RE: Union Bay - Log Handling File 0021050
Hi Annette,
I just wanted to follow up on the status of the below?
Thanks,

Pamela Germann
BERNARD LLP*
BARRISTERS & SOLICITORS

1500 - 570 Granville Street
Vancouver, BC, V6C 3P1, Canada

D: 604.661.0610
T: 604.681.1700
F: 604.681.1788
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W: www.bernardllp.ca

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From: Bailey, Annette FLNR:EX [mailto:Annette.Bailey@gov.bc.ca]
Sent: Friday, November 8, 2019 11:30 AM
To: Pamela Germann
Subject: RE: Union Bay - Log Handling File 0021050
Hi Pamela
I do not have an update for today. I hope to review next week.
Thanks
Annette

From: Pamela Germann [mailto:Germann@bernardllp.ca]
Sent: Friday, November 8, 2019 11:28 AM
To: Bailey, Annette FLNR:EX
Subject: RE: Union Bay - Log Handling File 0021050
Hi Annette,
Just wondering on whether you have an update for us prior to the weekend? The client needs to know whether amending the current water lot lease will be possible and how long approximately it will take otherwise he will need to make alternative arrangements.
If you need further information from us please let me know.
Thanks,

Pamela Germann

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From: Bailey, Annette FLNR:EX [mailto:Annette.Bailey@gov.bc.ca]
Sent: Wednesday, November 6, 2019 11:06 AM
To: Pamela Germann <Germann@bernardllp.ca>
Subject: RE: Union Bay - Log Handling File 0021050

Hi Pamela
Thank you for the update. I will review shortly and get back to you.
Annette

From: Pamela Germann [mailto:Germann@bernardllp.ca]
Sent: Tuesday, November 5, 2019 3:27 PM
To: Bailey, Annette FLNR:EX
Subject: RE: Union Bay - Log Handling File 0021050

Hi Annette,
As the client is eager to get things going, I thought I would send my next round of red-lines to you. I've responded to your comments in the last version of the document you sent to me using track changes. I've left your comments in FYI. If you could please comment on this next set of revisions at your earliest convenience that would be great.
Re: the site plan, I took a look at the old site plan in the attached and sent it to the client and asked them to update it accordingly. But if there are specific things they need to be aware of please let me know.
Thanks,

Pamela Germann

BERNARD LLP*
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From: Pamela Germann
Sent: Friday, November 1, 2019 12:24 PM
To: 'Bailey, Annette FLNR:EX' <Annette.Bailey@gov.bc.ca>
Subject: RE: Union Bay - Log Handling File 0021050

Hi Annette,
Just wanted to follow up on the below. I am hoping to give client instructions for the site plan so they can get going on it.

Thanks,

Pamela Germann

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1500 - 570 Granville Street
Vancouver, BC, V6C 3P1, Canada

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From: Pamela Germann
Sent: Thursday, October 31, 2019 10:16 AM
To: 'Bailey, Annette FLNR:EX' <Annette.Bailey@gov.bc.ca>
Subject: RE: Union Bay - Log Handling File 0021050

Hi Annette,

I've been tied up with other matters this week but hope to get the discussed revisions to you soon. In the meantime I'm going to ask the client to do the site plan.

I understood that this was to be a drawing/picture/map of the water lot lease area with drawings (or something similar) to indicate the areas of their proposed activities. Can you confirm that I understood this properly? Or if I didn't provide some clarification so I can explain to the client? Thanks.

Best,

Pamela Germann

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From: Bailey, Annette FLNR:EX [mailto:Annette.Bailey@gov.bc.ca]
Sent: Friday, October 25, 2019 1:06 PM
To: Pamela Germann <Germann@bernardllp.ca>
Subject: RE: Union Bay - Log Handling File 0021050

Sounds good

From: Pamela Germann [mailto:Germann@bernardllp.ca]
Sent: Friday, October 25, 2019 12:11 PM
To: Bailey, Annette FLNR:EX
Subject: RE: Union Bay - Log Handling File 0021050

Can we make it 2pm? I have a meeting at 1pm that should be quick but just in case it isn't 2pm would be safer.

Thanks,

Pamela Germann

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From: Bailey, Annette FLNR:EX [mailto:Annette.Bailey@gov.bc.ca]
Sent: Friday, October 25, 2019 12:03 PM
To: Pamela Germann <Germann@bernardllp.ca>
Subject: RE: Union Bay - Log Handling File 0021050
Hi
Sorry, I was called away. How about 1:30pm?
Annette

From: Pamela Germann [mailto:Germann@bernardllp.ca]
Sent: Friday, October 25, 2019 11:59 AM
To: Bailey, Annette FLNR:EX
Subject: RE: Union Bay - Log Handling File 0021050
Hi Annette,
I didn't hear from you at 11am. Is there another time that works for you?
Thanks,
Pamela Germann

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From: Bailey, Annette FLNR:EX [mailto:Annette.Bailey@gov.bc.ca]
Sent: Friday, October 25, 2019 8:32 AM
To: Pamela Germann <Germann@bernardllp.ca>
Subject: RE: Union Bay - Log Handling File 0021050
Hi
Sounds good. I will phone you at 11
Annette

From: Pamela Germann [mailto:Germann@bernardllp.ca]
Sent: Thursday, October 24, 2019 2:57 PM
To: Bailey, Annette FLNR:EX
Subject: RE: Union Bay - Log Handling File 0021050
Hi Annette,

11am works. If you could call me then (as I don't have a direct telephone number for you) that would be good.
Thanks,

Pamela Germann

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Vancouver, BC, V6C 3P1, Canada

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From: Bailey, Annette FLNR:EX [mailto:Annette.Bailey@gov.bc.ca]
Sent: Thursday, October 24, 2019 2:25 PM
To: Pamela Germann <Germann@bernardllp.ca>
Subject: RE: Union Bay - Log Handling File 0021050
Hi Pamela
I have time open tomorrow. What time works for you?
Thanks
Annette

From: Pamela Germann [mailto:Germann@bernardllp.ca]
Sent: Thursday, October 24, 2019 1:27 PM
To: Bailey, Annette FLNR:EX
Subject: RE: Union Bay - Log Handling File 0021050
Thanks Annette.
The client and I have now connected about this. Would you have some time for a phone call? After speaking with the client I have some questions that I think would be easier to discuss. Please let me know when may be convenient for you.
Thank you,

Pamela Germann

BERNARD LLP*
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From: Bailey, Annette FLNR:EX [mailto:Annette.Bailey@gov.bc.ca]
Sent: Monday, October 21, 2019 2:19 PM
To: Pamela Germann <Germann@bernardllp.ca>
Subject: RE: Union Bay - Log Handling File 0021050
Hi
Oops, here it is

Thanks
Annette

From: Pamela Germann [mailto:Germann@bernardllp.ca]
Sent: Monday, October 21, 2019 2:18 PM
To: Bailey, Annette FLNR:EX
Subject: RE: Union Bay - Log Handling File 0021050

Thanks Annette. I think you forgot to include the attachment so if you wouldn't mind sending that along that would be great.
Thanks,

Pamela Germann

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From: Bailey, Annette FLNR:EX [mailto:Annette.Bailey@gov.bc.ca]
Sent: Monday, October 21, 2019 2:15 PM
To: Pamela Germann <Germann@bernardllp.ca>
Subject: RE: Union Bay - Log Handling File 0021050

Hi Pamela
I have read through your application and included some comments and suggestions.
If you have any questions please feel free to contact me.
Thanks
Annette

From: Pamela Germann [mailto:Germann@bernardllp.ca]
Sent: Thursday, October 3, 2019 11:07 AM
To: Bailey, Annette FLNR:EX
Cc: Goldie Hamer
Subject: RE: Union Bay - Log Handling File 0021050

Hi Annette,
As discussed I've made a few proposed changes to the plan. The changes are red-lined in the attached document. There aren't many as after reviewing the document it seems many points were outside of things that we could speak to.
Please note I have **not** run the proposed changes by the client yet, as I wanted to get a sense of what changes the government would want to this document so it remains subject to their review and comment.
Perhaps you could do the same sort of red-lining to let me know what you are looking for as ultimately we will need to comply with your requirements.
Any questions feel free to give me a call.
Thanks,

Pamela Germann

BERNARD LLP*
BARRISTERS & SOLICITORS

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Vancouver, BC, V6C 3P1, Canada

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From: Pamela Germann
Sent: Tuesday, October 1, 2019 2:20 PM
To: 'Bailey, Annette FLNR:EX' <Annette.Bailey@gov.bc.ca>
Cc: Goldie Hamer <Hamer@bernardllp.ca>
Subject: RE: Union Bay - Log Handling File 0021050

Thank you Annette. Appreciated; for some reason we have difficulty with the conversion and formatting here and it can be quite time consuming.

Pamela Germann

BERNARD LLP*
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From: Bailey, Annette FLNR:EX [mailto:Annette.Bailey@gov.bc.ca]
Sent: Tuesday, October 1, 2019 1:54 PM
To: Pamela Germann <Germann@bernardllp.ca>
Subject: RE: Union Bay - Log Handling File 0021050

Hi Pamela
We received this report as a .pdf I do not have a word version.
I have tried converting the .pdf to a .docx, it is not perfect but hopefully it helps. I have attached it here.
Annette

From: Pamela Germann [mailto:Germann@bernardllp.ca]
Sent: Tuesday, October 1, 2019 1:22 PM
To: Bailey, Annette FLNR:EX
Cc: Goldie Hamer
Subject: Union Bay - Log Handling File 0021050

Hi Annette,
We spoke a couple of weeks ago about the above noted file. You asked me to make changes to the existing plan that is associate with the lease. I have attached the associated plan. My time was occupied these past two weeks by other pressing matters but I am hoping to work on this file this week. I don't suppose you would be able to send me a word version of the attached? We can convert the pdf so I can then mark it up in a red-line with the proposed amendments for your review but this is rather time consuming for us so if you have a word version available this would be appreciated.
Thank you,

Pamela Germann

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Union Bay Log Handling/Storage Facility

Management Plan and Debris Management Plan

FLNRO File 0021050 - Union Bay ~~Lease~~Lease ~~Renewal~~Amendment

Background

The current lease is granted for the purpose of log booming and storages purposes. The ~~Lessee applicant~~ is applying to amend the lease for the purpose to include the storage and tie up of ~~bargesvessels~~ for the purpose of ~~?????~~ vessel haul out. The Lessee will currently continue to store and boom logs.

Will this area be used for log booming and storage purposes in the future? Or, is this a complete change in purpose to storage and tie up of barges.

~~The Lease~~Lease ~~is permitted for log booming and storage. As of November ____, 2019 the Lease will permit the storage, tie up and haul out of vessels.~~ The ~~lease~~Lease ~~is currently and~~ has been used for ~~this~~ the purpose of log booming and storage since its issuance in 1988. The log storage facility is not currently ~~-~~in use. From 2014-2017 an estimated 85,000m ^{3} of logs per year, were watered at the facility.

The foreshore site is 13.79 hectares of land covered by water, with a log storage area and a skidway for log dumping.

Location

The lot is located on the east side of Vancouver Island, in Baynes Sound, within the community of Union Bay, approximately 14 kilometers south of Courtenay, BC. Access to the ~~lease~~Lease area is off of Highway 19A (South Island Highway).

Activities

In this section you should be describing the reason why you require an amendment to the purpose and why the barge tie up and storage is specifically required. Ultimately the decision to allow this type of amendment and activity lies with our decision maker. Be sure to state your case in a complete manner so no questions are left unanswered.

As of November ____, 2019 the storage, tie up and haul out of vessels is permitted in addition to log booming and storage. Vessel storage and tie up will occur for purpose of facilitating vessel haul out. There are no other changes to ~~use,~~ location or area of this ~~lease~~Lease and the log booming and storage activities will continue in addition to the aforementioned activities. The Lessee will undertake the activities described herein with the goal of transition the water lot lease to a more commercial purpose in the long term.

First Nations Consultation

First Nations consultation was not completed with the K'6moks First Nations, prior to submitting this application for renewal.

-The province has the duty to consult and will base the consultation on the information contained in the Management Plan and Debris Management Plan

NTD/Comment: the clients goal is to remove vessels that are no longer used or wanted from the water in accordance with a new federal government initiative, debris will be unlikely.

Equipment on Site

Equipment required for log dumping and booming is stored on site during operational use of the ~~log storage~~ area. Equipment used within the upland portion of the property includes, a stacker, front end loader, log loader and a bundle truck . Boom boats are used within the booming grounds to maneuver logs.

Equipment required for vessel storage, tie up and haul out is stored on site during the use of the area. The

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Commented [PG1]: See above amendment. The client will continue to store and log books and will store and tie up vessels for the purpose of vessel haul out.

Commented [DAB2]: This should not be in the Management Plan, this is something that will be determined by the Decision maker

Commented [PG3]: To be confirmed with client

Commented [DAB4]: This section is very vague, please expand to include all activities. One way to think of this is; What, Where, When, Why and How.

Commented [DAB5]: This is not the place for the date and assumption of approval, this will be determined by the Decision maker.

Lessee is the upland owner of lands adjacent to the water lot lease. Vessel storage and tie up will occur using the existing structures in the Lease. Vessel haul out will also use the existing structures in place as well as specialized equipment such as inflatable bags that will be placed under the vessel at high tide in order to facilitate vessel haul out. The Lease will not be used by third party for the purposes identified in this Lease Amendment and the vessels, will be brought in by the Lessee for the identified purposes herein. The size and type of the vessels will be variable.

What specific equipment will be used in the requested barge tie up area. Do you have barges? Or are others using the area for their barges? Is their a bouy or can for storage or something larger. How many? What type of barges, size etc?

Infrastructure

Infrastructure currently in place within the ~~lease~~Lease area includes (refer to Figure 1):

Skidway:

A metal skidway is located within the northern half of the ~~lease~~Lease area.

Booming grounds:

- Booms have been adequately anchored to ensure the boom perimeter has been maintained in water of adequate depth for log storage.
- Stiff legs have been used to prevent boom sticks from collapsing onto the shoreline. Anchor lines, chains or cables have been employed such that excess line does not collect on the bed of the water body or form loops that may ensnare marine mammals. Concrete anchors are pre-cast and cured away from water before use to prevent seepage of potentially toxic substances .
- Double boomsticks have been employed to ensure containment of logs and debris.
- Boom corners are appropriately marked for navigation purposes as per the Navigable Waters Protection Act.

Access :

- Existing road access is Highway 19A (South Island Highway) off Highway 1.

Utilities:

- The foreshore property is serviced by the local Union Bay sewer and power lines. Union Bay is within the Comox Valley Regional District. No proposed changes in the requirements for utilities are proposed .

Water supply :

- The foreshore property is serviced by the local Union Bay water supply . Union Bay is within the Comox Valley Regional District. No proposed changes to the water supply use is proposed.

Waste disposal:

- Any waste that is generated in the foreshore area is disposed of offsite on a periodic basis.

Environmental Considerations

Land Impacts :

No timber removal is required and the existing site will not be enlarged;
Fuel storage is located on upland portion of the log sort away from the waters edge and spill kits are available.

- There are no freshwater streams in the vicinity of the ~~lease~~Lease area.
- There are no identified invasive species within the foreshore area. However, any herbicide use will comply with the Integrated Pest Management Act and Regulation (including buffers from waterbodies) .
- Visual impacts will not change from the existing condition .
- There are no archaeological sites within the area[1].

Atmospheric Impacts :

Sound:

Sound impacts from the ~~lease~~Lease area are anticipated to be the same as typical log sort operations. Sound sources directly from the ~~lease~~Lease area include, the operation of heavy duty machinery, alarm bells/horns, and the operation of boom boats.
Odor , gas and fuel emissions for this site are minimal; as expected for general log storage operations.

Water or Land covered by Water Impacts:

Drainage and flood potential will not be altered by the continuation of these operations .
Public access will be limited at the site when operations are occurring due to safety concerns.

Fish and Wildlife Habitat

Wildlife:

- Adverse effects to wildlife and wildlife habitat are not expected (the site is already established).
- The project is located within Baynes Sound . Hart Creek (fish bearing creek) discharges into Baynes sound ~430m south of the southwest corner of the ~~lease~~Lease area.
  Increased erosion or sedimentation is not expected to occur.
- There is no water diversion planned.
  Species at risk are not expected to be impacted (none noted in immediate area[2]).

Fish and Anadromous Fish Bearing Streams :

- The fish bearing Hart Creek (Watershed Code: 920-538600) is located 430 m south of the booming grounds. Hart Creek is reported as having chum salmon *(Oncorhynchus keta),* coho salmon *(Oncorhynchus kisutch),* steelhead trout *(Oncorhynchus mykiss),* and cutthroat trout *(Oncorhynchus clarkii)*.
  Fisheries and Oceans Canada "Measures to avoid causing harm to fish and fish habitat including aquatic species at risk" advice will be followed to avoid negative impacts to fish , fish habitat and marine mammals.

Sensitive Habitats:

- The west side of Baynes Sound within the vicinity of the Union Bay log sort is primarily a bedrock dominated steep shoreline and features with some silt sand shores and no sensitive habitats; tidal flats, salt marshes or kelp beds, shellfish harvest areas, or marine mammal haul outs in the vicinity of the Union Bay log storage facility [3].
- The Coastal Resource Information Management System (CRIMS) shows the southeastern corner of the ~~lease~~Lease area to potentially contain eelgrass (Figure 2). Given the prolonged use of the ~~lease~~Lease area (~30 years) as booming grounds, that the continual use as such should not further disturb the area. Additionally , measures outlined within the Debris Management Plan will aide in reducing the amount of woody debris introduced into the marine environment.

Marine mammals (dolphins , porpoises, whales) :

It is unlikely that whales will be present in the area. Where marine mammals are encountered :

- Vessels operating near whales , dolphins and porpoises should be cautious , slow down, keep clear of the animals ' path and not approach or be positioned within 400m . If a vessel is

[1] iMapBC: http://maps.gov.bc.ca/ess/sv/imapbc/ - accessed February 23, 2018 .
[2] BC Species and Ecosystems Explorer: http://a100.gov.bc.ca/pub/eswp/ - accessed February 23, 2018
[3] Coastal Resource Informat ion Management System : http://maps.gov.bc .ca/ess/sv/crims/ - accessed February 23, 2018.

unexpectedly within 200m of a dolphin, porpoise, or whale, stop immediately and allow the animal(s) to pass.

- At all times , operations will be suspended if marine mammals are observed to approach within 500m of the log storage area.

Herring:

The last year of documented evidence of herring spawn within Union Bay was 1981 [4], however herring spawn has been recorded in the area in 2017. Due to the rare occurrence of herring spawn occurring at Union Bay, it is not anticipated that the continued activity has the potential to impact herring.

Salmon :

There is no anticipated construction within the Union Bay foreshore area at this time.

Due to the lack of planned construction within the foreshore area, it is not anticipated that salmon will be impacted by the continued activities at the sort.

Socio-Community

The Union Bay log sort falls within the community of Union Bay within the Comox Valley Regional District. The sort is an accepted use for the area as it is zoned as IM - Industrial Marine. The sort has been at its current location for over 30 years , and therefore it is not anticipated to create an increased demand on the fire protection and other health facility and emergency services . Also, the sort will continue to follow standard Occupational Health and Safety Regulations already in place at the site.

[4] DFO Herring Spawn Records : http://www.pac.dfo-mpo.gc.ca/science/species-especes/pelagic-pelagique/herring-hareng/herspawn/142fig-eng .html - accessed February 23, 2018 .

Debris Management Plan

Excessive volumes of wood waste on the sea floor can negatively impact habitat by smothering organisms and introducing toxic leachates into the water. The amount of wood waste deposited into the marine and foreshore environment will be limited through the use of both Infrastructure and Design components .

Log sto rage:

- To prevent boom sticks from collapsing onto the shoreline, boom sticks are kept offshore with stiff legs and/or anchors.
- All bundled booms will be stored in deep water and secured so they do not de-water or touch the ocean bottom at any time during watering , storing or transport.
  Waterborne debris will be contained within boom pockets at all times via a ring of boom sticks.
  Storage on site will be tempo rary.
- Wood waste is removed by a certified dredging company and properly disposed of, when required.

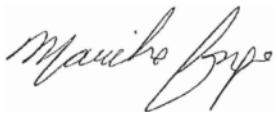
Wood Debris Management:

Logs will be limbed and bucked, prior to being transferred into the water at the sort to prevent excessive wood waste introduction to the marine environment.
The upland log sort and skidway will be periodically cleared of wood debris (removed to an upland location) as to prevent wood debris accumulation and deposition into the marine environment.

Waste Management:

- Any solid waste (i.e. cables, garbage, etc.) that is generated on site will not be disposed of in the marine environment and will be disposed of as per legislated requirements.

Spill Prevention and Management:
Marine log storage operations are conducted in a manner to avoid spi lls. (i.e. machinery is routinely maintained and repaired , fuel and other oil is stored in tanks and barrels on land). Machinery on site are equipped with spill kits . Additional spill containments supplies are available to mitigate spills to water.
Two debris sump systems are located within the upland sort to manage site run off.



February 27, 2018

Marika Forge, RPBio . Date signed
Zimmfor Management Services Ltd.
Signed on behalf of Union Bay Industries Ltd.

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References

1. Fisheries and Oceans Canada. Measures to avoid causing harm to fish and fish habitat including aquatic species at risk . Found at http://www.dfo-mpo.gc.ca/pnw-ppe/measures-mesures/measures-mesures-eng.html. Accessed August 2017.
2. BC Land Use - Log Handling . Found at http://www2.gov.bc.ca/gov/conten t/industry/natural-resource-use/land-use/crown-land/crown-land-uses/log-handling Accessed August 2017.
3. Department of Fisheries and Oceans Canada . Section 172, Nanoose Bay Herring Spawn Records . Found at http://www.pac.dfo-mpo.gc.ca/science/species-especes/pelagic-pelagique/herring-hareng/herspawn/172fig-eng.html. Accessed August 2017.

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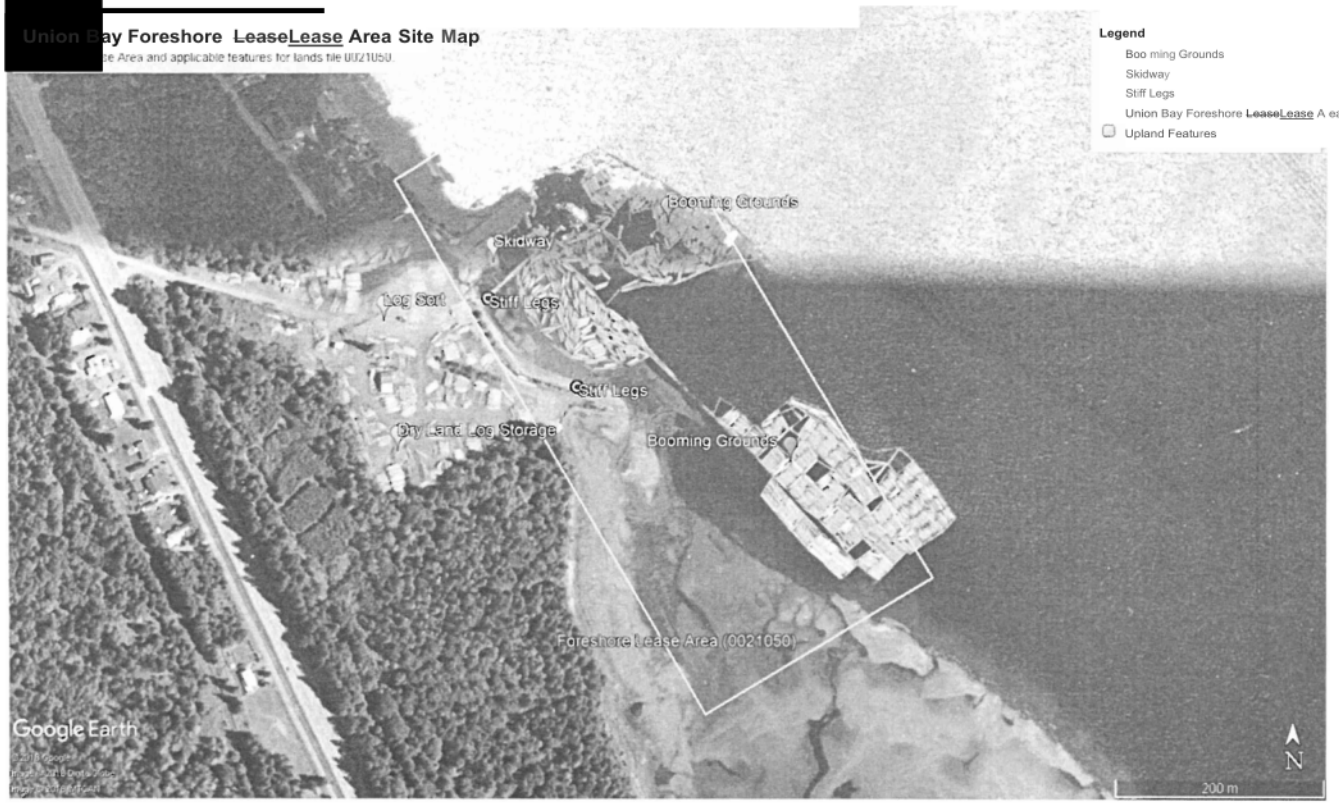


Figure 1. Site map of Union Bay foreshore leaseLease area (lands file 0021050).

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Figure 2. GRIMS data showing the potential for eelgrass within the foreshore area (green layer).

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Crown Land Policies

The Province of British Columbia operates within a framework of policies that govern the disposition, administration and management of Crown land. The policies are developed in consultation with other provincial agencies and stakeholder groups.

In developing policies to assist staff, stakeholders and the public, the policies establish principles on land use, allocation, tenure term, pricing and all other aspects associated with Crown land.

> **NOTE:** *The Internet Explorer 11 browser has a known 'refresh ' issue. If you use IE 11, press CTRL + F5 (or Apple Cmd + R) to ensure you download the most recent versions of any documents .*

Strategic Land Policies

Crown Land Allocation PrinciRles (PDF).
Crown Land Sales (PDF)

General Land Policies

- Eligi9J.illY. and Restrictions (PDF)
- Form of Crown Land Allocation (PDF)
- ., Permission (PDF).
- Pricing (PDF)
- Fee Refunds - ARRlication Fees (PDF}
- Glossary and Abbreviations (PDF}

Land Use Policies

*Additional informa tion on Community and Institutional use of Crown land can be found on the Local Government page

- Adventure Tourism/Commercial Recreation (PDF)
- 8ggregate and Quarry Materials (PDF}
- 8griculture - Extensive (PDF)
- 8griculture - Intensive (PDF)
- AirRorts (PDF)
- All Seasons Resorts/AIRine Skiing (Mountain Resorts Branch, MFLNRORD) (PDF)
- Aguaculture (PDF)

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- Commercial - General (Film, Golf Courses , Marinas, and Yacht Clubs) (PDF).

- Communication Sites (PDF)
- Community & Institutional (PDF)
  Floating Home Community (PDF)
- Grazing (PDF)
- Industrial - General (PDF)
  Land and Management Transfers (PDF).
  Log Handling (PDF).
- Mining (PDF)
- Ocean Energy (PDF).
- Oil & Gas (PDF)
  Private Moorag§. ..(PDF).
  Reserves, Withdrawals, Notations & Prohibitions (PDF)
  Residential (P DF).
  Roadway § (PDF).
  TraRline Cabins (PDF)
  Utilities (PDF).
- Watemower (PDF)
  Wind Power (PDF).

Consulting with First Nations

Consultation with First Nations is an important part of land and resource decision-making.

Find out more about this Rrocess

FrontCounter BC

The FrontCounter BC online tool will help you complete the tenure process . Start by submitting a Provincial Crown Land Use application.

8RR1Y. to use Crown land

If you have questions regarding a specific file or a proposal about a specific area, or any aspect of the application process, pleaseLease contact FrontCounter BC.

Contact Information

Toll Free:
1-877-855-3222

Outside North America:

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1-778-372-0729

Email:

FrontCounterBC@gov.bc.ca

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Amendment to tenure 0021050

From: Bailey, Annette FLNR:EX s.15
: s.15
To: mark@deepwaterrecovery.com
Sent: November 21, 2019 5:02:02 PM PST

Hi Mark
It was good to talk to you today and understand your business.
I have discussed your file with my supervisor (James Proteau) as well as Compliance and Enforcement.
As you described on the phone, we feel the barge is a safety issue – holes in the barge, potential for sinking, fuel tank on board, other equipment and the cold weather adding the risk of freezing pipes. We feel it is in the best interest of the public and the surrounding area to remove the barge as soon as safely possible from Fanny Bay. You have indicated you have your necessary permits from DFO.
We are granting permission for this one time removal of the barge only, no other vessels are to removed until your tenure has been approved for amendment.
Your tenure is currently for log booming and storage purposes. The use you have described would require a change to the purpose and would trigger an amendment. We require a new and up-to-date management plan as well as a site plan. I can send you examples of each. We will also require a copy of your permit from DFO for our files.
As I discussed on the phone, the Province has the duty to consult with First Nations. I will review the area and provide you a list of the First Nations in case you wish to information share.
Will you still be using Pamela Germann to supply the required documents?
If you have any further questions or concerns please feel free to contact me.

Annette Bailey, RPBio
Authorizations Specialist
South Island Natural Resource District
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9
250-731-3028

RE: "Management Plan for Tenure Replacement"...

From:	Bailey, Annette FLNR:EX s.15 s.15
To:	Dena Balla <dena@deepwaterrecovery.com>
Sent:	November 27, 2019 11:07:05 AM PST
Attachments:	Assignment Procedures.pdf, image001.png, Mgmt Plan Replacement template.dotx

Hi Dena
Thank you for the email.
I forgot to mention to Mark while he was here, I notice the tenure is still in the name of Union Bay Industries. This tenure needs to be assigned to your company and I have included the assignment process. This can be submitted at the same time as the Management Plan and we will do both together.
I have also attached an electronic version of the MP template.
I look forward to receiving the required information and moving this file forward.
Thanks
Annette

From: Dena Balla
Sent: November 26, 2019 2:43 PM
To: Bailey, Annette FLNR:EX
Cc: Mark Jurisich
Subject: "Management Plan for Tenure Replacement"...
Hello Annette,
I believe you met with Mark yesterday and he has forwarded me a photo from his phone of your “Management Plan for Tenure Replacement”. Would you be so kind as to email me (if possible) a blank draft of this document as I am trying to avoid having to reproduce the document from scratch. I have completed the layout plan and will forward that to you as soon as I can complete the Management Plan.
--

Regards,
Dena Balla
Administrative Assistant
deepwater recovery
A Canadian Limited Company

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.
*This email is not spam.

ASSIGNMENT PROCEDURES
South Island District

Instructions: Assignment requests must include the following in writing (incomplete submissions will result in delays, or may be returned):

1. File No. and/or Licence No. of the Tenure to be assigned AND the expiry date.
2. Full legal names of the Assignees. (The **person(s) or legal entity** to whom the tenure is to be transferred to.) Please note that all Assignees must meet Crown land eligibility criteria
3. Full address, phone number, and e-mail address of the Assignee (final documentation will be forwarded to the Assignee **or their agent** at this address as well as all future billings.) If you wish for the documentation to be sent to an alternate address please note that on your information sheet.
4. Type of Tenancy (for multiple tenants; e.g.: **Joint Tenants or Tenants in Common**). If a preference is not indicated, then Tenants in Common will be assumed.
5. Recent site photos – send by e-mail (see below)
6. If Assignee is:
    a. Strata Corp – enclose a strata council resolution to authorize acquisition of this tenure
    b. First Nation – enclose band council resolution to authorize acquisition of this tenure
    c. Corporation – enclose BC Registry certificate
7. Assignment Fee $250 + GST (5%) = $262.50 (non-refundable). Payable to Minister of Finance or by credit card: phone FrontCounter BC at 250.751.7220. Exceptions:
    a. Expired tenures, do not submit the assignment fee at this time. If the assignment is approved, it will be completed at the time the tenure is replaced, and the fee will be requested at that time.
    b. Private moorage tenures, do not submit an assignment fee at this time. The fee will be requested at the time of completion.
    c. Batch requests greater than five - half-fee for each assignment
8. If your request is time sensitive, please provide a brief explanation and we will do our best to meet your requirements. However, please be considerate of our time limitations.
9. If you wish the documents returned via courier we will contact you to arrange pickup. (Note: we will require the name of your courier so that your package can be properly identified)

Private Moorage, additional information

- As of January 17, 2017, the Private Moorage Policy was amended, and an expanded number of residential docks are now eligible to be authorized under a "General Permission". If your dock qualifies under the general permission policy, then our consent to assignment will not be given.
- To aid in our review, you must submit an 'as-built' diagram of the dock which includes:
    - length and width of the float
    - length and width of the walkway connecting the float to the shore
    - and a line showing present natural boundary

Send your request to the address below, or to: Carolyn.Shearer@gov.bc.ca or fax (250.731-3010).

Ver: Oct 12/17

Ministry of Forests, Lands, Natural Resource Operations and Rural Development

South Island Natural Resource District

Location:
4885 Cherry Creek Road
Port Alberni, BC
V9Y 8E9
CANADA

Mailing Address:
4885 Cherry Creek Road
Port Alberni, BC
V9Y 8E9
Tel: (250) 731-3000
Fax: (250) 731-3010

ASSIGNMENT INFORMATION BULLETIN
South Island District

Assignment is the transfer of the tenure holder's obligations, rights and interest in a Crown land tenure; and it requires prior written consent from the ministry.

- An application for assignment does not automatically imply that an eventual transfer will be authorized. Each application is evaluated and a decision made to allow or disallow.
- Average turnaround time is 60 days; however, this can vary, depending on complexity, timing and other factors that may be described below.
- The potential purchaser (Assignee) must meet Crown land eligibility requirements. See program policy for eligibility requirements.
- We recommend that the Assignee obtain the following from the seller:
    - a copy of the tenure agreement and associated management plan to understand the obligations that they will be assuming;
    - information about any mortgage(s) registered against the tenure. (They will need to be discharged)
    - a copy of any sub-lease agreement;
    - Information about any known hazards; e.g. landslide etc.
    - Information about any associated permits that must also be transferred; for example: water licence, sewage or waste permit, health, etc. **Although not a requirement of the assignment process**, the Assignee should be aware of these.
- The tenure being assigned ***must*** be compliant with the terms of the tenure agreement and in good standing in every respect. The assignment may be disallowed if the tenure is not being diligently used or is not in good standing.
- Be aware that security, insurance and rent are subject to change.
- Certain tenures may require an environmental study to be completed as part of the assignment (e.g. contaminated sites). Contact a professional; ref: *Environmental Management Act*

Disclaimer: This bulletin is provided as information only and is not considered to be legal advice. It is intended to cover the most common scenarios, but may not address every possible scenario. Those considering acquiring a Crown Land tenure are advised to obtain legal advice.

Ministry of Forests, Lands, Natural Resource Operations and Rural Development

South Island Natural Resource District

Location:
4885 Cherry Creek Road
Port Alberni, BC
V9Y 8E9
CANADA

Mailing Address:
4885 Cherry Creek Road
Port Alberni, BC
V9Y 8E9
Tel: (250) 731-3000
Fax: (250) 731-3010

Management Plan for Tenure Replacement

File number:	
Lands Representative	Name Contact info
Location of Tenure:	
Tenure holder:	
Purpose of Tenure: The *Purpose Statement*, often in the "Grant and Term" section.	
Area of the Tenure	
Tenure Type	

You must fill out this document to support the review of your tenure replacement application. If information is not received or is inadequate, your application review may be delayed or disallowed. If you have questions, please contact your Lands Representative or Front Counter BC.

Tenure replacement applicant name	
Address	
Phone	
Email	

If you are planning changes to the original tenure with respect to the purpose, tenure type, or area, please contact your Lands Representative or FrontCounter BC.

Project Overview

1. Describe continued need for this tenure? What is the requested replacement term for this tenure?

2. Describe your current and or proposed activities on the site.
   Current site map and photos must be attached.

   Please indicate in the box that you have included. ☐

   Include additional information for this tenure.

3. Has there been a change or are there plans to change the tenure purpose?

   No ☐ Yes ☐

   If yes, please describe

4. Are you requesting a change to the tenure footprint?

   No ☐ Yes ☐

   If yes, please describe

5. What infrastructure currently exists on this tenure?

   Example: roadway, buildings, wharf, cooling station for vehicles, etc.

6. Are you planning new construction beyond basic maintenance on this tenure?

   No ☐ Yes ☐

   If yes, please describe

7. Please list other tenures or private property / leases / agreements you hold, related to this tenure.

   Examples: Are you the upland owner, roadway tenure may have a road permit, crown lease, other users, licence to cut, maintenance agreement, industrial use licence, utility right-of-way, notice of work or other agreement.

   May include other authorizations under associated *Land Act*, *Forest Act*, *Water Sustainability Act*, *Mineral Act, Mines Act* and local government by-laws/zoning agreements.

8. Have there been any changes for access to this site?

Maintenance and Inspections

9. Describe the existing site conditions and maintenance plans for the land and improvements, including schedule:

10. Is there a water crossing or bridge within your tenure area? If yes, please provide most recent inspection report. (photos)

11. Are you planning maintenance around a stream or waterway?

    Working around a waterway may require an authorization, contact FrontCounter BC.

12. Have other inspections or assessments been done for this tenure?

Example: archaeological, geotechnical, biological or wildlife including riparian (fish) and bird, or other.

Waste

13. What wastes do you create within the tenure and how are they disposed? Are there waste permits or other special use permits associated with your tenure? Please provide details.

Example: wood waste, sewage, grey water, air emissions, camp waste/ garbage, biological, etc.

First Nations Consideration

The Province of British Columbia is legally obligated to consult and, where appropriate, accommodate First Nations on decisions that could impact treaty rights or Aboriginal rights and title ("Aboriginal Interests"). Provincial decision makers are responsible for ensuring adequate and appropriate consultation and accommodations.

For more information please review the information available on the Ministry of Forests, Lands, Natural Resource Operations and Rural Development website: 'Consulting First Nations'. Specifically, proponents are advised to review: "Guide to Involving Proponents When consulting First Nations" (http://www2.gov.bc.ca/gov/content/environment/natural-resource-stewardship/consulting-with-first-nations).

Please attach a record documenting information sharing that may have occurred.

If no previous contact has occurred, consult with your Land Representative first about your role in consultation.

Authorized Signature of Tenure Holder

Date

Management Plan for Tenure Replacement

File Number:	
Lands Representative	Name: Contact Info:
Location of Tenure:	Union Bay, BC
Tenure Holder	Union Bay Industries Ltd.
Purpose of Tenure: The *Purpose Statement,* often in the "Grant and Term" Section.	To facilitate upland activity
Area of the Tenure	
Tenure Type	Industrial General

You must fill out this document to support the review of your tenure replacement application. If information is received or is inadequate, your application review may be delayed or disallowed. If you have questions, please contact your Lands Representative or Front Counter BC.

Tenure replacement application name	Union Bay Industries Ltd.
Address	5545 Island Hwy S, Union Bay, BC V0R 3B0
Phone	1-619-823-5925
Email	mark@deepwaterrecovery.com

If you are planning changes to the original tenure with respect to the purpose, tenure type, or area, please contact your Lands Representative or Front Counter BC

Project Overview

1. Describe continued need for the tenure? What is the requested replacement term for this tenure?

The need for the tenure is to support the upland activities of the company's operation. The requested replacement term should represent the current contractual term, which we believe is for 25 years of which 24 years still remain.

2. Describe your current and or proposed activities on the site.
   Current Site map and photos must be attached.

   Please indicate in the box that you have included ☒

   Include additional information for this tenure.

Please see attached "Project Overview" document.

3. Has there been a change or are there plans to change the tenure purpose?

   No ☐ Yes ☒

   If yes, please describe

Change from Log Handling to Industrial General.

4. Are you requesting a change to the tenure footprint?

   No ☒ Yes ☐

   If yes, please describe

5. What infrastructure currently exists on this tenure?
   Example: roadway, buildings, wharf, cooling station for vehicles, etc.

Dolphins as can be seen in attached aerial photographs. (Exhibit A)

6. Are you planning new construction beyond basic maintenance on this tenure?

   No ☒ Yes ☐

   If yes, please describe

7. Please list other tenures or private property / leases / agreements you hold, related to this tenure.

   Examples: Are you the upland owner, roadway tenure may have a road permit, crown lease, other users, license to cut, maintenance agreement, industrial use license, utility right-of way, notice of work or other agreement.

   May include other authorization under associated *Land Act, Forest Act, Water Sustainability Act, Mineral Act, Mines Act* and local government by-laws/zoning agreements.

Upland owner.

8. Have there been any changes for access to this site?

No

Maintenance and Inspections

9. Describe the existing site conditions and maintenance plans for the land and improvements, including schedule:

Not applicable.

10. Is there a water crossing or bridge within your tenure area? If yes, please provide most recent inspection report. (photos)

No

11. Are you planning maintenance around a stream or waterway?
    Working around a waterway may require an authorization, contact FrontCounter BC.

Yes, regular maintenance of marine moorings.

12. Have other inspections been done for this tenure?

Example: archaeological, geotechnical, biological or wildlife including riparian (fish) and bird, or other.

Yes, Fisheries.

Waste

13. What wastes do you create within the tenure and how are they disposed? Are there waste permits or other special use permits associated with your tenure? Please provide details.

No waste will be generated within the tenure. The dismantling process takes place on the upland site

Example: wood, waste, sewage, grey water, air emissions, camp waste/ garbage, biological, etc.

First Nations Consideration

The Province of British Columbia is legally obligated to consult and, where appropriate, accommodate First Nations on decisions that could impact treaty rights or Aboriginal rights and title ("Aboriginal Interests"). Provincial decision makers are responsible for ensuring adequate and appropriate consultations and accommodations.

For more information please review the information available on the Ministry of Forests, Lands, Natural Resource Operations and Rural Development website: 'Consulting First Nations'.
Specifically, proponents are advised to review: "Guide to involving Proponents When consulting First Nations" (http://www2.gov.bc.ca/gov/content/environment/natural-resource-stewardship/consulting-with-first-nations).

Describe any contact you may have had, including the name of the First Nation(s) and representatives contacted. If no Previous contact has occurred, consult Land Representative first about your role in consultation.

We have had no contact with First Nations at this time.

Safety Plan

A safety plan that meets the Occupational Health and Safety (OHS) criteria set out by WorkSafe BC may be requested.

As per WorkSafe regulations.



Authorized Signature of Tenure Holder

11-27-19

Date

Project Overview

2. Deep Water Recovery's principle business is the dismantling and recycling of decommissioned and/or derelict vessels and barges. As we have only recently purchased the site, we have not yet begun activities.

   The purpose of the tenure is to facilitate the upland activities which in essence is the core of the company's business. The purpose of the tenure is to facilitate the transit of vessels or barges from the water to the land. Once the vessel or barge has been transferred to the upland location, then the dismantling process can begin at which time the material (*primarily steel and non-ferrous metals*) will be sent away for recycling and repurpose. For anyone who is curious, the steel is sent to Seattle where it is melted down and processed into rebar which is then used for civil engineering and general construction.

   We are proposing to tie a barge (*hereafter referred to as site barge)* at the end of the existing ramp, and this barge will serve the purpose of providing a transit point for those vessels/barges that will be removed from the water. For example: when a tugboat delivers a vessel or barge for recycling, they will need somewhere to release the vessel/barge so as we can physically take possession. Once the vessel/barge has been released to us, it would be secured to the site barge so as it could be readied for haul-out and repurpose.

   The purpose of tying these assets to the site barge is to both allow the tugboat to release its cargo, and provide us with a working platform that will allow us to remove any items prior haul-out. These items may include loose pieces of equipment that could be sitting on the deck of a vessel/barge or fixed items that we may remove in order to reduce weight. Once a vessel or barge has been deemed ready for haul-out, we would then prepare the necessary rigging in order to complete the haul-out process and the item would then be transferred to the upland portion of the property where the dismantling would be effected.

   Haul-Out Process

   When we first identified the site, our objective was to analyze together with two marine biologists, a methodology that would enable us to remove vessels and barges from the water and in doing so having a "zero-impact" process on environment. After having analyzed various methods of vessel retrieval, we concluded that large inflatable airbags being employed with the fortuitous tidal activity (*12-15 foot daily tide change*), would allow us to retrieve these vessels without disturbing the ocean floor. Due to the large surface area of each airbag (*each airbag is six feet in diameter and fifty feet long*) combined with low air pressure (*airbags are inflated between eight and twelve pounds*), we are able to remove vessels with no impact on the environment. (See Exhibit B)

Upland Process

The upland site can be described as an area of approximately 200,000 sq. feet, this area consists of a sealed surface (*asphault*) and appropriate pendage for water runoff in which case the water is directed into a large catchment drain and water filtration system.

Once the vessel/barge has been transferred to the upland site, the dismantling process can begin. From our experience, we have been able to either recycle or repurpose in excess of 99% of the total sum of all material from any given vessel. The only waste that we must contend with will usually refer to furnishings, such as carpets, cushions for seating, and in some cases mattresses, however we typically donate these items to local community groups such as the boy scouts or similar. Items such as galley (*kitchen*) equipment is typically resold for reutilization to local restaurants and the like, machinery such as winches, cranes, generators are repurposed for local fishermen, school engineering projects and/or local charities.

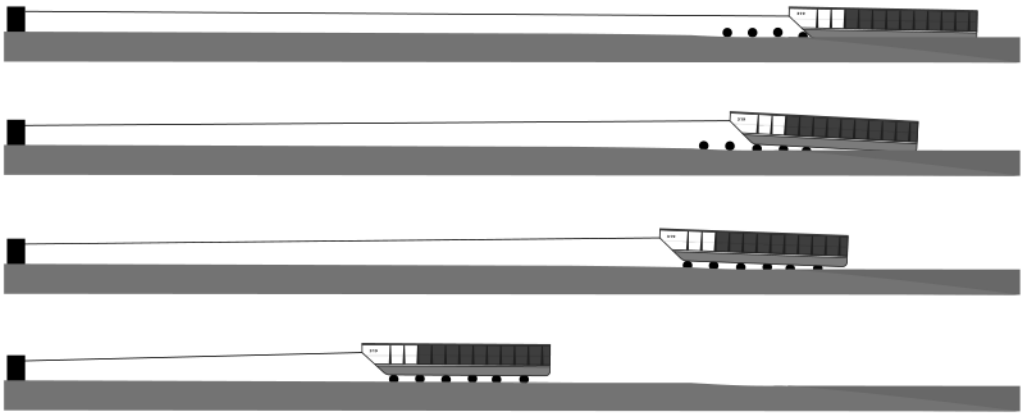
Exhibit A

Arial Photograph with Proposed Use of Tenure.

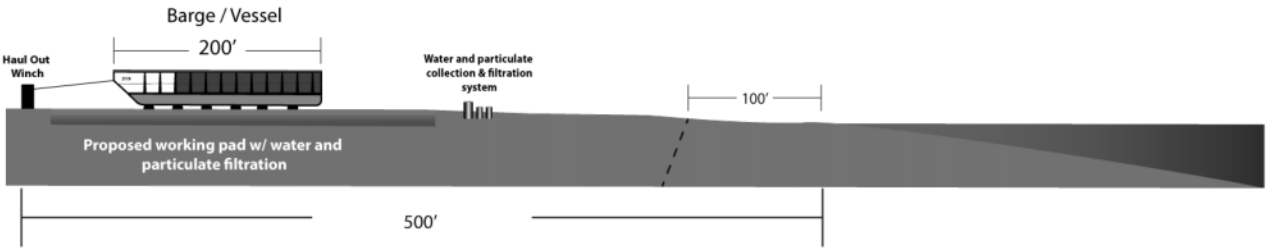


Exhibit B

Artist's Impression of Haul-Out Process



Side View of Purposed Work Area



Management Plan for Tenure Replacement Form.pdf

From: Dena Balla <dena@deepwaterrecovery.com>
To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent: November 27, 2019 6:46:24 PM PST
Attachments: image001.png, Management Plan for Tenure Replacement Form.pdf

Annette,
Please find attached the “Management Plan for Tenure Replacement” form attached. Included in the PDF are the attachments requested in the form. Please feel free to reach out to us with any question.
*An additional email to follow this email.
--

Regards,
Dena Balla
Administrative Assistant



If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.
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RE: Management Plan for Tenure Replacement Form.pdf

From: Bailey, Annette FLNR:EX s.15
s.15
To: Dena Balla <dena@deepwaterrecovery.com>
Cc: Mark Jurisich <mark@deepwaterrecovery.com>
Sent: November 28, 2019 8:41:00 AM PST
Attachments: image001.png

Hi Dena
Thank you for the information.
I appreciate the Project overview information, that is exactly what we require.
If I have any outstanding questions I will let you know. I will plan to send the First Nation consultation letters out this week and will let you know when they are sent.
Thanks
Annette

From: Dena Balla
Sent: November 27, 2019 7:33 PM
To: Bailey, Annette FLNR:EX
Cc: Mark Jurisich
Subject: Management Plan for Tenure Replacement Form.pdf
Annette,
My apologies, I didn't include Mark in the last email. Please find attached the "Management Plan for Tenure Replacement" form attached. Included in the PDF are the attachments requested in the form. Please feel free to reach out to us with any question.
*An additional email to follow this email.
--

Regards,
Dena Balla
Administrative Assistant
deepwater recovery
A Canadian Limited Company

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Update on file

From: Bailey, Annette FLNR:EX <s.15
s.15
To: mark@deepwaterrecovery.com
Sent: January 21, 2020 9:02:14 AM PST

Hi Mark
Thank you for the phone call.
As you know the consultation with First Nation on your file was completed. I have received a letter from K'omoks indicating they have concerns with the application and are "request a meeting with the proponent to help address our questions and concerns".
Meeting with K'omoks First Nation is entirely your decision. If you are interested in meeting with K'omoks I have attached a link to "Guide to Involving Proponents when Consulting First Nations"
https://www2.gov.bc.ca/assets/gov/environment/natural-resource-stewardship/consulting-with-first-nations/first-nations/involving_proponents_guide_when_consulting_with_first_nations.pdf
The contact information for K'omoks First Nation is;
3330 Comox Road Courtenay, BC V9N 3P8
250-339-4545
reception@komoks.ca
The contact name on the letter is Nicole Rempel (Elected Chief)
Thanks

Annette Bailey, RPBio
Authorizations Specialist
South Island Natural Resource District
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9
250-731-3028

Meeting....

From:	Mark Jurisich <mark@deepwaterrecovery.com>
To:	emily.shopland@komoks.ca
Cc:	Dena Balla <dena@deepwaterrecovery.com>, Annette FLNR:EX Bailey <Annette.Bailey@gov.bc.ca>, Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent:	February 5, 2020 10:49:12 PM PST
Attachments:	PastedGraphic-7.tiff

Good Morning Emily,
It was a pleasure speaking with you yesterday and as discussed our company is involved in the removal and recycling of marine vessels and barges that are obsolete or no longer in service. We are looking to change our water lease from a log handling operation so as we can bring barges to our location in order for their removal from the water. It should be noted that the recycling process of the vessels is conducted on the upland side of the property and not in the water.
I received a telephone call from Annette Bailey (Authorizations Specialist South Island Natural Resource District) and she indicated that the K'omoks First Nation has some questions regarding our project and we would like to request a meeting with the council at your earliest convenience and would request a meeting for approximately thirty minutes. Feel free to contact me on my cell 619-823-5925.

Regards,
Mark R. Jurisich
Operations Manager - Canada

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Photos of the Barge...

From:	Dena Balla <dena@deepwaterrecovery.com>
To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Cc:	Mark Jurisich <mark@deepwaterrecovery.com>
Sent:	March 31, 2020 3:07:51 PM PDT
Attachments:	image001.png, IMG_7051.jpeg, IMG_7050.jpg

Annette,
Please find attached the photo of the barge Mark had mentioned to you on the phone in your conversation this afternoon. Should you have any further question, please don't hesitate to contact him.
--

Regards,
Dena Balla
Executive Office
Office: +1(778) 427-1133

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Castor Consultants...

From:	Dena Balla <dena@deepwaterrecovery.com>
To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Cc:	Mark Jurisich <mark@deepwaterrecovery.com>
Sent:	March 31, 2020 3:17:51 PM PDT
Attachments:	image001.png

Good Afternoon Annette,
Mark asked me to forward you the numbers for Rob Waters of Castor Consultants. They are as follows:
Office – 250-245-0225
Mobile - 250-816-1234
Please feel free to contact should you have any further questions.
--

Regards,
Dena Balla
Executive Office
Office: +1(778) 427-1133



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Barge in Menzies Bay

From: Bailey, Annette FLNR:EX s.15
s.15
To: Mark Jurisich <mark@deepwaterrecovery.com>
Sent: April 1, 2020 8:00:41 AM PDT

Hi Mark
Thank you for the call yesterday and the discussion about the barge in Menzies Bay.
I have spoken to our Decision Maker.
I explained the good work you are doing and the barges you have already removed. The Decision maker is concerned about due process. If we continue to allow you to remove barges without the correct authorization then what stops others from doing the same.
I am going to work with our First Nation advisor and reach out to K'omoks First Nation. We are planning to write a moving to decision letter to move the process along but we need to ensure that some staff are working at the Nation.
I touched base with Dena yesterday to ask for your conversation/phone record with K'omoks. We had discussed you keeping a record of the times you have reached out to K'omoks also the times you have set up meetings and they have been postponed. We will use this information to form a part of our letter.
At this time, the Decision maker is not comfortable giving you permission to move the barge. I will keep you posted on our progress with K'omoks or if anything changes.
Thanks

Annette Bailey, RPBio
Authorizations Specialist
South Island Natural Resource District
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9
250-731-3028

FW: Meeting....

From:	Dena Balla <dena@deepwaterrecovery.com>
To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Cc:	Mark Jurisich <mark@deepwaterrecovery.com>
Sent:	April 1, 2020 10:23:19 AM PDT
Attachments:	image002.png, Verizon_bill_February_01_2020.pdf, Verizon_bill_March_01_2020.pdf, image003.png, image001.png

Good Morning Annette,
Per your request I am forwarding you the email thread from Emily Shopland of K'omoks First Nations setting up and then canceling the meeting (See below – Date of the meeting was originally set for April 2nd at 9:30am), as well as the phone activity showing the phone calls attempting to contact First Nations (phone calls highlighted in green). Should you have any further questions or need any additional information, please do not hesitate to ask.
--

Kind Regards,
Dena Balla
Executive Office
Office: +1(778) 427-1133

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Begin forwarded message:
From: Emily Shopland <emily.shopland@komoks.ca>
Subject: RE: Meeting....
Date: March 26, 2020 at 2:19:20 PM PDT
To: Mark Jurisich <mark@deepwaterrecovery.com>
Hello Mark,
Thanks for your email, and sorry for the delay in reaching out to you regarding this meeting.
With our office being closed due to COVID-19, we are focusing on emergency operations only and we will have to indefinitely postpone this conference call. s.22 and all staff are solely focused on assisting our members at this time.
Once we are able to resume our normal operations I will contact you to reschedule this meeting. Chief and council sends their apologies for the short notice.
Warm regards,

K'ómoks First Nation

Emily Shopland
Administrative Assistant
K'òmoks First Nation
Courtenay, BC
P: 250.339.4545 ext. 128

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From: Mark Jurisich <mark@deepwaterrecovery.com>
Sent: March 26, 2020 10:20 AM
To: Emily Shopland <emily.shopland@komoks.ca>
Subject: Re: Meeting....

Good Morning Emily,

Please confirm the meeting is going to take place next week as scheduled. Much appreciated.

Kind Regards,
Mark R. Jurisich
Operations Manager - Canada



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On Mar 9, 2020, at 11:21 AM, Emily Shopland <emily.shopland@komoks.ca> wrote:

Hello Mark,

Great. You are booking on April 2nd at 9:30am for 30 minutes.

In preparation for this meeting, if you can send me who would be attending from Deepwater Recovery, as well as a briefing note one week prior to April 2nd so Chief and Council are able to review it that would be appreciated.

Warm regards,

Emily Shopland
Administrative Assistant
K'òmoks First Nation
Courtenay, BC
P: 250.339.4545 ext. 128

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From: Mark Jurisich <mark@deepwaterrecovery.com>
Sent: March 9, 2020 10:17 AM
To: Emily Shopland <emily.shopland@komoks.ca>
Subject: Re: Meeting....

Hello Emily,

Thank you for your email. I confirm that Thursday April 2nd at 9:30am will be fine.

Kind Regards,
Mark R. Jurisich
Operations Manager - Canada

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On Mar 6, 2020, at 8:48 AM, Emily Shopland <emily.shopland@komoks.ca> wrote:

Hello Mark,

Your email was presented at the last meeting and Chief and Council would like to meet with you. I have Thursday April 2nd at 9:30am available for 30 minutes. Would this work for you?

Warm regards,

Emily Shopland
Administrative Assistant
K'òmoks First Nation
Courtenay, BC
P: 250.339.4545 ext. 128

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From: Emily Shopland
Sent: February 6, 2020 4:05 PM
To: mark@deepwaterrecovery.com
Cc: Dena Balla <dena@deepwaterrecovery.com>
Subject: RE: Meeting....

Hi Mark,

Sorry I didn't have a chance to call you back today, I was in an all day meeting. I have received your email and will be bringing it to C+C at our next meeting.

Warm regards,

Emily Shopland
Administrative Assistant
K'òmoks First Nation
Courtenay, BC
P: 250.339.4545 ext. 128

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deletion. Please note that any views or opinions presented in this email are solely those of the author and do not necessarily represent those of the K'òmoks First Nation. Finally, the recipient should check this email and any attachments for the presence of viruses. The sender accepts no liability for any damage caused by any virus/malware/spam etc. transmitted by this email.

From: Mark Jurisich < >
Sent: February 5, 2020 10:49 PM
To: Emily Shopland <emily.shopland@komoks.ca>
Cc: Dena Balla < >; Annette FLNR:EX Bailey <Annette.Bailey@gov.bc.ca>
Subject: Meeting....

Good Morning Emily,

It was a pleasure speaking with you yesterday and as discussed our company is involved in the removal and recycling of marine vessels and barges that are obsolete or no longer in service. We are looking to change our water lease from a log handling operation so as we can bring barges to our location in order for their removal from the water. It should be noted that the recycling process of the vessels is conducted on the upland side of the property and not in the water.

I received a telephone call from Annette Bailey (Authorizations Specialist South Island Natural Resource District) and she indicated that the K'omoks First Nation has some questions regarding our project and we would like to request a meeting with the council at your earliest convenience and would request a meeting for approximately thirty minutes. Feel free to contact me on my cell 619-823-5925.

Regards,
Mark R. Jurisich
Operations Manager - Canada

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Page 216 of 646 to/à Page 220 of 646

Withheld pursuant to/removed as

s.22

Land file 0021050

Letter received from K'omoks 2020-02-21 indicating they would like to meet with Applicant
Applicant communication with K'omoks first Nation

Phone

Time
1/30/2020	13:294 mins
1/31/2020	8:202 mins
1/31/2020	9:432 mins
2/4/2020	12:041 min
2/4/2020	12:581 min
2/4/2020	13:002 mins
2/4/2020	13:4019 mins
2/6/2020	14:302 mins
2/6/2020	17:092 mins
2/7/2020	11:328 mins

Email

Date	Contact	Comments
2/5/2020	Emily Shopland	Follow-up to Phone call - Request for meeting (30 minutes) to discuss application
2020-02-06	Response from Emily	Will be bringing request to C &C at next meeting
3/6/2020	Response from Emily	C & C would like to meet - Thursday April 2 at 9:30am
3/9/2020	Emily Shopland	Applicant confirming the meeting date
3/9/2020	Response from Emily	In preparation for meeting-who will be attending from DeepWater Recovery and request for briefing note one week prior
3/26/2020	Emily Shopland	Confirming meeting will be going ahead on April 2
3/26/2020	Response from Emily	Meeting indefinitely postponed due to Coronavirus and office closed. Will re-schedule when

RE: Phone call

From: Morris, Rhonda M FLNR:EX <Rhonda.Morris@gov.bc.ca>
To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent: April 8, 2020 12:23:38 PM PDT

Is there anything legally under the lands act that allows me give them permission because of the urgent nature of this sinking barge?

From: Bailey, Annette FLNR:EX
Sent: April 8, 2020 11:27 AM
To: Morris, Rhonda M FLNR:EX
Subject: FW: Phone call

Hi Rhonda
I have received the email below from Deepwater Recovery. We have spoken about this company previous, they are pulling derelict barges and vessels out of the water. Currently they are using a log handling water tenure in front of their privately owned upland. We have consulted with First Nation and K'omoks wants to meet with the company. Due to the pandemic that meeting has not taken place. I have spoken to Tim Munson about K'omoks to determine if they will accept letters. Tim is still working with Rosalind in CR to discuss K'omoks.
I have forwarded the email to you to get your opinion and/or permission prior to responding to the applicant. My afternoon is free if you would like to discuss.
Thanks
Annette

From: Mark Jurisich <mark@deepwaterrecovery.com>
Sent: April 8, 2020 10:41 AM
To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Subject: Re: Phone call

Good Morning Annette,
Thank you for your email.
I had attempted to call you yesterday as we are due to receive the barge from Campbell River in the next 48 hours and the plan was to moor it temporarily in Fanny Bay, it cannot stay in Menzies Bay any longer as it is taking on water, and I am not comfortable with leaving it in Fanny Bay if this can be avoided.
MOWI (formerly Marine Harvest) whom are the owners of the barge, have asked us to place an Environmental and Pollution policy on the barge, which we have been unable to do due to its condition. The insurance underwriters requested a survey and MOWI provided us with a survey that was conducted approximately nine months ago s.21
s.21 the record will not be acceptable today as nine months has since passed and the condition of the vessel has only continued to deteriorate, the underwriters are requesting an updated survey report.
s.21

As we are unable to get insurance on this barge, we would like to tow it from Campbell River directly to our location as MOWI currently has insurance in place and this will cover the barge while under tow. Upon arrival at our location, we are requesting permission to remove it from the water immediately.
s.21

s.21 I am requesting if possible, that you may be able to make an exception until we receive an approval to change our water lease.
s.21 it would be much appreciated. Feel free to call me if you have any questions.
Regards,
Mark R. Jurisich
Operations Manager - Canada

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On Apr 8, 2020, at 8:13 AM, Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca> wrote:

Hi Mark

Thank you for the phone message yesterday.

I have been away from work for a couple of days.

I will touch base with our First Nations Advisor today and get an update about K'omoks. I will update you this afternoon.

Thanks

Annette

Barge removal

From: Bailey, Annette FLNR:EX s.15
: s.15
To: Mark Jurisich <mark@deepwaterrecovery.com>
Sent: April 14, 2020 4:09:27 PM PDT

Hi Mark
As we discussed yesterday, I have made a recommendation to our Decision maker for the removal of the derelict barge out of Menzies Bay to your upland location.
The Decision maker has agreed to the barge removal (due to safety reasons) subject to the following;

- Management Plan must be adhered to
- Rob Waters (biologist) must be onsite during the haul-out
- This permission is only for Seaspan 610 barge owned by Mowi Canada West Inc. that currently is located in Menzies Bay

Please let me know when the haul-out will take place as I would like to see the process if it works with my schedule.
I have also sent a letter to the West Coast First Nation advisors to be forwarded to K'omoks First Nation.
Thanks

Annette Bailey, RPBio
Authorizations Specialist
South Island Natural Resource District
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9
250-731-3028

RE: Barge Haul Out...

From: Bailey, Annette FLNR:EX s.15
s.15
To: Dena Balla <dena@deepwaterrecovery.com>
Sent: April 24, 2020 8:54:06 AM PDT
Attachments: image002.png

Hi Dena
Do you have an update on the barge removal?
Thanks
Annette

From: Dena Balla
Sent: April 23, 2020 9:12 AM
To: Bailey, Annette FLNR:EX
Cc: Mark Jurisich
Subject: Barge Haul Out...
Good Morning Annette,
Mark asked me to reach out to you this morning in regard to the haul out for the current barge, after a few delays due to various factors (i.e. – tugboat company transport, the weather conditions and high tide), we have pushed the scheduled date to tomorrow morning. Mark will reach out to you later this afternoon to give you an exact starting time so that you can plan accordingly. Please feel free to contact him/us should you have any questions. Much appreciated.
--

Regards,
Dena Balla
Executive Office
Office: +1(778) 427-1133

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*This email is not spam.

Re: Thank you

From:	Dena Balla <dena@deepwaterrecovery.com>
To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Cc:	Mark Jurisich <mark@deepwaterrecovery.com>
Sent:	April 30, 2020 12:27:49 PM PDT
Attachments:	image001.png

Annette,
It has been a very busy week but very productive! … I too enjoyed meeting you in person, and putting a face to the name. Look forward to continuing to work with you. Hope you have a wonderful rest of your week and weekend.
--

Kind Regards,
Dena Balla
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Office: +1(778) 427-1133

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*This email is not spam.

From: "Bailey, Annette FLNR:EX"
Date: Monday, April 27, 2020 at 8:12 AM
To: Dena Balla , Mark Jurisich
Subject: Thank you
Good Morning
Thank you for the great tour on Saturday. I really appreciate you taking the time to show me your operation. I certainly learned a lot.
Dena – Is was nice to meet you in person.
Have a great week
Annette Bailey, RPBio
Authorizations Specialist
South Island Natural Resource District
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9
NEW 250-736-6843

Water Lease...

From:	Mark Jurisich <mark@deepwaterrecovery.com>
To:	Annette Bailey <Annette.Bailey@gov.bc.ca>, Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent:	May 6, 2020 4:48:57 PM PDT
Attachments:	PastedGraphic-6.tiff

Hi Annette,
To my surprise we do not have a copy of the Water Lease "By-laws / Intended Use" details pertaining to the lease agreement, we do have a copy of the Water Lease but I was not able to find any details for its intended use.
Would you have this information, and if so, would you be able to forward us a copy. In the meantime, I will forward you a copy of the by-laws which clearly identify many activities that are permissible and applicable to our operation on this site, these include such things as boat yard, boat building, barge terminal, barge repair, barge loading, as well as a host of other activities.

Regards,
Mark R. Jurisich
Operations Manager - Canada

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Scan2020-05-06_171224.pdf

From:	Dena Balla <dena@deepwaterrecovery.com>
To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Cc:	Mark Jurisich <mark@deepwaterrecovery.com>
Sent:	May 6, 2020 5:19:59 PM PDT
Attachments:	image001.png, Scan2020-05-06_171224.pdf

Annette,
Please find attached the Industrial Marine by-laws pertaining to Mark's email he sent you a little bit ago.
--

Kind Regards,
Dena Balla
Executive Office
Office: +1(778) 427-1133



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907 Industrial Marine (IM)

1. PERMITTED PRINCIPAL USES

On any lot:

i) Boat building, repairs, service and sales;
ii) Seafood processing and sales;
iii) Restaurants;
iv) Marinas;
v) Barge facilities;
vi) Waterfront freight handling facility;
vii) Log handling and storage facilities;
viii) Storage yard and warehouse facilities;
ix) Offices.

2. PERMITTED ACCESSORY USES

On any lot:

i) Residential use limited to one dwelling unit;
ii) Accessory buildings;
iii) Home occupation;
iv) Bed and Breakfast.

3. CONDITIONS OF USE

i) Landscaping shall be in accordance with the conditions of the required Development Permit.

ii) No parking, loading or storage areas shall be located within 1.5 metres (4.9 feet) of any property line except in the case when the area abuts or is within a water area, in which case no minimum applies.

iii) Boat building, repairs, service and sales shall be subject to the following conditions:

a) No loading or storage areas shall be located within 15.0 metres (49.2 feet) of any property line abutting a parcel zoned under Part 700 Residential Zones.

iv) Barge or waterfront freight handling facilities shall be subject to the following conditions:

a) No loading or storage areas shall be located within 15.0 metres (49.2 feet) of any property line abutting a parcel zoned under Part 700 Residential Zones.

v) Storage yards and warehouse facilities shall be subject to the following conditions:

a) No loading or storage areas shall be located within 15.0 metres (49.2 feet) of any property line abutting a parcel zoned under Part 700 Residential Zones.

vi) All properties shall be screened from any abutting properties by screening not less than 2.0 metres (6.6 feet) in height.

4. SITING OF BUILDINGS AND STRUCTURES

The setbacks required for buildings and structures within the Industrial Marine zone shall be as set out in the table below.

		Required Setback			
Type of Structure	Heights	Front yard	Rear yard	Side yard	Side yard abutting road
Principal	12.0m (39.4ft)	7.5m (24.6ft)	7.5m (24.6ft)	7.5m (24.6ft)	7.5m (24.6ft)
Accessory	4.5m-or less (14.8ft)	7.5m (24.6ft)	7.5m (24.6ft)	7.5m (24.6ft)	7.5m (24.6ft)
Accessory	6.0m-4.6m (19.7ft)	7.5m (24.6ft)	7.5m (24.6ft)	7.5m (24.6ft)	7.5m (24.6ft)

Except that when the property abuts a lake or sea or where the area is a foreshore lease, no yard minimum applies to the area abutting or within a water area, except for building used for habitation or storage of goods damageable by floodwaters.
Except where otherwise specified in this Bylaw, no building or structure shall be located in any required front and side yard setback area. [Part 400, Siting Exceptions, of this bylaw and Bylaw No. 1836 being the "Floodplain Management Bylaw, 1997" may affect the siting of structures adjacent to major roads and the natural boundaries of watercourses and the sea, respectively.]

5. LOT COVERAGE

The maximum lot coverage for all buildings and structures shall not exceed 50%.

6. SUBDIVISION REQUIREMENTS

Minimum Lot Area

i) The minimum lot area permitted shall be:

a) When connected to community water and sewer: 2000 metres² (0.5 acre)

b) When connected to either community water or sewer: 4000 metres² (1.0 acres)

c) When serviced by well and approved septic disposal 1.0 hectare (2.5 acres)

ii) The minimum area for foreshore leases shall be in accordance with the site license of occupation or lease issued by the jurisdiction having authority.

End • IM

RE: Water Lease...

From: Bailey, Annette FLNR:EX s.15
s.15
To: Mark Jurisich <mark@deepwaterrecovery.com>
Sent: May 7, 2020 8:59:00 AM PDT
Attachments: image001.png, 2018-02-28 Union Bay - Log Handling Lease Management Plan - FINAL0 0021050.pdf, 2017-09-25 log handling policy 0021050.msg

Hi Mark
The purpose statement is in Article 2 (2.1) and your current lease indicates 'log booming and storage purposes as set out in the Management Plan'.
I have included the Management Plan (MP) on which this statement is based.
The MP is fairly generic in its description.
I have also included the log handling policy for your information.
I think this illustrates how important it is to include any and activities you plan to do on the tenure in your Management Plan.
The permitted industrial use bylaw document includes all activities that meet the description of Industrial Use. The Province narrows that down to more specific use.
Hope this helps.
Annette

From: Mark Jurisich
Sent: May 6, 2020 4:49 PM
To: Bailey, Annette FLNR:EX
Subject: Water Lease...
Hi Annette,
To my surprise we do not have a copy of the Water Lease "By-laws / Intended Use" details pertaining to the lease agreement, we do have a copy of the Water Lease but I was not able to find any details for its intended use.
Would you have this information, and if so, would you be able to forward us a copy. In the meantime, I will forward you a copy of the by-laws which clearly identify many activities that are permissible and applicable to our operation on this site, these include such things as boat yard, boat building, barge terminal, barge repair, barge loading, as well as a host of other activities.

Regards,
Mark R. Jurisich
Operations Manager - Canada



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Union Bay Log Handling/Storage Facility

Management Plan and Debris Management Plan

FLNRO File 0021050 – Union Bay Lease Renewal

Background

The Lease is permitted for log booming and storage. The lease is currently and has been used for this purpose since its issuance in 1988. The log storage facility is currently in use. From 2014 – 2017 an estimated 85,000m^3 of logs per year, were watered at the facility.

The foreshore site is 13.79 hectares of land covered by water, with a log storage area and a skidway for log dumping.

Location

The lot is located on the east side of Vancouver Island, in Baynes Sound, within the community of Union Bay, approximately 14 kilometers south of Courtenay, BC. Access to the lease area is off of Highway 19A (South Island Highway).

Activities

There are no changes to use, location or area of this lease.

First Nations Consultation

First Nations consultation was not completed with the K'ómoks First Nations, prior to submitting this application for renewal.

Equipment on Site

Equipment required for log dumping and booming is stored on site during operational use of the log storage area. Equipment used within the upland portion of the property includes, a stacker, front end loader, log loader and a bundle truck. Boom boats are used within the booming grounds to maneuver logs.

Infrastructure

Infrastructure currently in place within the lease area includes (refer to Figure 1):

Skidway:

- A metal skidway is located within the northern half of the lease area.

Booming grounds:

- Booms have been adequately anchored to ensure the boom perimeter has been maintained in water of adequate depth for log storage.
- Stiff legs have been used to prevent boom sticks from collapsing onto the shoreline. Anchor lines, chains or cables have been employed such that excess line does not collect on the bed of the water body or form loops that may ensnare marine mammals. Concrete anchors are pre-cast and cured away from water before use to prevent seepage of potentially toxic substances.
- Double boomsticks have been employed to ensure containment of logs and debris.
- Boom corners are appropriately marked for navigation purposes as per the Navigable Waters Protection Act.

Access:

- Existing road access is Highway 19A (South Island Highway) off Highway 1.

Utilities:

- The foreshore property is serviced by the local Union Bay sewer and power lines. Union Bay is within the Comox Valley Regional District. No proposed changes in the requirements for utilities are proposed.

Water supply:

- The foreshore property is serviced by the local Union Bay water supply. Union Bay is within the Comox Valley Regional District. No proposed changes to the water supply use is proposed.

Waste disposal:

- Any waste that is generated in the foreshore area is disposed of offsite on a periodic basis.

Environmental Considerations

Land Impacts:

- No timber removal is required and the existing site will not be enlarged;
- Fuel storage is located on upland portion of the log sort away from the waters edge and spill kits are available.
- There are no freshwater streams in the vicinity of the lease area.
- There are no identified invasive species within the foreshore area. However, any herbicide use will comply with the Integrated Pest Management Act and Regulation (including buffers from waterbodies).
- Visual impacts will not change from the existing condition.
- There are no archaeological sites within the area[1].

Atmospheric Impacts:

Sound:

- Sound impacts from the lease area are anticipated to be the same as typical log sort operations. Sound sources directly from the lease area include, the operation of heavy duty machinery, alarm bells/horns, and the operation of boom boats.
- Odor, gas and fuel emissions for this site are minimal; as expected for general log storage operations.

Water or Land covered by Water Impacts:

- Drainage and flood potential will not be altered by the continuation of these operations.
- Public access will be limited at the site when operations are occurring due to safety concerns.

Fish and Wildlife Habitat

Wildlife:

- Adverse effects to wildlife and wildlife habitat are not expected (the site is already established).
- The project is located within Baynes Sound. Hart Creek (fish bearing creek) discharges into Baynes sound ~430m south of the southwest corner of the lease area.
- Increased erosion or sedimentation is not expected to occur.
- There is no water diversion planned.
- Species at risk are not expected to be impacted (none noted in immediate area[2]).

Fish and Anadromous Fish Bearing Streams:

- The fish bearing Hart Creek (Watershed Code: 920-538600) is located 430 m south of the booming grounds. Hart Creek is reported as having chum salmon (*Oncorhynchus keta),* coho salmon (*Oncorhynchus kisutch)*, steelhead trout (*Oncorhynchus mykiss)*, and cutthroat trout (*Oncorhynchus clarkii).*
- Fisheries and Oceans Canada "Measures to avoid causing harm to fish and fish habitat including aquatic species at risk" advice will be followed to avoid negative impacts to fish, fish habitat and marine mammals.

Sensitive Habitats:

- The west side of Baynes Sound within the vicinity of the Union Bay log sort is primarily a bedrock dominated steep shoreline and features with some silt sand shores and no sensitive habitats; tidal flats, salt marshes or kelp beds, shellfish harvest areas, or marine mammal haul outs in the vicinity of the Union Bay log storage facility[3].
- The Coastal Resource Information Management System (CRIMS) shows the southeastern corner of the lease area to potentially contain eelgrass (Figure 2). Given the prolonged use of the lease area (~30 years) as booming grounds, that the continual use as such should not further disturb the area. Additionally, measures outlined within the Debris Management Plan will aide in reducing the amount of woody debris introduced into the marine environment.

Marine mammals (dolphins, porpoises, whales):

- It is unlikely that whales will be present in the area. Where marine mammals are encountered:
    - Vessels operating near whales, dolphins and porpoises should be cautious, slow down, keep clear of the animals' path and not approach or be positioned within 400m. If a vessel is

[1] iMapBC: http://maps.gov.bc.ca/ess/sv/imapbc/ - accessed February 23, 2018.

[2] BC Species and Ecosystems Explorer: http://a100.gov.bc.ca/pub/eswp/ - accessed February 23, 2018

[3] Coastal Resource Information Management System: http://maps.gov.bc.ca/ess/sv/crims/ - accessed February 23, 2018.

unexpectedly within 200m of a dolphin, porpoise, or whale, stop immediately and allow the animal(s) to pass.
    - At all times, operations will be suspended if marine mammals are observed to approach within 500m of the log storage area.

Herring:

- The last year of documented evidence of herring spawn within Union Bay was 1981[4], however herring spawn has been recorded in the area in 2017. Due to the rare occurrence of herring spawn occurring at Union Bay, it is not anticipated that the continued activity has the potential to impact herring.

Salmon:

- There is no anticipated construction within the Union Bay foreshore area at this time.
- Due to the lack of planned construction within the foreshore area, it is not anticipated that salmon will be impacted by the continued activities at the sort.

Socio-Community

The Union Bay log sort falls within the community of Union Bay within the Comox Valley Regional District. The sort is an accepted use for the area as it is zoned as IM – Industrial Marine. The sort has been at its current location for over 30 years, and therefore it is not anticipated to create an increased demand on the fire protection and other health facility and emergency services. Also, the sort will continue to follow standard Occupational Health and Safety Regulations already in place at the site.

[4] DFO Herring Spawn Records: http://www.pac.dfo-mpo.gc.ca/science/species-especes/pelagic-pelagique/herring-hareng/herspawn/142fig-eng.html - accessed February 23, 2018.

Debris Management Plan

Excessive volumes of wood waste on the sea floor can negatively impact habitat by smothering organisms and introducing toxic leachates into the water. The amount of wood waste deposited into the marine and foreshore environment will be limited through the use of both Infrastructure and Design components.

Log storage:

- To prevent boom sticks from collapsing onto the shoreline, boom sticks are kept offshore with stiff legs and/or anchors.
- All bundled booms will be stored in deep water and secured so they do not de-water or touch the ocean bottom at any time during watering, storing or transport.
- Waterborne debris will be contained within boom pockets at all times via a ring of boom sticks.
- Storage on site will be temporary.
- Wood waste is removed by a certified dredging company and properly disposed of, when required.

Wood Debris Management:

- Logs will be limbed and bucked, prior to being transferred into the water at the sort to prevent excessive wood waste introduction to the marine environment.
- The upland log sort and skidway will be periodically cleared of wood debris (removed to an upland location) as to prevent wood debris accumulation and deposition into the marine environment.

Waste Management:

- Any solid waste (i.e. cables, garbage, etc.) that is generated on site will not be disposed of in the marine environment and will be disposed of as per legislated requirements.

Spill Prevention and Management:

Marine log storage operations are conducted in a manner to avoid spills. (i.e. machinery is routinely maintained and repaired, fuel and other oil is stored in tanks and barrels on land). Machinery on site are equipped with spill kits. Additional spill containments supplies are available to mitigate spills to water.
Two debris sump systems are located within the upland sort to manage site run off.



Marika Forge, RPBio.
Zimmfor Management Services Ltd.
Signed on behalf of Union Bay Industries Ltd.

February 27, 2018
Date signed

References

1. Fisheries and Oceans Canada. Measures to avoid causing harm to fish and fish habitat including aquatic species at risk. Found at http://www.dfo-mpo.gc.ca/pnw-ppe/measures-mesures/measures-mesures-eng.html. Accessed August 2017.
2. BC Land Use – Log Handling. Found at http://www2.gov.bc.ca/gov/content/industry/natural-resource-use/land-use/crown-land/crown-land-uses/log-handling Accessed August 2017.
3. Department of Fisheries and Oceans Canada. Section 172, Nanoose Bay Herring Spawn Records. Found at http://www.pac.dfo-mpo.gc.ca/science/species-especes/pelagic-pelagique/herring-hareng/herspawn/172fig-eng.html. Accessed August 2017.



Figure 1. Site map of Union Bay foreshore lease area (lands file 0021050).



Figure 2. CRIMS data showing the potential for eelgrass within the foreshore area (green layer).

2017-09-25 log handling policy 0021050

From:	Jones, Tori FLNR:EX s.15
To:	Annie Glover <gloverannie@shaw.ca>
Sent:	September 25, 2017 11:24:53 AM PDT
Attachments:	log_handling.pdf

Sorry that link didn't work for you. Here is the pdf.
Anything else don't hesitate to contact me.
Cheers

Victoria (Tori) Jones
Authorizations Administrator
South Island Natural Resource District
Ph: 250-731-3018

BRITISH COLUMBIA

Land Use Operational Policy
Log Handling

NAME OF POLICY:	Log Handling
APPLICATION:	This policy applies to all aquatic and upland Crown lands used for log handling operations and activities
ISSUANCE:	Assistant Deputy Minister, Tenures, Competitiveness and Innovation
IMPLEMENTATION:	Ministry of Forests, Lands and Natural Resource Operations
REFERENCES:	*Land Act* (Ch. 245, R.S.B.C., 1996)
RELATIONSHIP TO PREVIOUS POLICY:	This policy replaces the previous Log Handling policy dated August 16, 2004
POLICY AMENDMENT:	Any formal request for an amendment to this policy is to be directed in writing to the Director, Land Tenures Branch, Ministry of Forests, Lands and Natural Resource Operations

Dave Peterson, ADM
Tenures, Competitiveness and Innovation
Ministry of Forests, Lands and Natural Resource Operations

MAY 26 2011
Date:

EFFECTIVE DATE: June 1, 2011 **FILE**: 12350-00
AMENDMENT:

APPROVED AMENDMENTS:		
Effective Date	Briefing Note /Approval	Summary of Changes:
June 1, 2011	BN 175892	Policy and Procedure update to reflect reorganization of resource ministries April 2011
July 31, 2014	Email for Director approval	Replaced Appendix 3 Zone map to show better resolution
September 22, 2015	BN 217947	Land Act Reform phase 1 changes and other housekeeping amendments

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1. POLICY APPLICATION

This policy applies to all aquatic Crown land and Crown upland.

This policy is to be applied together with the Residential policy which addresses Crown shoreland.

The italicized text in this document represents information summarized from standard Crown land management policies and procedures. This material has been inserted where it provides necessary direction or context. As well, website links offer access to the full text of the relevant land management policies and procedures. Text in standard script is applicable to this policy only.

2. PRINCIPLES AND GOALS

Provincial employees act in accordance with applicable legal requirements when making decisions. The Guiding Principles are a summary of key administrative and contract law principles which guide provincial employees.

This policy is part of a series of policies that have been developed to help provincial staff use business and legal principles to achieve the government's goals with respect to the management of Crown land in a manner that is provincially consistent, fair and transparent. To that end, this policy also serves as a communication tool to help the public understand how the Province of BC makes decisions respecting Crown land.

3. DEFINITIONS

Aquatic Crown land means that land below the visible high water mark of a body of water, extending offshore to the recognized limit of provincial jurisdiction, including the foreshore.

Authorizing Agency means the Provincial ministry responsible for the specific land use authorization.

First Nation is a term that refers to the Indian peoples in Canada, both Status and non-Status. Although the term First Nation is widely used, no legal definition of it exists. Some Indian peoples in British Columbia have adopted the term "First Nation" to replace the word "band" in the name of their community.

General log handling use means the use of Crown land for industrial activities and related improvements for log dumping, storage, sorting, booming and barging in remote areas and other areas not associated with intensive log handling as described below.

Intensive log handling use means the use of Crown land for industrial activities and related improvements directly associated with a wood conversion facility (e.g. sawmill, pulpmill, plywood mill) and/or an integrated operational facility such as a centralized dry land or aquatic log sort, and includes, without limitations, log storage and holding areas, jackladders, feeder pockets, hot ponds, wharves and floats, float-camp sites, pilings and areas

of fill directly associated with those facilities. (Float camps which are not contiguous and used in conjunction with a specific log handling tenure are authorized under Type "B" Commercial policy.)

4. ABBREVIATIONS

BCA - BC Assessment

FLNR – Ministry of Forests, Lands and Natural Resource Operations

ha. - Hectare

MOU - Memorandum of Understanding

5. APPLICANT ELIGIBILITY

Applicants for new tenures, tenure assignment, or tenure replacement must be:

- *Canadian citizens or permanent residents 19 years of age or older; or,*
- *Corporations which are incorporated or registered in British Columbia; or,*
- *Registered partnerships, cooperatives, and non-profit societies which are formed under the relevant provincial statutes; or*
- *First Nations can apply through band corporations or Indian Band and Tribal Councils. Band or Tribal Councils require a Band Council Resolution a) authorizing the council to enter into the tenure arrangement, and b) giving the signatories of the tenure document the ability to sign on behalf of the Band. For tenures which are to be registered in the Land Title Office, First Nations must apply through either a band corporation or trustees. Band members can elect 1 or more trustees to hold a tenure on behalf of the Band. Verification of election must be by way of a letter signed by the Chief and councilors of the Band giving the full names of the trustees and stating that they were elected at a properly convened meeting of the Band. A Band Council Resolution is not required.*
- *In the case of aquatic land, non-Canadians can apply if they own the adjacent upland (companies must still be incorporated or registered in B.C.).*

For more detailed standard policy information see Eligibility and Restrictions.

6. FORM OF LAND ALLOCATION

Refer to Appendix 1 for a summary of the forms and terms of Crown land allocation available for log handling operations.

If you wish to use Crown land for a short term, low impact activity you may not need to apply for tenure, you may be authorized under the Permissions policy.

Any *Land Act* permits currently in good standing remain viable tenures until expiry. Activities that were previously tenured as permits and require additional time to

complete, may be authorized under the Permissions policy or as a temporary licence within programs that formerly offered a temporary permit.

For more detailed standard policy information see Form of Crown Land Allocation.

6.1 Temporary Licence

A temporary licence may be issued for temporary uses, where an applicant is better served by a short term, minor rights authorization than by a longer term tenure.

The tenure holder must allow public access to the area without interference, and must recognize that overlapping and layering of tenures may be authorized by the Province.

The maximum term for a temporary licence is 2 years.

Short-term tenures for up to one year may be required for log-watering sites associated with short-term timber sales. The Authorizing Agency may develop special application procedures in to facilitate the issuance of the short-term tenures.

6.2 Licence of Occupation

A licence of occupation may be issued where minimal improvements are proposed, where there are potentially multiple users of a site (e.g. communication sites), where survey is not required or when the land is located in remote areas and legal survey costs required for a lease or right of way are prohibitive, and where Government wishes to retain future options and management control over the use of the lands. It may also be used to allow development to proceed while awaiting completion of survey requirements for a lease or right of way.

A licence of occupation conveys fewer rights than a lease. It conveys non-exclusive use for the purpose described, is not a registerable interest that can be mortgaged, and does not require a survey.

A licence of occupation does not allow the tenure holder to curtail public access over the licence area except where it would impact the licencees' right to use the land as per the licence document. Government may authorize overlapping and layering of tenures.

The maximum term for a licence of occupation varies according to land use program. The maximum term provided within each land use policy is guidance to the decision maker, who exercises the discretion to make the term shorter or longer giving consideration to the facts of a particular application. When considering the appropriate term, the decision maker will normally consider factors such as the nature of the land use, the proponent's basis for seeking long term security and the Province's interest in retaining the flexibility to review or change the tenure term.

The standard term for a licence of occupation is 10 years.

6.3 Lease

A lease should be issued where long term tenure is required, where substantial improvements are proposed, and/or where definite boundaries are required in order to avoid conflicts.

The tenure holder has the right to modify the land and/or construct improvements as specified in the tenure contract. The tenure holder is granted quiet enjoyment of the area (exclusive use).

A legal survey will generally be required at the applicant's expense to define the tenured area.

A lease can be issued in a form that is registerable in the Land Title Registry (whereas, a Licence of Occupation is not.) Registered leases for a term of 30 years or more may be considered a fully taxable transfer of interest in property and may be subject to Property Transfer Tax in accordance the Property Transfer Tax Act.

Where a lease is not registered in the Land Title Registry, Property Transfer Tax does not apply.

In most cases, a tenure holder may apply for a replacement tenure at any time following the mid-term of the lease. Replacement of tenures is at the Authorizing Agency's discretion.

Where a replacement lease is for the same land, will result in a total duration of more than 30 years, and the replacement lease is registered in the Land Title Registry, the leases may be viewed as a single transaction and may be subject to Property Transfer Tax.

Where the term of a registered lease is less than 30 years or the total duration of all leases does not exceed 30 years, Property Transfer Tax exemption is available.

A lease can be a registerable interest in the land that is mortgageable.

The standard term for a lease is 30 years.

6.4 Land Act Conditional Withdrawal (Section 17)

A Land Act conditional withdrawal is established to permit the orderly development of a designated area for a specified use (or uses) through the Crown land application process.

A Land Act conditional withdrawal is established by the Authorizing Agency on behalf of provincial or federal agencies for a specific term, with a maximum term of thirty years.

Uses identified as compatible or associated with the designated use may be authorized subject to the specifications of the notice used to establish the area.

For more details on standard policy information see Reserves, Designations and Notations.

Ministry of Forests, Lands and Natural Resource Operations (FLNR) can create a s. 17 conditional withdrawal for sites identified as being critical for log handling purposes. This may include situations where FLNR, BC Timber Sales or a forest company has identified a new site through their operational planning processes which will be critical to harvesting operations in the mid-term (e.g. 2 - 5 years).

All tenure applications for log handling and other compatible uses within s. 17 conditional withdrawal are eligible for acceptance and consideration. Tenure applications for non-compatible uses will not be accepted.

6.5 Transfers of Administration

Section 106 of the *Land Act* allows the transfer of the administration of Crown land to another provincial agency by ministerial order. Transfers of administration are used when it is in public interest to have land administered by agency with more specialized interest or resource management mandate. Transfers of administration may be made to (disposition) or from (acquisition) other provincial ministries.

Transferring administration and control of planned and established long-term or multi-user log handling facilities required by FLNR, including BC Timber Sales, and its licensees is governed by the following agreements:

- Protocol on Crown Land Administration and Forest Activity - BC Forest Service and BC Lands (1993);
- Protocol on Crown Land Administration and Forest Activity – BC Forest Service and BC Lands (2006 Addendum); and
- Memorandum on the Transfer of Administration of Log Handling Facilities (2008).

7. PRICING POLICY

7.1 Administrative Fees

Application fees for tenures, and other administrative fees, are payable to the Province of BC. These fees are set out in the fee schedules contained in the Land Act Fees Regulation.

For short term use (i.e. typically two years or less) multiple log handling sites may be applied for under a single application (and a single fee) by the same operator; however, the maximum number of sites should generally not exceed 10. For longer term use multiple sites are acceptable under one application if the sites are in fairly close proximity - normally within a 500m radius of each other. For both long and short term use there may be situations that warrant varying from these guidelines (e.g. local geography, mix of uses or length of use, proximity of sites to each other, etc).

7.2 Method of Valuation

7.2.1 Aquatic and Upland Valuation

The value of an aquatic Crown land tenure is the sum of the valuations of areas of general log handling use and areas of intensive log handling use within the tenure boundaries.

Valuations for general log handling and intensive log handling use are determined in accordance with the methods outlined below.

General Log Handling use: valuations for general log handling areas (as defined in this policy) are based on the land area utilized and pricing zone values established by the Province. The valuation is calculated as the total area in log handling use multiplied by the rate of the pricing zone in which the area is located (see Appendix 2).

Intensive Log Handling use: valuations for intensive log handling use areas (as defined in this policy) are calculated as the total area in such use multiplied by two times (2x) the zone value established for the pricing zone in which the area is located (see Appendix 2).

The zone values described in Appendix 2 will be adjusted periodically in relation to the market value of an appropriate industrial land base, or values being used for other comparable land uses. Where an area of general log handling or intensive log handling use occupies more than one pricing zone, the higher zone value will apply. The Province retains the right to adjust lease and licence rentals pursuant to an adjustment in the zone values.

The value of land for an upland lease or licence of occupation is based on the BCA actual land value or appraised land value where BCA is not available.

The Authorizing Agency may require an appraisal of a log handling tenure area that is contiguous to a processing plant, or where a prescribed zone value is considered not to reflect current market value for a particular tenure or group of tenures.

7.2.2 Filled Areas Valuation

The value of aquatic lands for general and intensive log handling use is based on the methods outlined below.

Procedure for Valuation for Filled Areas

General Log Handling use: fills are valued at a minimum of two times (2x) zone value.

Intensive Log Handling use: unauthorized fills that are being legalized, pre-authorized fills created from materials that have been dredged from adjacent aquatic lands, and all fills that have been in place for a period greater than 10 years, are valued at 100% of upland value. Where special costs will be incurred to create an authorized fill, the value of such areas will be discounted by a percentage of appraised market value of up to 50% for a period of up to ten years.

7.2.3 Procedure for Valuation of Other Areas

The maximum value relationship is 100% of upland value for integrated upland-aquatic lands uses where the subject aquatic lands are used in close conjunction with, or as a continuation of the adjacent upland (e.g. improvements such as wharves affixed to the upland and the substrate).

7.3 Rentals

7.3.1 Temporary Licence

$250 for terms up to one year, or $500 prepaid for 2 years.

7.3.2 Licence of Occupation

Annual rent for licences of occupation is based on 7.5% of land value (as determined in accordance with section 7.2). The minimum annual rental is $500.

See section 9.3.3 for licence rentals in the case of conversion of lease to licence of occupation.

7.3.3 Lease

Annual rent for leases is based on 8% of land value (as determined in accordance with section 7.2). The minimum annual rental is $500.

8. ALLOCATION PROCESSES

8.1 Applications

New and replacement tenures are normally offered in response to individual applications.

8.1.1 Application Package

Applications must be complete before they can be accepted for processing. A complete application package will include all the material defined in the Application Checklist.

Applications for lease or licence of occupation must be accompanied by a Log Handling and Prospectus Form (as per Application Package) prepared by the applicant.

8.1.2 Application Acceptance

New applications will be reviewed for acceptance based on application package completeness, compliance with policy and program criteria, preliminary statusing, and other information which may be available to provincial staff. The acceptance review is to be completed within 7 calendar days. Applications that are not accepted will be returned to the applicant.

8.1.3 Clearance/Statusing

After acceptance, provincial staff undertakes a detailed land status of the specific area under application to ensure all areas are available for disposition under the Land Act and to identify potential issues.

8.1.4 Referrals

Referrals are a formal mechanism to solicit written comments on an application from recognized agencies and groups. Referrals are initiated as per legislated responsibilities and formal agreements developed with other provincial and federal government agencies. Referrals may also be used to address the interests of local governments and First Nations. Referral agencies, organizations and identified special interest groups provide their responses to the Authorizing Agency within 30 days (45 days for First Nations).

Project Review Team (PRT)

A Project Review Team (PRT) is an advanced referral method which may be used for complex applications. It is a team chaired by the Authorizing Agency and comprised of recognized agencies and groups which meets to review and comment on specific Land Act applications.

Land Act Conditional Withdrawals (Section 17) - Referrals and Consultation

FLNR will provide full details concerning need and requirements on the proposed area of interest to help determine the suitability of log handling use on the site. The Authorizing Agency will be responsible for conducting a status of the site and for carrying out referrals, First Nations consultation and any necessary field inspections.

Having the referral and First Nations consultation work done up front, at the time of the s. 17 conditional withdrawal, may reduce delays and facilitate more efficient processing of subsequent log handling tenure applications submitted by forest companies. In some circumstances consultation with First Nations will not be required at the time of the s. 17 conditional withdrawal; i.e. if there is an existing tenure on the site for log handling, the designation is wholly contained within the tenure area, and no change in use is contemplated during the term of the designation.

At the time a tenure application is submitted, the Authorizing Agency will determine the need for carrying out any further referrals. This will be based on factors such as: specific details of the development proposal, how concerns identified by the initial referrals have been addressed by the applicant, whether the proposal is wholly contained within the s.17 conditional withdrawal, or whether other activities are being proposed.

A tenure application will trigger consultation with First Nations; however, the initial consultation that occurred when the conditional withdrawal was established may help reduce subsequent efforts if previously identified First Nation concerns are addressed by the applicant (e.g. through specifics of the tenure application).

Establishing a s. 17 conditional withdrawal over land that has been tenured under the *Land Act* has no effect on the existing tenure (i.e. log handling or otherwise).

8.1.5 Advertising/Notification

At the time of application acceptance, provincial staff will notify applicants if advertising is required and provide the necessary instructions.

Upland Owner Consent

Owners of waterfront property have certain "riparian rights" which include the right of access to and from the upland. Provincial staff will advise applicants if there is a need to obtain a letter indicating the upland owner's consent to their application.

Adjacent Owner Notification

New applications to tenure foreshore adjacent to privately owned property, including Indian Reserves, are brought to the adjacent property owner's attention through referrals or direct contact. In certain circumstances, provincial staff may advise applicants that there is a need to obtain a letter indicating adjacent owner's consent to their application.

8.1.6 Aboriginal Interests Consideration

The Authorizing Agency is responsible for ensuring the Province's obligations to First Nations are met in the disposition of Crown land. Provincial staff carry out consultations in accordance with the consultation guidelines of the Province to identify the potential for aboriginal rights or title over the subject property and to determine whether infringement of either might occur.

For further information on First Nation consultation requirements associated with establishment of Section 17 *Land Act* conditional withdrawal refer to 8.1.4.

8.1.7 Field Inspections

Field inspection means the on-site evaluation of a parcel of Crown land by provincial staff. The need to conduct a field inspection will vary and the decision to make an inspection ultimately lies with the Authorizing Agency.

8.1.8 Decision/Report

The applicant will be notified in writing of the government's decision. Reasons for Decision are posted on the relevant website.

8.1.9 Issuing Documents

If the application is approved, tenure documents are offered to the applicant. All preconditions must be satisfied prior to the Authorizing Agency signing the documents. It is the applicant's responsibility to obtain all necessary approvals before placing improvements or commencing operations on the tenure.

8.2 Competitive Process

The Authorizing Agency may initiate one of a number of different competitive processes (e.g. public auction, request for proposals) where permitted by program policy and when deemed appropriate by provincial staff.

9. TENURE ADMINISTRATION

9.1 Insurance

A tenure holder is generally required to purchase, and is responsible for maintaining during the term of the tenure, a minimum level of public liability insurance specified in the tenure document. The province may make changes to the insurance requirements and request copies of insurance policies at any time during the term of the tenure.

9.2 Security/Performance Guarantee

A security deposit or bond may be required to be posted by the tenure holder where any improvements on, or changes to, the land are proposed. The security deposit is collected to insure compliance and completion by the tenure holder of all the obligations and requirements specified in the tenure. Some examples where such security may be used are for any type of clean-up or reclamation of an area, and/or to ensure compliance with development requirements.

Companies holding a number of leases/licences may deposit a single amount to cover all their tenures, rather than an individual deposit for each.

9.3 Assignment and Sub-Tenuring

Assignment is the transfer of the tenure holder's interest in the land to a third party by sale, conveyance or otherwise. Sub-tenuring means an interest in the Crown land granted by a tenant of that Crown land rather than the owner (the Province).

Assignment or sub-tenuring requires the prior written consent of the Authorizing Agency. The assignee or sub-tenure holder must meet eligibility requirements. The Authorizing Agency may refuse the assignment of existing tenures if the details of the assignment or sub-tenure are not acceptable to the province.

Investigative and temporary permits can not be sub-tenured or assigned.

9.3.1 Sub-Tenuring

The lessee may sub-lease the entire leasehold or "a portion of" for the same purpose, in accordance with the provisions of the lease document.

The term of a sub-lease will normally be 2 years, with a maximum of 5 years. When the proposed use is for more than 5 years, the lessee should either assign the lease (with approval from the Authorizing Agency) or convert the lease to a licence of occupation (as per section 6.4.2).

There will be no rental discount to the lessee. The sub-lease rates are the responsibility of the lessee and the sublessee.

9.3.2 Multiple Use of Leases

A lessee may have certain leaseholds which are critical to the long term operation of the lessee, but due to changing operations (i.e. harvesting rotation) are not required on a continuous basis.

The Authorizing Agency, at the request of a lessee, may consider either approval of a sub-lease or conversion of a developed lease to a licence of occupation to provide for the multiple use of a log handling site while recognizing the long term needs of the lessee. The selection of either option and the number of leases to which it applies, is at the discretion of the Authorizing Agency.

Written support from the District Manager for the multiple use proposal should be provided by the tenure holder.

9.3.3 Conversion of Lease to Licence of Occupation

The lessee may request the Authorizing Agency to convert all or a portion of a lease to a licence of occupation (initial licence). This allows the Province to issue a subsequent licence over all or a portion of the area for a purpose which does not conflict with the initial licence.

The term of the initial licence will be consistent with the term remaining on the lease.

The Authorizing Agency will consult with the initial licensee prior to issuing any subsequent licence.

The annual rent for the initial licence is based on 7.5% of the licence value over all or any portion of the licence area which is not issued to a subsequent licensee. If all or a portion of the licence area is issued to a subsequent licensee, the initial licensee will pay an annual fee over the subsequent licence area of 2% ($500 minimum) in order to retain a long term interest in the area, and the subsequent licensee will pay an annual fee of 7.5% (minimum $500) of the licence value.

The normal term for a subsequent licence will be 5 years for a different purpose (i.e. fish farm) and 10 years for the same purpose (i.e. log handling).

The term of a subsequent licence will not overlap with the timeframe for when the licence area will again be required by the initial licensee. A replacement subsequent licence may or may not be issued, as appropriate.

A subsequent licence will be given 2 years notice prior to expiry of the licence.

Following absolute expiry or cancellation (90 days) of all subsequent licences, the initial licensee may request the Authorizing Agency to re-issue a lease over the original leasehold. Resurvey is at the discretion of the Surveyor General.

9.4 Tenure Replacement

Replacement tenure means a subsequent tenure document issued to the tenure holder for the same purpose and area.

In most cases, tenure holders may apply for a tenure replacement at any time following the mid-term of the tenure. Replacement of tenures is at the Authorizing Agency's discretion. The province may decline to replace a tenure, or may alter the terms and conditions of a replacement tenure. For tenure terms and conditions see Section 6.

At expiry of the temporary licence, the tenure holder may reapply through Virtual Frontcounter BC. The tenure holder may supply the previous file number and upload a revised Investigative Plan. If it appears that there is a conflict with what the application is for and what the tenure holder/applicant intends to do in the Investigative Plan, or the term seems substantially longer than 2 years, a standard licence of occupation may be required at market rent.

9.5 Monitoring and Enforcement

Tenure terms and conditions, including requirements contained in approved management/development plans, act as the basis for monitoring and enforcing specific performance requirements over the life of the tenure.

10. VARIANCE

Variances to this policy must be completed in accordance with the ***Policy Variance Procedure*****.**

Appendix 1. Log Handling Policy Summary

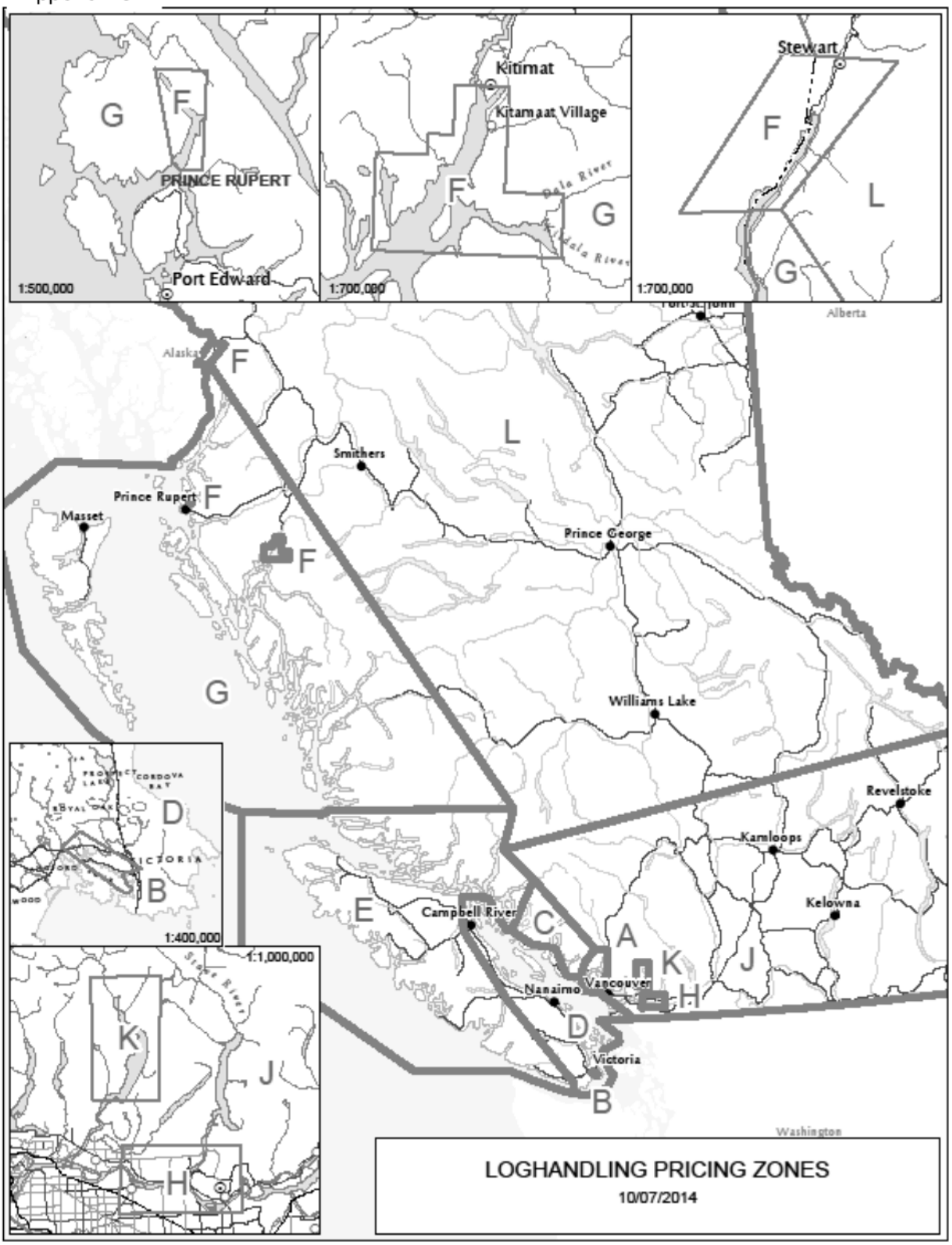
TENURE	TERM[1]	VALUATION	PRICING	METHOD OF DISPOSITION
Temporary Licence	2 years	Fixed amount	$250 for terms up to one year, or $500 prepaid for 2 years.	Application
Licence of Occupation	10 years	General Use Areas: zone rate (see appendix 2) Intensive Use Areas: 2 x zone rate	Annually at 7.5% of land value. Minimum $500 See section 9.3.3 for pricing of multiple use areas.	Application
Lease	30 years	General Use Areas: zone rate (see appendix 2) Intensive Use Areas: 2 x zone rate	Annually at 8% of land value. Minimum $500	Application

[1] This summary applies to both new and replacement dispositions

Appendix 2. Pricing Zones and Zone Values

ZONE	DESCRIPTION	VALUES ($/HA)
A	HOWE SOUND	6,178
B	VICTORIA HARBOUR * ABOVE CNR BRIDGE * BELOW CNR BRIDGE	 7,413 8,649
C	SECHELT INLET-JERVIS INLET	3,768
D	SOUTH COAST	4,200
E	WEST COAST	2,718
F	KITIMAT, PRINCE RUPERT, STEWART	3,015
G	NORTH COAST	1,964
H	LOWER FRASER	5,127
J	UPPER FRASER – SOUTH INTERIOR	2,409
K	PITT LAKE	3,015
L	NORTH INTERIOR	1,964

Appendix 3:


PRINCE RUPERT
Port Edward
1:500,000
Kitimat
Kitamaat Village
1:700,000
Stewart
1:700,000
Alaska
Alberta
Smithers
Prince Rupert
Masset
Prince George
Williams Lake
Revelstoke
Kamloops
Kelowna
Campbell River
Nanaimo
Vancouver
Victoria
Washington
1:400,000
1:1,000,000
LOGHANDLING PRICING ZONES
10/07/2014

Policy: Environmental Policy

All ship & shore staff shall implement this policy to ensure compliance with Pollution Prevention, Regulatory compliance & continual improvement.

Copyright

Capt. Alfred Gomez
DPA, Director Marine Standards
Seaspan Ship Management Ltd.

Torsten Pedersen
Chief Operating Officer,
Seaspan Ship Management Ltd.

Manoj Suri
Vice President, Fleet Management
Seaspan Ship Management Ltd.

Capt. Gurmeet Ahuja
Corporate Compliance Manager
Seaspan Ship Management Ltd.

Completed

KFN meeting

From: Mark Jurisich <mark@deepwaterrecovery.com>
To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Cc: Emily Shopland <emily.shopland@komoks.ca>
Sent: August 12, 2020 12:58:04 PM PDT

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Hi Annette,
I hope you are well. I met, today, with the K'omoks First Nation Chief of Council and other members of her group. One of the questions that they were looking for us to satisfy was whether we have any supporting letters from the following Federal Government Agencies:

- Environment Canada
- Canadian Food Inspection Agency
- DFO
- Health Canada
- Transport Canada

I suspect that some of these agencies may not have a direct interest or responsibility with regard to our activities as we are not in the food production business, no doubt they would expect us to manage with responsibility and care for the environment in which we operate. I think as you may have observed from your site visit, that we have already improved the property by comparison to its previous state.
As you will see, I have included Emily Shopland from the KFN. Could you share with her any communications that you may have received from the DFO, Environment Canada or Transport Canada? I am not certain that Transport Canada would necessarily be involved as the Water Lease is issued by the province and we are not causing any obstruction to marine traffic.
If I can be of assistance please feel free to call me at your convenience.
Regards,
Mark

Re: Sample letter

From:	Mark Jurisich <mark@deepwaterrecovery.com>
To:	Annette Bailey <Annette.Bailey@gov.bc.ca>, Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent:	September 25, 2020 6:25:59 PM PDT
Attachments:	Re: Sample letter

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Re: Sample letter

From:	Mark Jurisich <mark@deepwaterrecovery.com>
To:	Annette Bailey <Annette.Bailey@gov.bc.ca>, Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent:	September 25, 2020 6:25:59 PM PDT
Attachments:	PastedGraphic-6.tiff, Response to K'omoks letter 002050 -Revised.docx, untitled, untitled, smime.p7s

Hi Annette,

It's not often that I have the opportunity to sit down and write to you and in doing so, I want to firstly apologize for the delay, but more importantly I want to thank you for having been such a strong supporter of our project since our arrival at the beginning of this year.

I have attached a draft for your perusal, and I took the liberty of concentrating the focus on K'omoks' specific concerns, with less focus on our activity which most people will have difficulty interpreting unless they come here and see what we are doing.

I might suggest that the K'omoks band may have more easily understood the important work we are doing if they were a little more engaged by way of a site visit before voicing their objection.

Contrary to what I have just mentioned above, you on the other hand made the effort to drive all the way here on your own time (it was a weekend) from Port Alberni, with an open mind and with a view to understanding what exactly it is that we are doing.

I hope my tone is not too brash or offensive, but I think we have been sufficiently patient and I now find myself in a situation where companies such as Seaspan are requiring proper environmental compliance and due diligence such as hazmat reports for all of their vessels that we are hauling, and as they are becoming more dependent on our services we are concerned that this issue could become a real problem. To the best of my knowledge, we are the only company with such a facility whose operation is solely dedicated to the dismantling and recycling of vessels and barges.

When you have a moment, let me know what your thoughts are.

Kind Regards,

Mark R. Jurisich

Operations Manager - Canada

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Withheld pursuant to/removed as

s.16

On Sep 15, 2020, at 2:07 PM, Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca> wrote:

Hi Mark

Thank you for the call yesterday.

As we have discussed, I have formulated a letter for K'omoks FN. I would appreciate your review of the letter. Feel free to change or add anything that I may have missed. Please use track changes so I can see what you have changed. Or, you can include additional comments in an email.

Once you have completed your review, please return to me and I will send the letter and wait the indicated timeline for a response.

Thanks again for your patience and your time.

Annette Bailey, RPBio
Authorizations Specialist
South Island Natural Resource District
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9
NEW 250-736-6843

<Response to K'omoks letter 0021050.docx>

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

Please see attached Tow Surveys...

From:	Dena Balla <dena@deepwaterrecovery.com>
To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Cc:	Mark Jurisich <mark@deepwaterrecovery.com>
Sent:	October 2, 2020 9:35:32 AM PDT
Attachments:	TCB Marine, letter DWR.pdf, Surveyor Tow[Sept.2020].pdf, Miller Freeman Tow[Sept.2020].pdf, image001.png

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Good Morning Annette,
Mark requested that I forward you the attached letter from TCB Marine Consulting Services as well as the Surveys mentioned in the letter. Please feel free to contact him on his cell 619-723-5925. He is away from the office today, however will be returning this evening.
--

Regards,
Dena Balla
Executive Office
Office: +1(778) 427-1133



If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.
*This email is not spam.

TCB MARINE CONSULTING SERVICES
14155 Grosvenor Rd., Surrey, BC, V3R 5G9, CANADA
Mobil: (+1) 604.375.0923|
tcbroc@shaw.ca

September 26th. 2020

To: Mark Jurisich
Operations manager
Deep Water Recovery
5084 South Island Hwy.
Union Bay, BC, V0R 3B0

RE: **Client:** **Deep Water Recovery LTD**
Subject: **Vessel Demolition**

Mark,

Copyright

Todd Braconnier, AMSBC, IIMS, *member #TB-B1018*
Principal Surveyor, TCB MARINE CONSULTING SERVICES

Surveyor Tow – Fraser River to Union Bay

Mobilization and Tow

Prepared for:

Deep Water Recovery LTD

Date: Sept-2020

Prepared by

TCB Marine Consulting Services
14155 Grosvenor Rd.
Surrey, BC
V3R 5G9

Page 270 of 646 to/à Page 288 of 646

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Copyright

Miller Freeman Tow – Fraser River to Union Bay

Mobilization and Tow

Prepared for:

Deep Water Recovery LTD

Date: Sept-2020

Prepared by

TCB Marine Consulting Services
14155 Grosvenor Rd.
Surrey, BC
V3R 5G9

Page 290 of 646 to/à Page 308 of 646

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Re: 0021050 Update

From:	Mark Jurisich <mark@deepwaterrecovery.com>
To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent:	November 9, 2020 9:42:30 AM PST
Attachments:	image006.jpg, Outlook-jeg4lijk.png, image005.jpg

[EXTERNAL] **This email came from an external source. Only open attachments or links that you are expecting from a known sender.**

Good Morning Annette,
Thank you for your email.
As you can appreciate, this delay is quite frustrating and with respect, we have spent $7.5M getting ourselves established and these constant delays with what would appear to be a complete disregard of time seem to be very unreasonable. Requesting a Zoom meeting with all of these agencies seems unreasonable and unlikely and it would also appear that they have identified every government agency whether relevant or not as a continual stalling tactic.
I am now requesting an immediate meeting with you, your decision maker, and the head of your First Nations advisors. As you can appreciate, we have staff that are employed, property taxes that need to be paid, including the Water Lease, that are approximately $40,000 per annum. We are now subject to obstruction from proceeding with our business, meanwhile the government will continue to expect us to meet our obligations with regard to the above-mentioned taxes.
My understanding is that any obstruction needs to be based on the fact that our business would have an effect on a traditional way of living based on historical habit. It would appear that there is an abuse of privilege that has been assumed by the K'omoks group in obstructing business based on commercial interests that have nothing to do with a traditional way of living.
We have commitments with Seaspan, BC Ferries, AMIX, and other companies that we need to proceed with without delay.
Could you please call me urgently to discuss further.
Kind Regards,
Mark R. Jurisich
Operations Manager - Canada

deepwater recovery
A Canadian Limited Company

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.
From: Bailey, Annette FLNR:EX
Sent: Monday, November 9, 2020 8:24 AM
To: Mark Jurisich
Subject: 0021050 Update
Hi Mark
Thank you for the call this morning.
I know you are anxious to have an update for your file. There is not much to report.
We have a received a letter from K'omoks with their request below;
In closing, K'ómoks is requesting for you to facilitate a Zoom meeting with the following Provincial and Federal government agencies: Forest Lands and Natural Resource Operations (aquaculture specialist), Ministry of Environment, Transport Canada, Fisheries and Oceans Canada, Environment Canada, Canadian Food Inspection Agency and Health Canada. At the end of the day we want confirmation from

all of the above noted agencies that they are cognizant of the activities that will be undertaken at the above noted facility and that there will be absolutely no impacts to KFN's aquaculture facility, BC Land File Number 1411103.

As South Island has never had this type of request previously I am reaching out to our Aquaculture group as well as our First Nation advisors in Nanaimo to move the file forward.

I will keep you posted of any progress.

thanks

Annette

all of the above noted agencies that they are cognizant of the activities that will be undertaken at the above noted facility and that there will be absolutely no impacts to KFN's aquaculture facility, BC Land File Number 1411103.

In closing, K'ómoks is requesting for you to facilitate a Zoom meeting with the following Provincial and Federal government agencies: Forest Lands and Natural Resource Operations (aquaculture specialist), Ministry of Environment, Transport Canada, Fisheries and Oceans Canada, Environment Canada, Canadian Food Inspection Agency and Health Canada. At the end of the day we want confirmation from

RE: 0021050 Update

From: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
To: Mark Jurisich <mark@deepwaterrecovery.com>
Sent: November 9, 2020 10:27:18 AM PST
Attachments: image002.jpg, image003.jpg, image001.png

Hi Mark
Thank you for the email. I have sent your request to the decision maker and once I have a response and next steps I will phone you to discuss.
Thanks
Annette

From: Mark Jurisich
Sent: November 9, 2020 9:43 AM
To: Bailey, Annette FLNR:EX
Subject: Re: 0021050 Update

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Good Morning Annette,
Thank you for your email.
As you can appreciate, this delay is quite frustrating and with respect, we have spent $7.5M getting ourselves established and these constant delays with what would appear to be a complete disregard of time seem to be very unreasonable. Requesting a Zoom meeting with all of these agencies seems unreasonable and unlikely and it would also appear that they have identified every government agency whether relevant or not as a continual stalling tactic.
I am now requesting an immediate meeting with you, your decision maker, and the head of your First Nations advisors. As you can appreciate, we have staff that are employed, property taxes that need to be paid, including the Water Lease, that are approximately $40,000 per annum. We are now subject to obstruction from proceeding with our business, meanwhile the government will continue to expect us to meet our obligations with regard to the above-mentioned taxes.
My understanding is that any obstruction needs to be based on the fact that our business would have an effect on a traditional way of living based on historical habit. It would appear that there is an abuse of privilege that has been assumed by the K'omoks group in obstructing business based on commercial interests that have nothing to do with a traditional way of living.
We have commitments with Seaspan, BC Ferries, AMIX, and other companies that we need to proceed with without delay.
Could you please call me urgently to discuss further.

Kind Regards,
Mark R. Jurisich
Operations Manager - Canada

deepwater recovery
A Canadian Limited Company

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

From: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent: Monday, November 9, 2020 8:24 AM
To: Mark Jurisich <mark@deepwaterrecovery.com>
Subject: 0021050 Update

Hi Mark
Thank you for the call this morning.
I know you are anxious to have an update for your file. There is not much to report.
We have a received a letter from K'omoks with their request below;

In closing, K'ómoks is requesting for you to facilitate a Zoom meeting with the following Provincial and Federal government agencies: Forest Lands and Natural Resource Operations (aquaculture specialist), Ministry of Environment, Transport Canada, Fisheries and Oceans Canada, Environment Canada, Canadian Food Inspection Agency and Health Canada. At the end of the day we want confirmation from all of the above noted agencies that they are cognizant of the activities that will be undertaken at the above noted facility and that there will be absolutely no impacts to KFN's aquaculture facility, BC Land File Number 1411103.

As South Island has never had this type of request previously I am reaching out to our Aquaculture group as well as our First Nation advisors in Nanaimo to move the file forward.
I will keep you posted of any progress.
thanks
Annette

File No. 0021050

November 30, 2020

Email: mark@deepwaterrecovery.com

Mark R. Jurisich, Operations Manager – Canada
Union Bay Industries Ltd. (DBA Deepwater Recovery)
5545 Island Highway South
Union Bay, British Columbia
V0R 3B0

Dear Mr. Jurisich:

Re: Application for Amended Lease Purpose

I am writing in response to your email of November 9, 2020 to my colleague Annette Bailey, Authorizations Specialist, South Island Resource District, regarding your application to amend the purpose of your existing Lease (Lease no. V102057, File no. 0021050) from "Log Booming and Storage Purposes" to "Industrial – General" to allow for the removal of derelict vessels from the water to the privately owned upland.

As you are aware, K'ómoks First Nation, whose territory overlaps with your Lease, has expressed concerns regarding the potential impacts of your proposed activities on their adjacent aquaculture tenure. These concerns include potential impacts to water quality from the introduction of metal fragments or other deleterious substances into the marine environment and potential contamination of K'ómoks First Nation's aquaculture operations due to barges coming from finfish aquaculture facilities in other DFO statistical areas.

K'ómoks First Nation's aquaculture activities in Baynes Sound contribute to the Nation's community food security and economic development initiatives. The important marine environment is known as the breadbasket of aquaculture in the Province and accounts for more than $8 million per year to growers, approximately $15 million to processors, and approximately 390 jobs (Baynes Sound Coastal Plan, 2002).

As part of the Crown's duty to consult, the Province must consider how a proposal may result in an adverse impact to a nation's constitutional Aboriginal rights, which may include continued opportunities to access marine resources and foods. Additionally, there is a Land Act notation of interest in the general area for the purpose of K'ómoks treaty. K'ómoks First Nation is also in

…/2

negotiation with DFO towards a collaborative agreement on the management of the foreshore and marine area along Baynes Sound, particularly with respect to Union Bay (just south of 0021050). Further, following the adoption of the *BC Declaration on the Rights of Indigenous Peoples Act* (2019), the Province's reconciliation commitments with Indigenous Peoples are contemplated within the decision-making process of each application.

We would like you to consider measures that are likely to make your proposed activities consistent with the important aquaculture interests of Bayne Sound and First Nation's Aboriginal rights. These measures may include:

- Providing a report from a registered professional biologist that outlines:
  - Proposed measures to minimize or avoid impacts to water quality;
  - Proposed measures to control surface water runoff from your upland property and prevent runoff from entering the marine environment;
  - Proposed measures to avoid impacting nearby aquaculture operations; and/or
- Entering into a direct agreement with K'ómoks First Nation to address their concerns.

For more information please see the Province's guide for proponents: Building Relationships with First Nations. Of interest may be page 4 of the guide under the section "Modifying plans to avoid potential impacts."

We would be pleased to meet with you at your convenience after you have had a chance to explore the suggested measures above. To set a meeting, please contact Annette Bailey by email at Annette.Bailey@gov.bc.ca or by phone at 250-736-6843.

Yours truly,

Rhonda Morris
District Manager
Regional Operations Division – Coast Area

File No. 0021050

November 30, 2020

Email: mark@deepwaterrecovery.com

Mark R. Jurisich, Operations Manager – Canada
Union Bay Industries Ltd. (DBA Deepwater Recovery)
5545 Island Highway South
Union Bay, British Columbia
V0R 3B0

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…/2

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Yours truly,

Digitally signed by Rhonda (Morris) Coleman
Date: 2020.11.30 15:56:22 -08'00'

Rhonda Morris
District Manager
South Island Natural Resource District

File 0021050 - Letter from District Manager

From:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
To:	Mark Jurisich <mark@deepwaterrecovery.com>
Sent:	November 30, 2020 4:16:06 PM PST
Attachments:	2020-11-30 Ltr to Applicant signed.pdf

Hi Mark
Please find attached a letter from the District Manager regarding your amendment to 0021050.
If you have any questions or concerns please feel free to contact me.

Annette Bailey, RPBio
Authorizations Specialist
South Island Natural Resource District
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9
NEW 250-736-6843

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BRITISH COLUMBIA

File No. 0021050

November 30, 2020

Email: mark@deepwaterrecovery.com

Mark R. Jurisich, Operations Manager – Canada
Union Bay Industries Ltd. (DBA Deepwater Recovery)
5545 Island Highway South
Union Bay, British Columbia
V0R 3B0

Dear Mr. Jurisich:

Re: Application for Amended Lease Purpose

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…/2

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  - Proposed measures to control surface water runoff from your upland property and prevent runoff from entering the marine environment;
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Yours truly,

Digitally signed by Rhonda (Morris) Coleman
Date: 2020.11.30 15:56:22 -08'00'

Rhonda Morris
District Manager
South Island Natural Resource District

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Fw: Vessels for scrap

From:	Mark Jurisich <mark@deepwaterrecovery.com>
To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent:	January 21, 2021 1:34:36 PM PST
Attachments:	Outlook-seeohxbm.png, image001.jpg, Scan_20201221_142355.pdf

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Hi Annette,
Please see attached as discussed with Mark.
Kind Regards,
Dena Balla
On Behalf of Mark R. Jurisich
Operations Manager - Canada



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From: John R. King <john.king@aon.ca>
Sent: Monday, January 11, 2021 5:48 PM
To: Mark Jurisich <mark@deepwaterrecovery.com>
Subject: Vessels for scrap

Hi Mark,
I was wondering if you had any interest in scrapping these vessels.

s.3

Regards,
John

John King, CIP | Senior Vice President
Commercial Risk Solutions
Aon
Suite 1200, 401 West Georgia St. | PO Box 3228 | Vancouver, BC V6B 3X8
t +1.604.443.2400 | f +1.604.682.4026 | m+1 604.220.1892
john.king@aon.ca | aon.ca
Aon Reed Stenhouse Inc.
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From: Stainer, Andrew <Andrew.Stainer@nortonrosefulbright.com>
Sent: Monday, January 11, 2021 12:18 PM
To: John R. King <john.king@aon.ca>
Cc: Bromley, John <John.Bromley@nortonrosefulbright.com>
Subject: RE: Valley Towing

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ALERTE: Ce courriel provient de l'extérieur du réseau d'Aon. **SOYEZ PRUDENT** avant de cliquer sur un lien ou une pièce jointe.

Thanks John,
A copy of the claim is enclosed. I will call you later this afternoon.

Cheers,
Andrew Stainer *
Partner

Norton Rose Fulbright Canada LLP / S.E.N.C.R.L., s.r.l.
1800 - 510 West Georgia Street, Vancouver, BC V6B 0M3 Canada

T: +1 604.641.4862 | M: +1 604.374.6235 | F: +1 604.641.4949

andrew.stainer@nortonrosefulbright.com
*Law Corporation

NORTON ROSE FULBRIGHT

From: John R. King <john.king@aon.ca>
Sent: January 10, 2021 10:32 PM
To: Stainer, Andrew <Andrew.Stainer@nortonrosefulbright.com>
Subject: Valley Towing

Hi Andrew,
Kim called me last week about Vancouver Port suing him for some derelict vessels tied up at his tie up locations. I'm not sure how insurance can assist him in this instance unless I'm missing something. I'm travelling tomorrow arriving at my home office around 3pm if you wanted to chat about it after then.
Cheers,
John

John King, CIP | Senior Vice President
Commercial Risk Solutions
Aon
Suite 1200, 401 West Georgia St. | PO Box 3228 | Vancouver, BC V6B 3X8
t +1.604.443.2400 | f +1.604.682.4026 | m+1 604.220.1892
john.king@aon.ca | aon.ca
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Page 326 of 646 to/à Page 348 of 646

Withheld pursuant to/removed as

s.3

File 0021050 letter response...

From:	Dena Balla <dena@deepwaterrecovery.com>
To:	Annette Bailey <Annette.Bailey@gov.bc.ca>, Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Cc:	Mark Jurisich <mark@deepwaterrecovery.com>
Sent:	January 21, 2021 6:48:38 PM PST
Attachments:	Letter to S Island District Resource - Application to Ammend Lease Purpose 1-21-2021.docx, image001.png

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Annette,
Attached is the letter that Mark has composed briefly in response to the letter from Rhonda. He has not had the opportunity to proof it, however will review in the morning.
--

Regards,
Dena Balla
Executive Office
Office: +1(778) 427-1133

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Mark R. Jurisich, Operations Manager – Canada
Union Bay Industries Ltd. (DBA Deepwater Recovery)
5084 Island Highway South (Amend from 5545 Island Highway South)
Union Bay, British Columbia V0R 3B0
Email: mark@deepwaterrecovery.com

File No. 0021050

January 21, 2021

Rhonda Morris, District Manager
South Island Natural Resource District

Dear Ms. Morris,

Re: Application for Amended Lease Purpose

Thank you for your letter dated November 30th, my apologies for the late reply, we had become increasingly discouraged by the delays with the K'ómoks' First Nation considering it had been one year since the application had been filed and I appreciate your efforts in reaching out to us and hopefully facilitate a resolution.

With reference to your comments in paragraph two of your letter in which K'ómoks First Nations have expressed concerns "from the introduction of metal fragments or other deleterious substances into the marine environment", it should be noted that we are not performing any work on the water, therefore no debris is entering the marine environment. On this subject, I would like to mention that we frequently collect plastic debris from the aquaculture industry (specifically oyster trays) from our shoreline. It should also be noted that apart from two barges that were immediately removed from the water upon arrival almost one year ago, we do not have any barges or vessels coming from finfish aquaculture facilities in any other DFO statistical areas.

With reference to paragraph four of your letter, I respect the Crown's duty to investigate how a proposal may have an adverse impact to a nation's constitutional Aboriginal rights, however, in the essence of "fair play" I think Aboriginal rights should not be exploited when the activity at hand is clearly one of a commercial nature and has nothing to do with a traditional way of living. To the best of my knowledge, the objections from the K'ómoks First Nations would appear to be driven purely out of financial self-interest based on their oyster businesses. We believe that everybody should have fair opportunity and that a conscientious moral responsibility should always be employed in the

management of any activity, particularly giving consideration to the impact that this activity may have on its neighbors. I think you will find that the residents living adjacent to our property will confirm our constant interaction in trying to work with them on issues that may be of concern to their specific interests. We engage regularly with our neighbors with the view of working together with our community balancing the responsibilities as an employer and a good neighbor.

With reference to paragraph two on page two of your letter, I believe that the standards and level of compliance that we employ is significantly higher than those mandated by local, and or Provincial governments. We do not engage in the dismantling or recycling of any vessels or barges on an unsealed surface, all of our work is performed on the upland industrial zone of the property on an asphalt surface which allows for complete and total containment. It should also be noted that we do not receive any vessels that contain hydrocarbons.

As we are primary contractor to Seaspan, we are required to conform to the ISO9001 and ISO9002 regulations that are imposed on them in accordance with their certification. We currently employ water containment and separation of rainwater, which is monitored on a daily basis. In addition to other safety measures that we have on-site such as oil booms for the immediate containment of any debris or hydrocarbons (even if the assets we are dismantling are free of such contaminants), we also have numerous emergency spill kits for the operating machinery in various locations around the yard.

In summary, I think our work from an environmental standpoint is very important, we are effectively in the “marine clean-up” business. If one was to be brutely pragmatic and honest, our responsibility is heavily influenced, if not completely governed by self-preservation in the sense that any negative environmental impact would be disastrous for the company and its reputation as an entity that promotes environmental responsibility. In today’s business environment we operate with a heightened awareness on many of the issues outlined in your letter, which creates concern and at times discouragement, from entering in private enterprise. If you have time, I think you will find a site visit will be most helpful in understanding the work we are doing here for not only companies like Seaspan and Ledcor, but also for the Canadian Coast Guard, the Provincial Government, and Transport Canada.

I hope to meet you in person and look forward to speaking with you soonest.

Kind Regars,



Mark R Jurisich
Chief Operations Manager - Canada

RE: File 0021050 letter response...

From:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
To:	Dena Balla <dena@deepwaterrecovery.com>
Sent:	January 22, 2021 8:54:51 AM PST
Attachments:	image002.png, 2020-09-16 MP 1415086.pdf

Hi Dena
Thank you for the letter.
I have spoken to Mark and as per our conversation I have attached a sample Management Plan(MP) for another project in the same area.
I think this sample MP/Environment Plan is very clear and to the point and I think it is what Rhonda is looking for.
Please feel free to use it as a guide.
If you have any concerns or questions please free to contact me.
Annette

From: Dena Balla
Sent: January 21, 2021 6:49 PM
To: Bailey, Annette FLNR:EX
Cc: Mark Jurisich
Subject: File 0021050 letter response...

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Annette,
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Dena Balla
Executive Office
Office: +1(778) 427-1133

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KENSINGTON UNION BAY PROPERTIES LTD.
CROWN LANDS MANAGEMENT PLAN
UNION BAY, COMOX VALLEY REGIONAL DISTRICT, AREA A

Aquaparian Environmental Consulting Ltd. (Aquaparian) was retained to complete environmental services for a proposed project within Union Bay on behalf of the client, Kensington Union Bay Properties Ltd. (Kensington). As part of these services, Aquaparian is completing an application for a temporary License of Occupation on behalf of Kensington so that site investigations can be conducted. The following is a Management Plan that is required as part of the application. A site location map for the project area has been included as Figure 1. A detailed site plan can be found in the attachments to this document as Figure 2.

Consultant Team Contacts:

Name	Email	Firm	Responsibilities
Sarah Bonar	sbonar@aquaparian.com	Aquaparian Environmental Consulting Ltd	• FLNRORD Authorizations • Habitat Assessment & Offset Requirements • Marina Impact Mitigation
Joline Widmeyer Michael Sloan	jwidmeyer@slrconsulting.com msloan@slrconsulting.com	SLR Consulting	• Upland Environmental Assessments • ENV Authorizations • Disposal at Sea Authorization for Marina Sediments
Matt Friderichs Adam Cooper	mfriderichs@mcelhanney.com acooper@mcelhanney.com	McElhanney	• Marina & Sheet Pile Wall Design • Site Development and Related Permitting
Kevin Bodnar Alexander Gossen	bodnar@geopacific.ca gossen@geopacific.ca	GeoPacific	• Geotechnical Assessments and Requirements for the Sheet Pile Wall and Development Construction

1.0 BACKGROUND

1.1 Project Overview

Union Bay is located approximately 13km south of the city of Courtenay and is accessible from Highway 19A. The small bay connects to Baynes Sound. Union point is located north of Union Bay and is the location of a sizeable coal waste pile. As understood, the site was historically used as a shipping port for the Union Coal Company in Cumberland from the late 1800s until the mid 1900s.

The development plan for the Kensington lands includes mixed commercial and residential use of several upland parcels extending north of Union Point. The project proposes to also develop a marina and boardwalk within the bay. The proposed marina requires dredging most of the

basin of Union Bay to achieve a functional depth for the marina. Mechanized test drilling is required to sample and analyse the sediments to determine disposal options of the dredgate.

The area for the proposed test drilling is currently a surveyed provincial crown water lot and zoned as Mixed-Use Commercial-Residential (MUCR) by the Comox Valley Regional District. This crown water lot encompasses most of the bay and a peninsula on the east side of the bay. It is legally identified as follows:

- THAT PART OF BLOCK B, DISTRICT LOT 419, TOGETHER WITH UNSURVEYED CROWN FORESHORE OR LAND COVERED BY WATER BEING PART OF THE BED OF UNION BAY, ALL WITHIN NANAIMO DISTRICT, SHOW OUTLINED ON SKETCH BELOW, CONTAINING 2.936 HECTARES, MORE OR LESS.

The public boat ramp, the breakwater and a section along the west side of the bay, which is developed as a gravel parking area for the boat ramp, are currently under separate leases (PIN SID: 11556891 & PIN SID: 11556921) held by the non-profit organization referred to as the Union Bay Community Club Boat Launch Committee.

The upland properties including the head of the bay are parcels that are owned by Kensington Union Bay Estates (Kensington). An intertidal section of the head of the bay is included in this private ownership. A sheet pile wall that will support a boardwalk/promenade storefront for commercial business is proposed to be installed along the property line and backfilled within the intertidal area within the privately owned lands.

The marina, proposed breakwater extension and eastern peninsula boardwalk are within a crown water lot. The east side of the bay is formed by a small peninsula angled to the southeast that is comprised of anthropogenic fill and coal slag waste and was once part of the historical coal loading wharf. The opening of the bay is 150m across between the end of the rock breakwater and the end of the spit creating a sheltered embayed area that appears to have in-filled over time. The substrate in the bay is fully exposed during very low tides.

Figure 2 is a map indicating the subject crown lot relative to the project area and the license tenures held by the non-profit organization.

PROJECT DESCRIPTION

This application is to apply for a temporary License of Occupation to conduct test drilling to determine sediment composition and to determine dredgate disposal options.

The proposed development plan for a marina will comprise approximately 80% of the bay. The proposed layout of the marina will include the following:

- Breakwater extension,
- Marina with capacity for up to 160 vessels ranging from 20’ to 60’,
- Float plane access, and
- A restaurant.

1.2 Investigative work

Activity: Test drilling (See Figure 3 for a Site Plan of the proposed test drilling holes)

Description: A barge-mounted sediment drilling rig will access the bay during high tide. A total of 30 test holes will be competed to investigate substrate conditions and will be concentrated around proposed structure locations including:

- Existing breakwater (3 holes) (PIN SID: 11556891),
- New breakwater/breakwater expansion (3 holes) (PIN SID: 11556891),
- Pier (5 holes),
- Mooring piers (6 holes),
- Sheet pile wall (6 holes), and
- Peninsula fill (2 holes).

Status: Proposed

1.3 Authorization, Permits, Approvals

- N/A for the test drilling phase.

1.4 First Nations

Preliminary discussions are ongoing between the local First Nations and Kensington.

2.0 LOCATION

2.1 General Description

The proposed location of the marina is within Union Bay located in Electoral Area A – Baynes Sound – Denman/Hornby Islands the Comox Valley Regional District (CVRD). Union bay is accessible from Highway 19A and presently contains a parking lot, a boat launch and a breakwater. The peninsula and most of the bay are within provincial crown lands. The bay connects to Baynes sound, a notable fishing area. The marina plan is designed to fit the shape of the bay and will require some modifications such as increasing depth and the length of the breakwater.

2.2 Location Justification

A. The subject crown lease lot is adjacent to the upland owned by Kensington.

Union bay is adjacent to a series of large parcels located within the upland area north of the bay which are owned by Kensington Properties Union Bay Ltd. As mentioned, the overall project scope is to create a waterfront neighbourhood of mixed residential and commercial development. The marina component associated with the development plan for the privately owned upland will require a crown land lease.

B. Union Bay has a long history of historical impacts and relatively limited habitat value.

The site location has a long history of historical industrial impacts from use as a coal loading and shipping port. North of the bay, Union Point is the location of a sizeable coal waste pile that is scheduled for remediation by the province. The upland around Union Bay including the peninsula is constructed from fill for the development of the coal loading and shipping facility and contains coal slag waste. The area is considered a brownfield site and has little habitat value. Likewise, the intertidal area of Union Bay was deemed to be of low quality habitat value and was found to have contamination including coal waste and heavy metals within the sediments. The detailed design will incorporate shoreline remediation along the east side of the peninsula and will aim to improve habitat quality and reduce shoreline erosion.

C. Union Bay contains the only boat ramp access to Baynes Sound in the area.

The closest alternative boat ramps are Big Rock Boat Ramp in Campbell River to the north or Qualicum Boat Launch to the south. As understood, detailed design may incorporate improvements to the existing boat ramp, which is currently only accessible at the highest tides.

2.3 Seasonal expectation of use

The temporary License of Occupation is proposed to be completed in the fall of 2020 and will is expected to be completed within a week.

3.0 INFRASTRUCTURE

3.1 New Facilities or Infrastructure

The temporary License of Occupation application only concerns the test drilling phase of the project. No “improvements” apply to this phase.

3.2 Access

The temporary License of Occupation application only concerns the test drilling phase of the project. Public access will not be impeded by this phase.

3.3 Utilities Requirements and Sources

The temporary License of Occupation application only concerns the test drilling phase of the project. No utilities are required for this phase.

3.4 Water Supply

The temporary License of Occupation application only concerns the test drilling phase of the project. No water requirements are expected.

3.5 Waste Collection, Treatment and Disposal

The temporary License of Occupation application only concerns the test drilling phase of the project. No waste management is necessary for this phase.

4.0 ENVIRONMENTAL

4.1 Land Impacts

4.1.1 Vegetation Removal – No vegetation removal is required for the test drilling phase.

4.1.2 Soil Disturbance – Soil disturbance will be limited to test drilling. Disturbed substrates within the intertidal area are expected to sort and resettle after a tide cycle. The small amount of sediment excavated from the test pits will be taken as sediment core samples and analyzed in a laboratory.

4.1.3 Riparian Encroachment – Not applicable for this project as it is marine and will not include work within or near freshwater.

4.1.4 Pesticides and Herbicides – N/A

4.1.5 Visual Impacts – The visual quality of the Crown Lot will not be impeded by the test drilling.

4.1.6 Archaeological Sites – An archaeological consultant has been retained by Kensington Properties Ltd. for this project.

4.1.7 Construction Methods/Materials- A barge mounted with a drilling rig will be transported from deeper waters into the bay during high tide. The Barge will be positioned by a small tug boat into place to complete test pits that are indicated by the attached site plan. The rig will use a core sample drilling piece to drill down into the intertidal substrate to collect core samples of the sediment. The test drilling is expected to be completed in one to two days.

Environmental Impacts and mitigations in place for the project include the following:

1. **Accidental release of hydrocarbons into the marine environment**
   - Full-sized fully stocked spill kits will be on board the barge and an emergency spill response plan will be prepared prior to drilling activities.

2. **Potential turbidity to the marine environment from the drilling activity and barge spuds**
   - Turbidity created as a result of the drilling activity is expected to be temporary and minor. If excessive turbidity is observed, water quality monitoring will be completed by a Qualified Environmental Professional.

4.2 Atmospheric Impacts

4.2.1 Sound, Odor, Gas or Fuel Emissions – Sound/odor/gas or fuel emissions will not have a deleterious impact on wildlife or disrupt residents in the surrounding area. The drilling activities have minor emissions and will be temporary.

4.3 Aquatic Lands

4.3.1 Drainage Effect – The project will not affect drainage.

4.3.2 Public Access – Public access will not be altered for this activity. The equipment will be imported to the site by barge from deeper waters.

4.3.3 Flood Potential – No flooding risks will result from the proposed test drilling.

4.4 Fish and Wildlife Habitat

4.4.1 Disturbance to Wildlife or Wildlife Habitat - Aquaparian has documented the intertidal habitat within the bay and around the peninsula and the breakwater through a combination of intertidal and subtidal surveys for Environmental Assessments completed for Kensington for various aspects of the proposed project including breakwater expansion and marina dredging. It is Aquaparian's professional opinion that Union Bay is highly impacted by historical human activity and is comprised of eroding or modified shorelines with a high occurrence of coal waste visible in the substrate. Despite the industrial impacts, there is an abundance of shellfish in the mudflat (low intertidal). It is dominated by Pacific oysters, manila clams and introduced varnish clams. The diversity within the intertidal zone is deemed to be low. Sensitive habitat is limited to some moderately dense eelgrass beds confined to the end of and the south side of the breakwater. The eelgrass bed is to be avoided during test drilling. The proposed test drilling will result in a minor and temporary disturbance to substrate conditions within the bay.

5.0 SOCIO-COMMUNITY

5.1 Land Use

5.1.1 Land Management Plans and Regional Growth Strategies

The embayed area is a surveyed provincial crown water lot (DL 149) and zoned as Mixed-Use Commercial-Residential (MUCR) by the Comox Valley Regional District.

5.2 Socio-Community Conditions

5.2.1 Adjacent Users or Communities – The beach areas and boat launch ramp within Union Bay are used by the public recreationally. The proposed test drilling will not have an impact on public use. If it is required that the area must be secured for the safety of the public (i.e. test drilling near boat ramp may limit boat launching temporarily), it will be a very short duration of time that access is impeded (e.g. several hours/a couple days) and will be correlated with favourable tide cycles for test drilling.

5.2.2 Existing Services – Use of the lease for test drilling will not increase demand on existing services (i.e. fire, ambulance, etc.).

6.0 RECLAMATION PROGRAM

6.1 Proposed Land Use After Reclamation – N/A

6.2 Description of Reclamation Procedures – N/A

Any questions regarding information provided in this document, please contact the undersigned at (250) 591-2258.

Respectfully submitted,

AQUAPARIAN ENVIRONMENTAL CONSULTING LTD.

Prepared by:

Jeni Rowell, B.Sc.
Junior Biologist

Reviewed by:



Sarah Bonar, B.Sc. R.P.Bio
Biologist/Principal

\\AQUAPARIAN-NAS\Documents\Projects\Projects\N536 Union Bay Estates\Crown Lands Phase\Application Package\Union Bay Estates Crown Lease Management Plan.docx

FIGURE 1

LOCATION MAP

SITE LOCATION MAP
FIGURE 1A



PROJECT AREA
FIGURE 1B



FIGURE 2

CROWN LANDS MAP

FIGURE 2 – CROWN LANDS MAP



Legend:

Crown Ownership

Tenure Applications

FIGURE 3

SITE PLAN

Page 365 of 646

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BRITISH COLUMBIA

File: 12800-20/0021050

February 17, 2021

Mark R. Jurisich, Operations Manager – Canada
Union Bay Industries Ltd. (DBA Deepwater Recovery)
5545 Island Highway South
Union Bay, British Columbia
V0R 3B0

Via Email: mark@deepwaterrecovery.com

Dear Mr. Jurisich:

Re: Notice to Cease and Desist all Unauthorized Uses of Water Lot Lease (Lease No. V102057, File No. 0021050)

It has come to my attention that your existing water lot lease (Lease No. V102057, File No. 0021050) which is for log storage and booming purposes is continuing to be used for vessel and barge moorage purposes in contravention of Section 60 of the *Land Act.* While I previously granted you permission at your request on two separate occasions as noted below to remove a specific vessel for safety reasons and because the vessel posed imminent threat to the environment, you have no authority to continue to use your water lot lease for this purpose and must cease and desist all such activities immediately.

On November 11, 2019, I gave you a one-time permission to remove a barge due to safety issues. The email instructed that no other vessels were to be removed.

On April 14, 2020, I granted you permission with conditions to remove a Seaspan 610 barge owned by Mowi Canada West due to safety reasons. Again, the email indicated this permission was only for this barge.

By the authority of Section 59 of the *Land Act*, I hereby request you:

1. Immediately cease all activity involving vessel and barge moorage and remove all current barges and vessels from the water lot.

…/2

Ministry of Forests, Lands
Natural Resource Operations
and Rural Development

South Island Natural
Resource District

Mailing Address:
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9

Tel: (250) 731-3000
Fax: (250) 731-3010

Website: www.gov.bc.ca/for

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Union Bay Industries Ltd. (DBA Deepwater Recovery)

2. Submit to our office on or before March 19, 2021, the additional information we requested on November 30, 2020, namely an Environment Management Plan, with your November 27, 2019 application to modify the purpose of your water lot lease to vessel and barge moorage purposes.

If you fail to meet the first condition above, I will immediately initiate cancellation of your existing water lot lease 0021050 and will ask our Ministry's Compliance and Enforcement Branch to take enforcement action against you. If you fail to meet condition two above, I will cancel your application to change the purpose of your existing lease and you will be required to reapply to our office at a later date once you have all the requested information in hand.

If you have any questions, please contact Annette Bailey, Authorizations Specialist, South Island Natural Resource District by email at annette.bailey@gov.bc.ca or by telephone at 250-736-6843.

Yours truly,

Digitally signed by Rhonda (Morris) Coleman
Date: 2021.02.17 10:04:01 -08'00'

Rhonda Morris, RPF
District Manager
South Island Natural Resource District

Land file 0021050 - Cease and Desist letter

From:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
To:	Mark Jurisich <mark@deepwaterrecovery.com>
Cc:	Dena Balla <dena@deepwaterrecovery.com>
Sent:	February 17, 2021 10:32:26 AM PST
Attachments:	2021-02-17 DWR CD Letter Final 0021050.pdf

Hi Mark
Please find attached a Cease and Desist letter from the South Island District Manager.
The letter will also be sent to you via Registered Mail.
I think the letter is quite clear in purpose. If you have any questions or concerns feel free to contact me.

Annette Bailey, RPBio
Authorizations Specialist
South Island Natural Resource District
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9
NEW 250-736-6843

Re: Land file 0021050 - Cease and Desist letter

From:	Dena Balla <dena@deepwaterrecovery.com>
To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent:	February 17, 2021 10:58:02 AM PST
Attachments:	image002.png, image001.png

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It seems that you were calling each other at the same time. I will let him know…
--

Regards,
Dena Balla
Executive Office
Office: +1(778) 427-1133

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From: "Bailey, Annette FLNR:EX"
Date: Wednesday, February 17, 2021 at 10:57 AM
To: Dena Balla
Subject: RE: Land file 0021050 - Cease and Desist letter
Hi Dena
I am free now and called Mark…..it was busy. I will try again.
Annette

From: Dena Balla
Sent: February 17, 2021 10:52 AM
To: Bailey, Annette FLNR:EX
Subject: Re: Land file 0021050 - Cease and Desist letter

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Hi Annette,
Mark is trying to call you. Would you be so kind as to give a call as soon as you can, please.
--

Regards,
Dena Balla
Executive Office
Office: +1(778) 427-1133

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From: "Bailey, Annette FLNR:EX" <Annette.Bailey@gov.bc.ca>
Date: Wednesday, February 17, 2021 at 10:32 AM
To: Mark Jurisich <mark@deepwaterrecovery.com>
Cc: Dena Balla <dena@deepwaterrecovery.com>
Subject: Land file 0021050 - Cease and Desist letter

Hi Mark
Please find attached a Cease and Desist letter from the South Island District Manager.
The letter will also be sent to you via Registered Mail.
I think the letter is quite clear in purpose. If you have any questions or concerns feel free to contact me.

Annette Bailey, RPBio
Authorizations Specialist
South Island Natural Resource District
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9
NEW 250-736-6843

Ministry of Forests, Lands, Natural Resources and Rural Development
4885 Cherry Creek Road
Port Alberni, BC
V9Y 8E9

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REGISTERED DOMESTIC
CUSTOMER RECEIPT

RECOMMANDÉ RÉGIME INTÉRIEUR
REÇU DU CLIENT

R

Mark Jurisich
Union Bay Industries Ltd.
dba Deepwater Recovery
5545 Island Hwy. South
Union Bay, BC V0R 3B0

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33-086-584 (14-06)

G;workgroup;Admin;Forms;Registered Mail record

FW: Mountain Premier Contracting/Valley Towing

From: Mark Jurisich <mark@deepwaterrecovery.com>
To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent: February 18, 2021 5:55:04 PM PST
Attachments: image001.png

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Hi Annette,
Notwithstanding the current Cease and Desist letter, please find attached an email we received this afternoon from our insurance Underwriter who is involved in assisting the government with the ugly mess below the Port Mann Bridge that we discussed some weeks ago. I suspect this request was sent to him by somebody from the Vancouver Fraser Port Authority, I will keep you informed as information comes to hand. Should this request begin to look both pressing and urgent, I will ask the respective authorities contact you directly as to whether or not your office would allow us to engage in remediating this problem. Will keep you updated as things progress.
Kind Regards,
Mark R. Jurisich
Operations Manager - Canada

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If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

From: "John R. King" <john.king@aon.ca>
Date: Thursday, February 18, 2021 at 4:41 PM
To: Mark Jurisich <mark@deepwaterrecovery.com>
Subject: Mountain Premier Contracting/Valley Towing
Hi Mark,
You should be getting a call on this one shortly. As you know I gave your name as the person to assist in removing these vessels. Maybe only the two big ones for now – Fraser Titan and E.L. Barlett but maybe all of them. Keep me posted, and thank you for your help!
Cheers,
John

John King, CIP | Senior Vice President
Commercial Risk Solutions
Aon
Suite 1200, 401 West Georgia St. | PO Box 3228 | Vancouver, BC V6B 3X8
t +1.604.443.2400 | f +1.604.682.4026 | m+1 604.220.1892
john.king@aon.ca | aon.ca
Aon Reed Stenhouse Inc.
Please consider the environment before printing this email

FW: File 0021050 letter response...

From:	Mark Jurisich <mark@deepwaterrecovery.com>
To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Cc:	Michelle Dorjgotov <michelled@deepwaterrecovery.com>
Sent:	February 18, 2021 6:00:06 PM PST
Attachments:	image001.png, DRAFT DWR EMP_Feb 2021.docx

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Hi Annette,
Please find attached Rob's first draft.
Please feel free to call me if you have any comments, questions and/or suggestions.
Kind Regards,
Mark R. Jurisich
Operations Manager - Canada

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If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

From: Rob Waters
Date: Thursday, February 18, 2021 at 5:41 PM
To: Mark Jurisich
Cc: Dena Balla , Michelle Dorjgotov
Subject: Re: File 0021050 letter response...
Good afternoon Mark,
Please find attached a draft environmental management plan for your review. Please use track changes in Word for your comments.
I was wondering if you happen to have a site plan depicting the grading design and details on the sumps in your files. I think it is reasonable to assume as I mention that the site was graded to control runoff and to direct water to the sumps, and that the sumps were purpose designed for the rainfall inputs - it would be great to have documented support on that. In the absence of the could you check the sizes of the sumps and the baffles. I
I am out a good chunk of tomorrow.
Regards
Rob
Castor Consultants Ltd.
13719 Jennifer Road
Ladysmith BC V9G 1G4

Cellphone: 250-816-1234
Telephone: 250-245-0225

> On Feb 17, 2021, at 8:43 PM, Mark Jurisich <mark@deepwaterrecovery.com> wrote:
> Hi Rob,

Sorry for my late reply, I am typically busy in the yard dealing with the barges and the scrap processing.
I am not aware of any archeological findings, and furthermore I would prefer to keep clear of any unnecessary distractions that are not relevant to the “Environmental Management Plan”.
It is my understanding that the purpose of this Environmental Management Plan is to support the government’s discussions with the Comox First Nations in demonstrating that we have appropriate procedures in place to ensure that we are not having any adverse effects on the aquaculture business in Baynes Sound.
I believe that Annette is requesting that we acknowledge the importance and economic value of the aquaculture business in Baynes Sound and that we are aware of the environmental responsibility that must be employed with our business activity.
An example would be to provide photographs of oil boom equipment that we have on site for any unforeseen emergencies.
Another example would be to explain that we require all vessels coming to the site be free of all hydrocarbons.
Feel free to call me in the morning at your leisure to discuss the above.
Kind Regards,
Mark R. Jurisich
Operations Manager - Canada
If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

From: Rob Waters <robwaters@shaw.ca>
Date: Wednesday, February 17, 2021 at 4:34 PM
To: Dena Balla <dena@deepwaterrecovery.com>
Cc: Mark Jurisich <mark@deepwaterrecovery.com>
Subject: Re: File 0021050 letter response...
Hi there,
I am working through the list and one of the sections in the FLNROR list relates to archeology.
I checked the provincial web site and see a reference to something archeological - DjSf (screen shot attached). I have included the links below
At this time I don’t know if it is anything at all.
Since Deep Water seems to have only disturbed the fill of the log sort it is may not be an issue - however before I/you inquire further with the Archeology Branch on this do you have any archeological documentation that the previous owner might have had? When the site was filled perhaps?
Regards
Rob
Castor Consultants Ltd.
13719 Jennifer Road
Ladysmith BC V9G 1G4

Cellphone: 250-816-1234
Telephone: 250-245-0225

https://maps.gov.bc.ca/ess/hm/imap4m/

https://www2.gov.bc.ca/gov/content/industry/natural-resource-use/archaeology

> On Feb 17, 2021, at 12:18 PM, Dena Balla <dena@deepwaterrecovery.com> wrote:
> Rob,
> Attached is what we sent to Annette in response to Rhonda’s letter.
> --
>
> Regards,
> Dena Balla

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Office: +1(778) 427-1133
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From: Dena Balla <dena@deepwaterrecovery.com>
Date: Thursday, January 21, 2021 at 6:48 PM
To: Annette Bailey <Annette.Bailey@gov.bc.ca>
Cc: Mark Jurisich <mark@deepwaterrecovery.com>
Subject: File 0021050 letter response...

Annette,
Attached is the letter that Mark has composed briefly in response to the letter from Rhonda.
--

Regards,
Dena Balla
Executive Office
Office: +1(778) 427-1133
If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.
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February 18, 2021

1.0 INTRODUCTION

Castor Consultants Ltd. has been retained by Deep Water Recovery Ltd. (DWRL) to generate a site-specific Environmental Management Plan for their location at 5804 Island Highway South, Union Bay, B.C. to protect the local marine environment and in recognition of the importance and economic value of the aquaculture business in Baynes Sound.

It is the intent of DWRL, its affiliates, consultants, suppliers, and subcontractors to take all reasonable and practicable steps in order to prevent the discharge of deleterious material into the environment or to cause any harm to fish or fish habitat.

For background, DWRL's facility provides a vessel decommissioning service for the marine industry on the coast. The service decommissions derelict vessels or those at the end of their serviceable life. It is an essential service in that it enables the safe disposal and recycling of vessels that might otherwise release deleterious substances into the marine environment, or become hazards to other vessels in navigable waters. DWRL, through its contract arrangements with clients (e.g. Seaspan), conforms to the international quality management standards ISO9001 and ISO9002, which basically encourage risk-based thinking in their on-site practices.

2.0 RESPONSIBILITIES

2.1 Site Manager – Mark Jurisich Phone: 619-823-5925 (cell)

a) Responsible for the implementation of a site Environmental Management Plan.
b) Responsible for the delegation of authority necessary to carry out the elements of that plan.

2.2 Environmental Monitor

The Site Manager is responsible for assignment of an environmental monitor. Regular and arbitrary monitoring is to be conducted at the discretion of the monitor. The frequency of the discretionary visits will be reasonable and appropriate. On-site visits will be made during procedural changes, during new activities, prior to cleanout from any sumps, during periods of heavy rainfall, and on any other occasions deemed appropriate. Call-out procedures will be established during work activities; however, the monitor will be 'on-call' as required.

Environmental monitoring reports will be issued to DWRL following each site visit, and to any other agency DWRL identifies as having requested such reports. Additional reports will be issued in the event of unusual situations and/or emergencies.

2.3 Spill Response Coordinator – Mark Jurisich Phone: 619-823-5925 (cell)

a) Responsible to identify all Federal, Provincial, Municipal and Owner requirements relating to spill prevention, control and remediation.
b) Responsible to produce and periodically update a potentially hazardous materials inventory upon which site specific procedures will be based.
c) Responsible for documentation and co-ordination of notifications and reports pertaining to spills.
d) Responsible to initiate, oversee and direct activities relating to the prevention and recovery of any accidental release of hazardous materials into the environment
e) Responsible to co-ordinate training of spill response teams.

DRAFT

f) Responsible to liaise and co-ordinate communications and activities with other general and subcontractors, regulators and owner representatives during containment and remedial operations.

2.4 Site Supervisors

a) Responsible to conduct their work in a manner which will reduce the likelihood of environmental spills.
b) Responsible to assist the Spill Response Coordinator in the control and remediation of any accidental spills.
c) Responsible to communicate environmental requirements as well as the elements of spill prevention, control and remediation to their crews through weekly Tool Box meetings or special meetings.

2.5 Employees

a) Responsible to conduct their work in a manner that achieves the required environmental protection and which will reduce the likelihood of accidental spills.
b) Responsible to assist in spill containment and remediation as directed.

3.0 PROCEDURES

3.1 Materials and Information Inventories

a) DWRL Spill Response Coordinator will cause an inventory to be taken of all materials which if inadvertently released could be hazardous to the environment.
b) This inventory will identify the types of products, their quantities as well as storage and use conditions as outlined in the Material Safety Data Sheet (MSDS).
c) The inventory will be current, will be updated monthly (or more frequently if necessary), and will be posted and made available to the Owner or any agency upon request.
d) The Spills Response Coordinator will retain a personal file of MSDS sheets for material on site.
e) The MSDS sheets will be retained at a known location on site and be accessible for review in accordance with the Workplace Hazardous Materials Information System (WHMIS) legislation.
f) Emergency Spill Kits - The Spill Kits will be deployed as appropriate to the site work areas and be well marked and kept in close proximity to working machinery. A 45-gallon drum or equivalent container capable of storing wasted (i.e. oiled or concrete) materials will be included with each kit. In addition, smaller Spill Kits and sorbent pads will be kept on each major piece of equipment for emergency first response use. Devices capable of blocking flows to culverts or storm drains will be kept adjacent to culverts or storm drains that have potential to receive contaminated water during construction activities.

3.2 Site Plan

a) At this time, fueling and servicing requirements for the site will be done via small fuel totes and / or at the refueling station supplied with spill control materials.

b) Equipment Repairs - Hydraulic oil spills will be locally contained using Spill Kits. In the event of larger oil spills, the Spill Response Coordinator will be notified in accordance with Section 2.4 and 8.0. Primarily equipment repairs will be made on site, with the provision to move equipment off site if necessary. Oil and fuel spills will be contained with sorbent pads and this material will be disposed of in accordance with regulatory requirements.

DRAFT

4.0 STORM WATER DRAINAGE CONTROL PLAN

The purpose of the Storm Water Drainage Plan is to control runoff from the site and to prevent materials including metal cuttings, welding residue and any other substances from being released into the marine environment or any fish-bearing watercourse.

All storm water and runoff water from the work area will flow to and be collected in the existing sumps located down slope from the work areas; one sump is in the NE corner of the site and a second is located near the site centre just south of the existing groyne. The paved work area has been built to handle heavy equipment and graded to facilitate runoff control to the sumps, all of which were purpose built for the dryland log sort and as such work for the current purpose as well.

Routine monitoring and pumping out of the sumps is planned on a regular basis based on sediment buildup. A record of pump outs will be maintained. Water quality testing for parameters associated with the operation may be conducted at the direction of the Environmental Monitor. If results exceed the specified criteria, consideration will be given to the source and appropriate steps will be taken to rectify the situation. During these situations testing will be conducted until the problem is resolved.

5.0 METHODOLOGY

Barges/vessels will be positioned and hauled out of the water up the ramp on inflatable rollers by means of large winches set upland. The barges, once out of the water, will be relocated off the ramp onto the paved area for decommissioning.

The vessel owner prior to delivery will have pumped all vessels arriving at the site of bilge water and related hydrocarbon residues. As a precautionary measure barges/vessels will be checked for residues before and after haul-out to ensure suitability before decommissioning to avoid spills. Any residues will be removed and contained in barrels for offsite disposal at an approved waste facility.

Decommissioning the barges/vessels entails cutting the metal, mainly steel and aluminum, structure by means of cutting torches and related specialized metal cutting equipment. Large and smaller pieces of the metal residues will be placed in barrels for shipment. Sweeping the work deck around the barges will collect finer materials generated by these methods. The sumps will contain any fines missed by this housekeeping process.

As noted spill containment kits and associated equipment will be located adjacent each work area and moved as required to be close to the workers for rapid deployment.

On-going Site Maintenance

Site clean up (i.e., shoveling and sweeping, shop-vacuuming) will be an on-going maintenance activity during and after processing of each barge/vessel. The paved deck surface will be kept free of cuttings and associated materials to prevent their entry to storm drains or the adjacent marine environment. Site inspection and clean up will be conducted at the end of the day.

DRAFT

Solid Waste Management Plan

Trash on the site, including related decommissioning waste (filters, rags, etc) will be collected and disposed of in barrels/dumpsters for off site disposal. The site will be cleaned on a regular basis to prevent the accumulation of excessive solid waste not associated with the metal recycling.

Oily rags, oils and other fluids generated during equipment repairs and maintenance will be collected and disposed of in accordance with applicable standards and regulations. Routine equipment repairs and maintenance will be done within the site area, away from tidewater where possible.

Dust Control

In the event that dust becomes a problem on the site, a water spray may be used as a suppressant. Care will be taken to ensure that the amount of water used is insufficient to cause a run-off quality problem. In no event will chemical dust suppressants be used.

6.0 ORIENTATION AND TRAINING

a) The Site Manager will ensure that each new employee or contractor is properly introduced to and instructed on the policies and procedures established by the site's Environmental Management Plan.

b) DWRL's hire-on orientation will include a section on safety and environmental awareness and responsibilities. Each employee will be required to complete the environmental orientation before being permitted to go to work.

c) Environmental issues will be discussed at all safety Tool Box meetings and general safety meetings. In addition, at the start up of all operations that could affect the environment, all affected employees or contractors will be instructed upon specific procedures to protect the surrounding environment.

d) In the unlikely event of an environmental problem or incident, all employees or contractors will be re-instructed and re-trained as deemed necessary by the site's Environmental Monitor and the Site Manager.

e) The Site Superintendent will ensure each employee is made aware of the proper use, handling and storage of materials on site which could present a hazard to the environment, as well as the location, use and limitations of spill containment and recovery equipment.

7.0 SPILLS – NOTIFICATION AND RESPONSE

7.1 Internal Notification

a) All employees on site will be instructed during their initial orientation and subsequently within Tool Box meetings or special meetings to immediately report any and all releases of deleterious materials to the Spill Response Coordinator.
b) The Spill Response Coordinator will be advised of all reports of spilled materials without delay and will attend the scene in order to assess the situation.

DRAFT

c) The Spill Response Coordinator will inform the Environmental Monitor of all reports and activities resulting from an accidental release of deleterious material. Where appropriate, the Spill Response Coordinator will liaise with the Environmental Monitor in the development and implementation of spill response.
d) The Spill Response Coordinator will post an internal and external notification flow chart to be published and posted at the site office.

7.2 External Notification

a) DWRL's Site Manager will be responsible to either initiate or be aware of all external notifications as outlined in the notification flow chart.
b) Owner's Representative and Environmental Monitor will be notified immediately.
c) DWRL's Site Manager will be responsible to notify the Provincial Environment Program and the Department of Fisheries and Oceans (DFO) Radio Room at 604-666-3500 for spills that affect or have potential to affect aquatic resources and if the volume spilled requires mandatory reporting.
d) The Spill Response Coordinator is advised to contact CANUTEC (0-613-996-6666) as soon as possible after an accident so as to utilize their expertise and ability to link response personnel at the scene with individuals and organizations in a position to offer technical advice and/or on site assistance.
e) DWRL's Spill Response Coordinator will maintain a log of all external contacts made which will include the date, time, organization contacted, essence of the notice or information transmitted/received, and whenever possible the name and title of individuals receiving or issuing notification or instructions.
f) DWRL's Spill Response Coordinator will himself or will designate some other competent person to maintain a standby position at the site office in order to monitor spill related communications.

8.0 SPILLS – DISCOVERY AND RESPONSE

8.1 Discovery

a) Any employee noticing an environmentally hazardous spill of materials is required to immediately notify their supervisor and/or the Spill Response Coordinator.
b) The person reporting a spill is to attempt to stem the flow if possible by closing valves or by using other available means of containment readily available.

8.2 Response

a) The Spill Response Coordinator shall immediately proceed to the scene where he will make an initial assessment of:
    1. The type of material spilled.
    2. The estimated quantity spilled.
    3. The total quantity which could potentially be involved.
    4. The surface area involved or affected.
    5. Specific hazards of an imminent nature which may require emergency response groups or other specialized handling.
    6. Criteria for containing the spilled material.
    7. Determination of personnel and equipment necessary to initiate remedial action and recovery.
b) The Spill Response Coordinator will assess the required manpower and equipment requirements in addition to those available on the site.

DRAFT

c) The Spill Response Coordinator will then directly control all activities relating to the stemming of additional flow or escape, containment and extraction of spilled material and the restoration of the site.
d) The Spill Response Coordinator will ensure that containment and recovery equipment is available on site in such quantities and character as to sufficiently respond to the most serious potential spill condition identified through the materials inventory.
e) The Site Manager will functionally liaise with regulatory agencies and Owner representatives on the scene and keep them informed as to the status of the on-going operations.

9.0 SPILLS – DISPOSAL

a) The disposal of spilled material and/or contaminated soil is governed under provincial legislation. The Site Manager shall maintain a copy of those requirements on site for reference.

b) The Spill Response Coordinator and Site Manager shall determine if the local disposal areas are available and registered for those materials which could be spilled during the course of operations.

c) The Spill Response Coordinator shall establish a listing of available outside contractors with sufficient capability, capacity and disposal permits to accommodate any anticipated need.

10.0 SPILLS – DOCUMENTATION

a) The Spill Response Coordinator or his designate will be responsible to attend the scene in order to collect samples of any spilled materials or contaminated soils as well as to photograph and measure the affected area.

b) The Site Manager will cause a full report to be written within seven (7) days of the completion of remedial activities. All spills and remedial measures will be reported and documented. Reporting will include but not be limited to:

- The reporting person's name and telephone number.
- The name and telephone number of the person who caused the spill.
- The location and time of the spill.
- The type and quantity of the substance spilled.
- The cause and effect of the spill.
- Details of action taken or proposed.
- A description of the spill location and of the area surrounding the spill.
- The details of further action contemplated or required.
- The names of agencies on the scene.
- The names of other persons or agencies advised concerning the spill.
- The chronological sequence of events including internal and external notifications.
- An analysis of the events leading up to the spill and a critique of the internal response and handling of the incident.

c) The Site Manager will provide the Owner with a copy of the report within ten (10) days of completion of remedial activities.

DRAFT

CONTACTS

CANUTEC (CALL COLLECT; SPILL ADVISE)		0-613-996-6666
SPILL CLEAN UP SERVICES:		
BURRARD CLEAN		EMERGENCY 604-294-9116
		NON-EMERGENCY 604-294-6001
ENVIRONMENT CANADA – ENVIRONMENTAL PROTECTION		
EMERGENCY 24 HOURS		1-604-666-6100
PROVINCIAL EMERGENCY PROGRAM (VICTORIA 24 HOURS)		1-800-663-3456
COAST GUARD		1-800-567-5111
PARKSVILLE		250-480-2600
MINISTRY OF ENVIRONMENT		
MINISTRY OF ENVIRONMENT (General)		250-952-5848
WILDLIFE (Emergency)		1-800-663-9453
FISHERIES (DFO)		1-800-465-4336
DFO RADIO ROOM CONTACT		604-666-3500
DWRL:		
Mark Jurisich	Site Manager Site Superintendent Environmental, Health & Safety Co-ordinator	619-823-5925(cell)
	Environmental Monitor	Office Cell
LOCAL PORT AUTHORITY:		
Comox Harbour Authority		250-339-6041

DRAFT

RE: Tug

From:	Norlock, Jim D FLNR:EX <Jim.Norlock@gov.bc.ca>
To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>, Morris, Rhonda M FLNR:EX <Rhonda.Morris@gov.bc.ca>
Sent:	February 19, 2021 7:32:10 AM PST
Attachments:	image004.png, image005.jpg, image003.jpg

Thanks for looking into Annette.
I suspect s.22 information came from someone who wants to see the tenure not approved for vessel removal activities.

NRO Jim Norlock SPC, RFT
Supervisor, Natural Resource Officer
Port Alberni Field Unit | West Coast Region
Compliance and Enforcement Branch | FLNRORD
Office: 250 736-6877| Mobile: 250 731-7368
Report a Natural Resource Violation

From: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent: February 18, 2021 3:56 PM
To: Morris, Rhonda M FLNR:EX <Rhonda.Morris@gov.bc.ca>
Cc: Norlock, Jim D FLNR:EX <Jim.Norlock@gov.bc.ca>
Subject: FW: Tug

Hi
I sent the picture we received from s.22 this morning to Deepwater Recovery to find out more. Below is the response from Deepwater Recovery.
Annette

From: Mark Jurisich <mark@deepwaterrecovery.com>
Sent: February 18, 2021 1:55 PM
To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Subject: Re: Tug

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Hi Annette,
Thank you for the photograph, it would seem some people have more ideas with what we are doing than we do. The short answer is NO, these vessels were not destined for Union Bay, they belong to AMIX and these vessels are tied up at their facility in Surrey and I can see in the foreground the buildings belonging to Schnitzer. I am not sure what the status of these vessels might be, but I can confirm they are not coming here and nor have we been involved in any discussions concerning these vessels, that is not to say that AMIX may plan to dispose of them at some time in the future but at the moment I am not aware of any details.
Kind Regards,
Mark R. Jurisich
Operations Manager - Canada

deepwater recovery
A Canadian Limited Company

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From: "Bailey, Annette FLNR:EX" <Annette.Bailey@gov.bc.ca>
Date: Thursday, February 18, 2021 at 12:01 PM

To: Mark Jurisich <mark@deepwaterrecovery.com>
Subject: FW: Tug
Do you know anything about these two boats?





RE: Draft Environmental Management Plan...

From:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
To:	Mark Jurisich <mark@deepwaterrecovery.com>
Sent:	March 5, 2021 8:07:38 AM PST
Attachments:	image002.png

Hi
Thank you for the visit and tour yesterday. It is always good to see what is happening in-person.
I like what you have added to your Environmental Plan. I think it is ready for submission. I look forward to the finished product and sharing it with Rhonda.
Annette

From: Mark Jurisich <mark@deepwaterrecovery.com>
Sent: March 4, 2021 1:46 PM
To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Subject: Draft Environmental Management Plan...

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Hi Annette,

Notwithstanding the difficulties that we are dealing with, it was a pleasure seeing you today and I sincerely hope that the issues here are not causing yourself and Rhonda insurmountable pressure.

1. Please see further emphasis on the awareness of the Aquaculture in Baines Sound, these additional paragraphs are in green type in the attached document. Do you feel that this is specific to what is required?

2. We are aware that our future here is hanging on the change to the water lease, we are of the opinion that we have one shot at getting this document (Environmental Management Plan) submitted as accurately as possible. Do you feel that the document responds to the specific concerns that you would like addressed?

I would like to dedicate the necessary time to having this completed no later than mid-afternoon tomorrow, and we would like to submit our final draft accordingly. If you feel that there are things we have not addressed, please advise and I will deal with it immediately.
Kind Regards,
Mark R. Jurisich
Operations Manager - Canada

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Re: Deep Water Recovery - Environmental Management Plan (EMP)

From:	Rob Waters <robwaters@shaw.ca>
To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent:	March 6, 2021 5:34:52 PM PST
Attachments:	Deep Water Recovery EMP March 2021.pdf

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Hi Annette,

This is one of the troubles with a home office! Amended EMP attached.

Cheers

Rob
Castor Consultants Ltd.
13719 Jennifer Road
Ladysmith BC V9G 1G4

Cellphone: 250-816-1234
Telephone: 250-245-0225

> On Mar 6, 2021, at 1:46 PM, Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca> wrote:
>
> Hi Rob
>
> Thank you for the report.
> Please include a signature (including professional affiliation) and date (on the last page)
>
> Thanks
> Annette
>
> -----Original Message-----
> From: Rob Waters <robwaters@shaw.ca>
> Sent: March 6, 2021 1:28 PM
> To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
> Cc: Mark Jurisich <mark@deepwaterrecovery.com>
> Subject: Deep Water Recovery - Environmental Management Plan (EMP)
>
> [EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.
>
>
> Hi Annette,
>
> Please find attached the EMP prepared for the subject site at Union Bay.
>
> If you have any questions don't hesitate to contact us.
>
> Regards
>
> Rob
>
> Castor Consultants Ltd.
> 13719 Jennifer Road
> Ladysmith BC V9G 1G4
>
> Cellphone: 250-816-1234
> Telephone: 250-245-0225
>

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Re: Deep Water Recovery - Environmental Management Plan (EMP)

From:	Rob Waters <robwaters@shaw.ca>
To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent:	March 6, 2021 5:34:52 PM PST
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> Rob
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> Castor Consultants Ltd.
> 13719 Jennifer Road
> Ladysmith BC V9G 1G4
>
> Cellphone: 250-816-1234
> Telephone: 250-245-0225
>

Voice Mail (35 seconds)

From: DEEP WATER RECO, Microsoft Outlook s.15 >
To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent: March 17, 2021 9:16:56 AM PDT
Attachments: 7784271133 (35 seconds) Voice Mail.mp3

You received a voice message from DEEP WATER RECO at 7784271133.

Caller-Id: 7784271133

Re: Freedom of Informaiton

From:	Dena Balla <dena@deepwaterrecovery.com>
To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Cc:	Mark Jurisich <mark@deepwaterrecovery.com>
Sent:	March 17, 2021 11:46:31 AM PDT
Attachments:	image001.png

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Annette,
Thank you again for assisting me in submitting the FOI request. I have filed the request for all communications in regard file number 0021050 dating from Dec. 1, 2020 to present and specified that the South Island Natural Resource District holds the records as instructed below. Hopefully it doesn't take long to process the request (FOI dept. level) … Hope you have a great afternoon!
--
Kind Regards,
Dena Balla
Executive Office
Office: +1(778) 427-1133



If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.
*This email is not spam.

From: "Bailey, Annette FLNR:EX"
Date: Monday, March 15, 2021 at 10:41 AM
To: Mark Jurisich , Dena Balla
Subject: Freedom of Informaiton
Hi Mark
Thanks for the call this morning.
Here is the portal for submitting a Freedom of Information request. If you specify South Island Natural Resource District holds the records you are requesting, we will receive the FOI request faster.
https://www2.gov.bc.ca/gov/content/governments/about-the-bc-government/open-government/open-information/freedom-of-information/submit-a-personal-freedom-of-information-request
Thanks
Annette

RE: Freedom of Informaiton

From:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
To:	Dena Balla <dena@deepwaterrecovery.com>
Sent:	March 17, 2021 11:47:52 AM PDT
Attachments:	image001.png

Thanks Dena

From: Dena Balla
Sent: March 17, 2021 11:47 AM
To: Bailey, Annette FLNR:EX
Cc: Mark Jurisich
Subject: Re: Freedom of Informaiton

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

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Dena Balla
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*This email is not spam.

From: "Bailey, Annette FLNR:EX" <Annette.Bailey@gov.bc.ca>
Date: Monday, March 15, 2021 at 10:41 AM
To: Mark Jurisich <mark@deepwaterrecovery.com>, Dena Balla <dena@deepwaterrecovery.com>
Subject: Freedom of Informaiton

Hi Mark
Thanks for the call this morning.
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https://www2.gov.bc.ca/gov/content/governments/about-the-bc-government/open-government/open-information/freedom-of-information/submit-a-personal-freedom-of-information-request
Thanks
Annette

Re: Freedom of Informaiton

From:	Dena Balla <dena@deepwaterrecovery.com>
To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Cc:	Mark Jurisich <mark@deepwaterrecovery.com>
Sent:	March 17, 2021 3:18:00 PM PDT
Attachments:	image002.png, image001.png

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Hi Annette,
As you know, Mark is very anxious to know if you had a chance to submit the Environmental Management Plan and if Rhonda was happy with what we submitted?
--
Regards,
Dena Balla
Executive Office
Office: +1(778) 427-1133

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*This email is not spam.

From: "Bailey, Annette FLNR:EX"
Date: Wednesday, March 17, 2021 at 11:47 AM
To: Dena Balla
Subject: RE: Freedom of Informaiton
Thanks Dena

From: Dena Balla
Sent: March 17, 2021 11:47 AM
To: Bailey, Annette FLNR:EX
Cc: Mark Jurisich
Subject: Re: Freedom of Informaiton

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Annette,
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--
Kind Regards,
Dena Balla
Executive Office
Office: +1(778) 427-1133



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*This email is not spam.

From: "Bailey, Annette FLNR:EX" <Annette.Bailey@gov.bc.ca>
Date: Monday, March 15, 2021 at 10:41 AM
To: Mark Jurisich <mark@deepwaterrecovery.com>, Dena Balla <dena@deepwaterrecovery.com>
Subject: Freedom of Informaiton

Hi Mark
Thanks for the call this morning.
Here is the portal for submitting a Freedom of Information request. If you specify South Island Natural Resource District holds the records you are requesting, we will receive the FOI request faster.
https://www2.gov.bc.ca/gov/content/governments/about-the-bc-government/open-government/open-information/freedom-of-information/submit-a-personal-freedom-of-information-request
Thanks
Annette

RE: Proposed groin extension, Union Bay

From:	Laura White <lwhite@hemmera.com>
To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent:	March 26, 2021 1:03:49 PM PDT
Attachments:	image002.jpg, image001.png

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Hi Annette.
Thank you for the reply. I will re-connect when a tenure is in place.
Many thanks.
Regards, Laura
Laura White, B.Sc. (Honours), PhD, R.P.Bio.
Hemmera, an Ausenco Company
C: 604.379.2251 | F: 250.388.3517

From: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent: March 24, 2021 12:39 PM
To: Laura White <lwhite@hemmera.com>
Subject: RE: Proposed groin extension, Union Bay
Hi Laura
Thank you for the email.
The tenure at Union Bay has not yet been approved for the work that Deepwater is currently requesting. I feel it is pre-mature to discuss future plans until Deepwater has an approval tenure.
I would be willing to discuss future plans if and when Deepwater has an approved tenure.
Thanks
Annette

From: Laura White <lwhite@hemmera.com>
Sent: March 24, 2021 11:27 AM
To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Subject: Proposed groin extension, Union Bay

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Good morning, Annette.
I hope that you are well. Would you please have time this week to discuss the feasibility of some planned in-water project works at Deepwater Recovery in Union Bay? Deepwater are hoping to extend an existing rock groin at the Site to provide storm and wave protection (mocked up rendering attached).
I believe that you have interacted with Mark Jurisich previously on different scopes.
Many thanks.
Regards, Laura
Laura White, B.Sc. (Honours), PhD, R.P.Bio.
Hemmera, an Ausenco Company
C: 604.379.2251 | F: 250.388.3517

From: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent: February 19, 2021 1:10 PM
To: Laura White <lwhite@hemmera.com>
Subject: RE: structure in trespass
Hi Laura
As we discussed here is a short explanation about the DUA (Designated Use Area) in Sooke
This DUA was established for the protection of shellfish aquaculture and traditional shellfish harvesting. Due to the depuration in the Sooke Basin and the closures of fisheries and shellfish harvesting closures (mandated by the

Department of Fisheries and Oceans, DFO) we are not accepting application for private moorage structures. Private moorage structures are not compatible with the DUA; therefore, any structing that is existing within this DUA is considered an unauthorized structure.
I hope this provides some explanation.
Annette

From: Laura White <lwhite@hemmera.com>
Sent: February 16, 2021 12:59 PM
To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Subject: RE: structure in trespass

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Hi Annette,
I hope that you had a good weekend. I am following up on the below email, can you please let me know if you have time tomorrow afternoon for a quick preliminary discussion?
Many thanks.
Regards, Laura

Laura White, B.Sc. (Honours), PhD, R.P.Bio.
Hemmera, an Ausenco Company
C: 604.379.2251 | F: 250.388.3517

From: Laura White
Sent: February 11, 2021 11:41 AM
To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Subject: RE: structure in trespass
Hi Annette.
The site is untenured. The property address is s.22 The Sooke Nation have an existing license of occupation over the site. A preliminary discussion would be helpful.

Many thanks.
Regards, Laura
Laura White, B.Sc. (Honours), PhD, R.P.Bio.
Hemmera, an Ausenco Company
C: 604.379.2251 | F: 250.388.3517

From: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent: February 11, 2021 11:35 AM
To: Laura White <lwhite@hemmera.com>
Subject: RE: structure in trespass
Hi Laura
Prior to discussion, can you provide me a land tenure number and I can do a bit of research.
Thanks
Annette Bailey, RPBio
Authorizations Specialist
South Island Natural Resource District
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9
NEW 250-736-6843

From: Laura White <lwhite@hemmera.com>
Sent: February 11, 2021 11:01 AM
To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Subject: structure in trespass

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Good morning, Annette.
I hope that this email finds you well. I am working on authorizing a structure in trespass in Sooke. Peter Warburton has indicated that the file was transferred to you. Would you have time for a call to discuss?
Many thanks.
Regards, Laura

.....

Laura White, B.Sc. (Honours), PhD, R.P.Bio.
Senior Project Manager

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An Ausenco Company

Hemmera, an Ausenco Company
303-1221 Broad Street | Victoria, BC | V8W 2A4
C: 604.379.2251 | F: 250.388.3517
lwhite@hemmera.com | hemmera.com | unsubscribe

@TheHemmeraWay | LinkedIn | YouTube

Please consider the environment before printing this email.

Page 417 of 646

Withheld pursuant to/removed as

s.22

0021050 site visit pictures

From:	Annette Bailey <dabailey100@gmail.com>
To:	Annette FLNR:EX Bailey <Annette.Bailey@gov.bc.ca>, Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent:	April 24, 2021 9:07:28 AM PDT
Attachments:	IMG_1020.jpg, IMG_1028.jpg, IMG_1032.jpg, IMG_1034.jpg, IMG_1036.jpg, IMG_1038.jpg, IMG_1037.jpg, IMG_1035.jpg, IMG_1033.jpg, IMG_1030.jpg, IMG_1031.jpg, IMG_1029.jpg, IMG_1026.jpg, IMG_1024.jpg, IMG_1027.jpg, IMG_1022.jpg, IMG_1025.JPG, IMG_1023.jpg, IMG_1021.jpg

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s.22



















Sent from my iPhone










SWIFTSURE PRINCE








s.22

s.22















RE: Policy response for lease requirement

From: Morris, Rhonda M FLNR:EX <Rhonda.Morris@gov.bc.ca>
To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent: June 2, 2021 2:45:13 PM PDT

Nicely done, thank you.

From: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent: June 2, 2021 2:40 PM
To: 'Mark Jurisich' <mark@deepwaterrecovery.com>
Cc: Morris, Rhonda M FLNR:EX <Rhonda.Morris@gov.bc.ca>
Subject: Policy response for lease requirement

Hi Mark

I hope you had a nice drive back from California.

Rhonda indicated to me that you were asking if Deepwater required a lease at all, at your property. I understand you used Seaspan as a example of being able to pull vessels from the water without a tenure. If you have examples of where this has occurred please forward to me and I can do a bit of research.

I have contacted Policy Branch (they are the experts who write the policies) to discuss your question.

Policy Branch has indicated that since you continually use the same area for take-out and as this is part of your operations to transition the vessels out of the water a tenure is required. Furthermore, Policy also indicated that in order to transition the vessels out of the water during high tides, it is possible that vessels are stored for short periods of time in the water. Also, the large vessels and barges take considerable time to haul out of the water. For all these reasons, a tenure is required.

Policy Branch did indicate that there may be an opportunity to reduce the size of the tenure if only a small area is required and being used. Decreasing the size of the tenure may also help mitigate some of K'omoks concerns.

I hope this helps to answer your questions.

Thanks

Annette Bailey, RPBio
Authorizations Specialist
South Island Natural Resource District
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9
NEW 250-736-6843

Fwd: Today's discussion - union bay

From: Morris, Rhonda M FLNR:EX <Rhonda.Morris@gov.bc.ca>
To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent: August 5, 2021 6:56:36 PM PDT
Attachments: image001.png

Please put this on file with other documents thanks.

Sent from my iPhone

Begin forwarded message:

From: Mark Jurisich <mark@deepwaterrecovery.com>
Date: August 5, 2021 at 4:15:40 PM PDT
To: "Morris, Rhonda M FLNR:EX" <Rhonda.Morris@gov.bc.ca>
Subject: Today's discussion

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Dear Rhonda,
Firstly, I wish to apologize for my frustrations in dealing with this matter that would appear to have no end in sight. Please understand that my frustration is amplified as all of the issues that we discussed today were mentioned in detail in our Environmental Management Plan, most pages make specific reference to the importance of maintaining a clean environment on the work site and if I may be very blunt, this responsibility is motivated by 2 factors, those being Fear and Economics. The Fear Factor is one that relates to keeping the site clean and staying out of trouble with any and all government authorities that could potentially cause the site to be shut down.
The Economic Factor has both short and long term consequences, the larger of those concerns directly relates to our discussion earlier today. As we have discussed from the beginning, I think we can all agree that this site is a relatively short term proposition, somewhere in the vicinity of 5-7 years which then questions what are the future prospects for the site. Irrespective of what the future may hold for the site, it is absolutely mandatory that the site is maintained in pristine condition, if a viable economic exit from the site is to be realized, then under no circumstances can any contamination occur which could potentially make it an unviable economic proposition for any future investor.
We are very much aware that with the residential neighbors on our northern property line, and the large property development on our southern property line, that a transition from an industrial site to a commercial application such as a marina complex or potential hotel site is most likely going to be the preferred route for both government and residents alike in the not too distant future.
On a more positive note, I look forward to your visit next Wednesday. With regard to our discussion earlier today I would like to make reference to those items that you would like to address in your discussions concerning our tenure.

1. You will note that on page 1 of our Environmental Management Plan (EMP) paragraph 4 specifically relates to the removal of hydrocarbons. Both paragraphs 4 and 5 notably make reference to our awareness and sense of responsibility with regard to our operations in Baynes Sound. You will also note that paragraph 8 refers to again to the standards that we are required to maintain on the site in order to conform to the ISO standards.
2. You will note on page 2 of the EMP, that comprehensive upland monitoring is also part of the company's environmental management plan. Please feel free to make contact with Rob Waters (ex DFO) who has been involved in all aspects of our environmental management since our acquisition of the Union Bay site.

3. On page 3 of the EMP paragraph 3.1 article F specifically discusses the management of rain water and the flow of rain water from culverts and/or storm drains.
4. Page 4 refers specifically to storm water, storm water run-off and the importance of maintaining the site clean and free of any contaminants or deleterious substances that could enter the marine habitat. All of page 4 and part of page 5 refer to the importance and reasoning as to why the site needs to be kept clean.

It would appear from our discussion earlier today that the Comox Band have not read our site management plan and I think you will see on your visit that our management of the facility and its cleanliness are taken very seriously. I suspect we have more oil spill kits and oil remediation equipment than any other business that is operating anywhere on the water in British Columbia. With regard to the work area all processing is done on hard surface only, directly above a 10,000 litre catchment basin that has oil absorbent socks around its perimeter at all times and all solids are pumped out on a monitored basis (invoicing can be provided for verification).

I hope that the information and references I have provided are helpful, however, I think you will have a different perspective on our activity after you have had a chance to walk the site and form your own opinion of what we are doing.

Kind Regards,

Mark R. Jurisich
Operations Manager - Canada

deepwater recovery
A Canadian Limited Company

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

Re: Today's discussion

From:	Mark Jurisich <mark@deepwaterrecovery.com>
To:	Morris, Rhonda M FLNR:EX <Rhonda.Morris@gov.bc.ca>
Cc:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent:	August 9, 2021 3:11:46 PM PDT
Attachments:	image001.png, image002.png

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Hi Rhonda,
Thanks for your email. I look forward to seeing you on Wednesday together with Richard Hardy.
Kind Regards,
Mark R. Jurisich
Operations Manager - Canada

deepwater recovery
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From: "Morris, Rhonda M FLNR:EX" <Rhonda.Morris@gov.bc.ca>
Date: Monday, August 9, 2021 at 1:04 PM
To: Mark Jurisich <mark@deepwaterrecovery.com>
Cc: "Bailey, Annette FLNR:EX" <Annette.Bailey@gov.bc.ca>
Subject: RE: Today's discussion
Hi Mark,
Annette and I are looking forward to our site visit with you this Wednesday at 11. Richard Hardy from Komoks FN has asked to attend as well as I mentioned to him we were going to be in the field, and he would like to join us at 11:45. Hope that's ok with you. See you Wednesday.

From: Mark Jurisich <mark@deepwaterrecovery.com>
Sent: August 5, 2021 4:16 PM
To: Morris, Rhonda M FLNR:EX <Rhonda.Morris@gov.bc.ca>
Subject: Today's discussion

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Dear Rhonda,
Firstly, I wish to apologize for my frustrations in dealing with this matter that would appear to have no end in sight. Please understand that my frustration is amplified as all of the issues that we discussed today were mentioned in detail in our Environmental Management Plan, most pages make specific reference to the importance of maintaining a clean environment on the work site and if I may be very blunt, this responsibility is motivated by 2 factors, those being Fear and Economics. The Fear Factor is one that relates to keeping the site clean and staying out of trouble with any and all government authorities that could potentially cause the site to be shut down.
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We are very much aware that with the residential neighbors on our northern property line, and the large property development on our southern property line, that a transition from an industrial site to a commercial application such as a marina complex or potential hotel site is most likely going to be the preferred route for both government and residents alike in the not too distant future.

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1. You will note that on page 1 of our Environmental Management Plan (EMP) paragraph 4 specifically relates to the removal of hydrocarbons. Both paragraphs 4 and 5 notably make reference to our awareness and sense of responsibility with regard to our operations in Baynes Sound. You will also note that paragraph 8 refers to again to the standards that we are required to maintain on the site in order to conform to the ISO standards.
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3. On page 3 of the EMP paragraph 3.1 article F specifically discusses the management of rain water and the flow of rain water from culverts and/or storm drains.
4. Page 4 refers specifically to storm water, storm water run-off and the importance of maintaining the site clean and free of any contaminants or deleterious substances that could enter the marine habitat. All of page 4 and part of page 5 refer to the importance and reasoning as to why the site needs to be kept clean.

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Kind Regards,

Mark R. Jurisich
Operations Manager - Canada

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Item shared with you: "UBI Water Lease - Depth Dive.mp4"

From: M. Jurisich (via Google Drive) <deepwaterrecoveryltd@gmail.com>
To: annette.bailey@gov.bc.ca, Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent: September 7, 2021 6:31:12 AM PDT

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deepwaterrecoveryltd@gmail.com shared an item

deepwaterrecoveryltd@gmail.com has shared the following item:

Good Morning Annette,

Attached is the depth dive video we had taken here at Deep Water Recovery. Please feel free to reach out to me should you have any trouble opening/downloading the file.

Dena Balla
Deep Water Recovery Ltd.
O: +1 (778) 427-1133
C: +1 (250) 250-6005

UBI Water Lease - Depth Dive.mp4

This email grants access to this item without logging in. Only forward it to people you trust.

Open

Google LLC, 1600 Amphitheatre Parkway, Mountain View, CA 94043, USA
You have received this email because deepwaterrecoveryltd@gmail.com shared a file or folder located in Google Drive with you.

Shared file...

From:	Dena Balla <dena@deepwaterrecovery.com>
To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent:	September 7, 2021 6:34:55 AM PDT
Attachments:	image001.png

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Good Morning Annette,
I have just sent the depth dive video Mark mentioned you needed, via our google drive account deepwaterrecoveryltd@gmail.com. Please confirm that you received it and you are able to download/view the file. Should you experience any difficulties, do not hesitate to call me on my cell +1 (250) 650-6005.
Kind Regards,
Dena Balla
Executive Office
Direct Line: +1 (778) 427-1133

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Water & Sediment Sampling Procedures

August 2021

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FW: Modified EMP

From:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
To:	Reid, Randy FLNR:EX <Randy.Reid@gov.bc.ca>
Sent:	September 13, 2021 2:54:47 PM PDT
Attachments:	image002.png, modified_Deep Water Recovery EMP March 2021.pdf, Deepwater Recovery Water Sampling Procedure rw Sept 2 2021[1].pdf

FYI
If you are attending our follow-up meeting today here is the latest information from Deepwater – Union Bay.

From: Morris, Rhonda M FLNR:EX <Rhonda.Morris@gov.bc.ca>
Sent: September 13, 2021 12:28 PM
To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Subject: FW: Modified EMP
For our meeting at 4 today

From: Mark Jurisich <mark@deepwaterrecovery.com>
Sent: September 10, 2021 3:32 PM
To: Morris, Rhonda M FLNR:EX <Rhonda.Morris@gov.bc.ca>
Cc: Michelle Dorjgotov <michelled@deepwaterrecovery.com>
Subject: Modified EMP

[EXTERNAL] **This email came from an external source. Only open attachments or links that you are expecting from a known sender.**

Hi Rhonda,
Please find attached the updated EMP and a separate attachment for water sampling. I did not include the economic impact of the activity as I was not sure if it was relevant or appropriate to be included in the EMP.
For your discussion on Tuesday, the site currently employs 11 people on a full-time basis, and injects roughly $100,000 into the local economy each month.
It is anticipated that both the number of the people employed and the direct monthly spending should increase by roughly 100%. I am not sure if you feel it is appropriate to mention Seaspan's interest in establishing some operations here, however, they have expressed interest again today and will be coming for a site visit sometime later this month, as well as to conduct an Environmental Compliance Inspection.
As discussed I expect to have (weather permitting) the painting of the sumps completed over the weekend and I will send you photographs accordingly. If you have any questions over the weekend, please feel free to call me at your convenience.
Kind Regards,
Mark R. Jurisich
Operations Manager - Canada

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DWR Photos 14_Sept_2021

From:	Dena Balla <dena@deepwaterrecovery.com>
To:	rhonda.morris@gov.bc.ca, Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>, Morris, Rhonda M FLNR:EX <Rhonda.Morris@gov.bc.ca>
Sent:	September 14, 2021 11:07:50 AM PDT
Attachments:	322D1676-9432-4565-A794-ED4CBFB5351F.jpeg, 4D7EBBBF-100B-4FF7-B2EE-43C2E029FCDC.jpeg, F219D15E-42A7-4FD0-B7E3-B7F1DA538359.jpeg, 788F804D-0E49-4147-8AEB-CE81D7AC09C7.jpeg, image001.png

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Good Morning Rhonda & Annette,
Please find attached the photos of the recent work that was completed. Please feel free to call us with any questions.
Kind Regards,
Dena Balla
Executive Office
Direct Line: +1 (778) 427-1133

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August 2021

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August 2021

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Water & Sediment Sampling Procedures & Final EMP draft

From:	Michelle Dorjgotov <michelled@deepwaterrecovery.com>
To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent:	September 22, 2021 4:28:04 PM PDT
Attachments:	Mark_Deep Water Recovery EMP March 2021 copy 2.doc, image001.png, Deepwater Recovery Water Sampling Procedure rw Sept 2 2021.pdf

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Hi Annette,
Please find attached the Water & Sediment Sampling Procedures and the final EMP draft. Unfortunately, the document I received from Rob Waters doesn't show the changes in red font. I don't know why. Therefore, I am attaching the final draft that I sent to Rob (you can easily see the changes in red fonts) and he changed only one sentence, which you'll find under METHODOLOGY . The DFO approved system of inflatable rollers are pressurized to only 8 lbs resulting in very low.

Kind regards,
Michelle Dorjgotov
Administration Manager
Office: +1(778) 427-1133



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BRITISH COLUMBIA

Ministry of Forests, Lands,
Natural Resource Operations
and Rural Development

ENDORSEMENTS

Lease No.: V102057 File No.: 0021050
Endorsement No.: 1 Date: October 21, 2021

Purpose of the lease amended as from _____(date)_____to read
_____(purpose)_____.

Lease No.: V102057 File No.: 0021050
Endorsement No.: 2 Date: October 21, 2021

-

Article ____ – Security replaced and recorded as $_____.00.

Article ____ – Security amount recorded as $_____.00.

Lease No.: V102057 File No.: 0021050
Endorsement No.: 3 Date: October 21, 2021

Article 6 – Insurance amount increased to a minimum of $_____.00.

Lease No.: V102057 File No.: 0021050
Endorsement No.: 4 Date: October 21, 2021

Lease modified by agreement dated October 15, 2021 to replace the Legal Description Schedule.

_____

Authorized Representative

BRITISH COLUMBIA

MODIFICATION AGREEMENT

Lease No.: v102057

File No.: 0021050

Disposition No.: 930973

THIS AGREEMENT is dated for reference October 15, 2021.

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:

UNION BAY INDUSTRIES LTD.
Po Box 276
Union Bay, BC V0R 3B0

(the "Client")

WITNESS THAT WHEREAS:

The Province and the Client entered into a Lease No. V102057 dated September 10, 2018 (herein called the "Tenure") over those lands more particularly known and described as:

Part of District Lot 2020, Nanaimo District

The parties desire to reduce the area in the Tenure.

The parties have agreed to amend the Tenure.

NOW THEREFORE in consideration of the premises, and of the covenants and agreements herein contained, the parties hereto mutually covenant and agree as follows:

1 To remove the existing Legal Description Schedule from the Tenure and replace it with the Legal Description Schedule attached hereto as Schedule "A".

2 In all other respects the Tenure shall remain in full force and effect and is hereby ratified and confirmed.

3 Time shall continue to be of the essence in this agreement and the Tenure.

4 This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

IN WITNESS WHEREOF the parties hereto have executed and delivered this agreement 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 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 UNION BAY INDUSTRIES LTD.
by a duly authorized signatory

_____
Authorized Signatory

SCHEDULE “A”

LEGAL DESCRIPTION SCHEDULE

CERTIFICATE OF INSURANCE

Freedom of Information and Protection of Privacy Act
The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Financial Administration Act*. Questions about the collection and use of this information can be directed to the Director, Client Services, Core Government and Crowns at 250 356-8915, PO Box 9405 STN PROV GOVT, Victoria BC V8W 9V1.
Please refer *all other questions* to the contact named in Part 1.

Part 1 To be completed by the Province

THIS CERTIFICATE IS REQUESTED BY and ISSUED TO *(Name of office)* HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister responsible for the Land Act	AGREEMENT IDENTIFICATION NO. File: 0021050
PROVINCE'S CONTACT PERSON NAME & TITLE Melanie Blight, Authorization Administrator	PHONE NO. 250-736-6838 FAX NO. 250-731-3010
MAILING ADDRESS 4885 Cherry Creek Road, Port Alberni, BC	POSTAL CODE V9Y 8E9
CONTRACTOR NAME Union Bay Industries Ltd.	
CONTRACTOR ADDRESS	POSTAL CODE

Part 2 To be completed by the Insurance Agent or Broker

INSURED	NAME	
	ADDRESS	POSTAL CODE
OPERATIONS INSURED	PROVIDE DETAILS	

TYPE OF INSURANCE *List each separately*	COMPANY NAME, POLICY NO. & BRIEF DESCRIPTION	EXPIRY DATE YYYY/MM/DD	LIMIT OF LIABILITY/AMOUNT

This certificate certifies that policies of insurance described herein are in full force and effective as of the date of this certificate and comply with the insurance requirements of the Agreement identified above, except as follows:

AGENT OR BROKER COMMENTS:

AGENT OR BROKERAGE FIRM	ADDRESS	PHONE NO.
NAME OF AUTHORIZED AGENT OR BROKER (PRINT)	SIGNATURE OF AGENT OR BROKER ON BEHALF OF THE ABOVE INSURER(S)	DATE SIGNED

MANAGEMENT PLAN

File #0021050

Document #V930973

ACCEPTED BY:

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.

The signature of the Province's authorized representative is solely for the purpose of acknowledging the Province's acceptance of this document as the Management Plan for the purposes of the tenure document and does not represent a certification by the Province or its signatory of any factual content or acceptance of professional responsibility by the Province's signatory for any advice or analysis contained in this document.

_____
Authorized Signatory
Ministry of Forests, Lands, Natural Resource Operations & Rural Development

_____
Print Name

_____
Title

_____
Date

SIGNED by Union Bay Industries Ltd.

_____
Authorized Signatory

_____
Print Name

_____
Title

_____
Date

containing 20 pages (including this page)

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BRITISH COLUMBIA

LEASE

Lease No.:

File No.: 0021050
Disposition No.: 930973

THIS AGREEMENT is dated for reference October 15, 2021 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:

UNION BAY INDUSTRIES LTD.
Po Box 276
Union Bay, BC V0R 3B0

(the "Lessee")

The parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 In this Agreement,

"Agreement" means this lease;

"Commencement Date" means October 15, 2021;

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

"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;

"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;

"Rent" means the rent set out in Article 3;

"Security" means the security referred to in section 6.1 or 6.2, as replaced or supplemented in accordance with section 6.5;

"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 Lessee: that combination is referred to as **"the parties"**; and

"you" or **"your"** refers to the Lessee.

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 Where this Agreement contains the forms of words contained in Column I of Schedule 4 of the *Land Transfer Form Act,* those words will have the same effect and be construed as if the appropriate forms of words contained in Column II of that Schedule were contained in this Agreement, unless the context requires another construction of those words.

1.15 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 you a lease of the Land for storage and transit of vessels or barges from the water to the land to facilitate upland activity purposes, as set out in the Management Plan.

2.2 The term of this Agreement commences on the Commencement Date and terminates on the September 10, 2038 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 - RENT

3.1 You will pay to us Rent of $54,734.00, payable in advance on the Commencement Date and on each anniversary of the Commencement Date.

3.2 You acknowledge that we may, on written notice to you and in our sole discretion, change the Rent payable by you under this Agreement.

ARTICLE 4 - COVENANTS

4.1 You must

(a) pay, when due,

(i) the Rent to us at the address set out in Article 10,

(ii) the Realty Taxes, and

(iii) all charges for electricity, gas, water and other utilities supplied to the Land;

(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; despite the foregoing, you will be deemed to not be in breach of this subsection so long as you are the owner of an upland property adjacent to the Land and your activities on the Land only interfere with riparian rights of access held by you; you acknowledge that if you cease to own the upland property you will remain responsible for complying with this subsection and we may terminate this Agreement in accordance with Article 8 if you fail to satisfy your obligations under this subsection;

(h) pay all accounts and expenses as they become due for labour or services performed on, or materials supplied to, the Land 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*, 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) 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*;

(k) 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;

(l) 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

(m) on the termination of this Agreement,

(i) peaceably quit and deliver to us possession of the Land and, subject to paragraphs (ii) and (iii), the Improvements in a safe, clean and sanitary condition,

(ii) within 60 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) 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

(iv) 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.

4.2 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.

4.3 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.

4.4 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.

4.5 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.

4.6 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.

4.7 We will provide you with quiet enjoyment of the Land.

ARTICLE 5 - LIMITATIONS

5.1 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) with your prior consent, which consent you will not unreasonably withhold, we may make other dispositions of or over the Land, or any part of it, by way of easement, right of way or statutory right of way, to any person, including a Crown agency or ministry, and, upon such consent being given you will, if required by us, execute and deliver to us such instrument as may be necessary to subordinate your rights under this Agreement to such easement, right of way or statutory right of way;

(d) for the purpose of subsection (c), you will be deemed to have reasonably withheld your consent if a disposition made under that subsection would have a material adverse impact on your use of the Land under this Agreement;

(e) 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);

(f) if a proposed disposition under subsection (c) will not have a material adverse impact on your use of the Land under this Agreement you must not require any payment, whether as compensation or any other charge, as a condition of your consent to that disposition;

(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 under this Agreement that arises as a result of the exercise or operation of the interests, rights, privileges and titles described in subsections (a), (b) and (c);

(h) any interference with your use of the Land under this Agreement as a result of the exercise or operation of the interests, rights, privileges and titles described in subsection (a), (b) and (c) will not constitute a breach of our covenant of quiet enjoyment and you release and discharge us from all claims for loss or damage arising directly or indirectly out of any such interference;

(i) 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;

(j) you will not dredge or displace beach materials on the Land unless you have obtained our prior written approval;

(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 termination of this Agreement, except where an Improvement may be removed under paragraph 4.1(m)(ii) or (iii) 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 4.1(m)(ii) or the time period provided for in the direction or permission given under paragraph 4.1(m)(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 tenant 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 6 - SECURITY AND INSURANCE

6.1 On the Commencement Date, you will deliver to us Security in the amount of $25,000.00 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.

6.2 Despite section 6.1, 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.

6.3 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 Rent 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.

6.4 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 6.1, less all amounts drawn down by us under section 6.3.

6.5 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.

6.6 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) Environmental Impairment Liability (Pollution Legal Liability) insurance insuring against bodily injury, property damage, and cleanup expenses (including removal and/or transit and disposal of contaminants) arising from gradual or sudden pollution events arising from the performance of this Agreement by you in an amount not less than two million dollars ($2,000,000) per occurrence, including provision to provide 30 days advance notice to us of material change or cancellation, and include us as additional insured. If this insurance is written on a claims-made basis it must include the option to purchase an extended reporting period of 24 months beyond the date of cancellation or expiry of this Agreement;

(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.

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

(a) change the amount of insurance set out in subsection 6.6(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.

6.8 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.

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

ARTICLE 7 - ASSIGNMENT

7.1 You must not sublease, assign, mortgage or transfer this Agreement, or permit any person to use or occupy the Land, without our prior written consent, which consent we may withhold.

7.2 Prior to considering a request for our consent under section 7.1, 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 4.5.

ARTICLE 8 - TERMINATION

8.1 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 you transfer or assign your interest in fee simple in all that parcel or tract of land more particularly described as PID 004-758-901 PARCEL A (D.D. 27784N) OF LOT 11, NELSON DISTRICT, EXCEPT PARTS OUTLINED IN RED ON PLANS 397 R.W. AND 1414R, AND EXCEPT THOSE PARTS IN PLANS 7190, 8906, 21511, 22414,

28338, 29341, AND 29342;

(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; or

(g) if this Agreement is taken in execution or attachment by any person;

this Agreement will, at our option and with or without entry, terminate, and all of your right, interest and estate in the Land will be absolutely forfeited to us.

8.2 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.

8.3 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 8.1; and

(b) our remedies under this Article are in addition to those available to us under the *Land Act*.

ARTICLE 9 - DISPUTE RESOLUTION

9.1 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.

9.2 Subject to section 9.5, if a dispute under this Agreement cannot be resolved under section 9.1, we or you may refer the dispute to arbitration conducted by a sole arbitrator appointed pursuant to the *Commercial Arbitration Act*.

9.3 The cost of the arbitration referred to in section 9.2 will be shared equally by the parties and the arbitration will be governed by the laws of the Province of British Columbia.

9.4 The arbitration will be conducted at our offices (or the offices of our authorized representative) in Port Alberni, British Columbia, and if we or our authorized representative have no office in Port Alberni, British Columbia, then our offices (or the offices of our authorized representative) that are closest to Port Alberni, British Columbia.

9.5 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 9.2.

ARTICLE 10 - NOTICE

10.1 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, NATURAL RESOURCE OPERATIONS AND RURAL DEVELOPMENT
4885 Cherry Creek ~~Suite 142 - 2080 Labieux~~ Road
Port Alberni~~Nanaimo~~, BC V9Y 8E9~~T 6J9~~;

to you

UNION BAY INDUSTRIES LTD.
Po Box 276
Union Bay, BC V0R 3B0;

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.

10.2 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 10.1.

10.3 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 11 - MISCELLANEOUS

11.1 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.

11.2 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.

11.3 The grant of a sublease, 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 sublease, assignment or transfer of this Agreement.

11.4 This Agreement extends to, is binding upon and enures to the benefit of the parties, their heirs, executors, administrators, successors and permitted assigns.

11.5 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.

11.6 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.

11.7 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.

11.8 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 **UNION BAY INDUSTRIES LTD.**
by a duly authorized signatory

_____
Authorized Signatory

LEGAL DESCRIPTION SCHEDULE

LEGAL DESCRIPTION: Part of District Lot 2020, Nanaimo District

BRITISH COLUMBIA

LEASE

Lease No.: V930973

File No.: 0021050
Disposition No.: 930973

THIS AGREEMENT is dated for reference October 15, 2021 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:

UNION BAY INDUSTRIES LTD.
Po Box 276
Union Bay, BC V0R 3B0

(the "Lessee")

The parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 In this Agreement,

"Agreement" means this lease;

"Commencement Date" means October 15, 2021;

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

"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;

"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;

"Rent" means the rent set out in Article 3;

"Security" means the security referred to in section 6.1 or 6.2, as replaced or supplemented in accordance with section 6.5;

"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 Lessee: that combination is referred to as **"the parties"**; and

"you" or **"your"** refers to the Lessee.

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 Where this Agreement contains the forms of words contained in Column I of Schedule 4 of the *Land Transfer Form Act,* those words will have the same effect and be construed as if the appropriate forms of words contained in Column II of that Schedule were contained in this Agreement, unless the context requires another construction of those words.

1.15 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 you a lease of the Land for storage and transit of vessels or barges from the water to the land to facilitate upland activity purposes, as set out in the Management Plan.

2.2 The term of this Agreement commences on the Commencement Date and terminates on September 10, 2038 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 - RENT

3.1 You will pay to us Rent of $54,734.00, payable in advance on the Commencement Date and on each anniversary of the Commencement Date.

3.2 You acknowledge that we may, on written notice to you and in our sole discretion, change the Rent payable by you under this Agreement.

ARTICLE 4 - COVENANTS

4.1 You must

(a) pay, when due,

(i) the Rent to us at the address set out in Article 10,

(ii) the Realty Taxes, and

(iii) all charges for electricity, gas, water and other utilities supplied to the Land;

(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; despite the foregoing, you will be deemed to not be in breach of this subsection so long as you are the owner of an upland property adjacent to the Land and your activities on the Land only interfere with riparian rights of access held by you; you acknowledge that if you cease to own the upland property you will remain responsible for complying with this subsection and we may terminate this Agreement in accordance with Article 8 if you fail to satisfy your obligations under this subsection;

(h) pay all accounts and expenses as they become due for labour or services performed on, or materials supplied to, the Land 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*, 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) 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*;

(k) 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;

(l) 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

(m) on the termination of this Agreement,

(i) peaceably quit and deliver to us possession of the Land and, subject to paragraphs (ii) and (iii), the Improvements in a safe, clean and sanitary condition,

(ii) within 60 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) 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

(iv) 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.

4.2 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.

4.3 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.

4.4 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.

4.5 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.

4.6 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.

4.7 We will provide you with quiet enjoyment of the Land.

ARTICLE 5 - LIMITATIONS

5.1 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) with your prior consent, which consent you will not unreasonably withhold, we may make other dispositions of or over the Land, or any part of it, by way of easement, right of way or statutory right of way, to any person, including a Crown agency or ministry, and, upon such consent being given you will, if required by us, execute and deliver to us such instrument as may be necessary to subordinate your rights under this Agreement to such easement, right of way or statutory right of way;

(d) for the purpose of subsection (c), you will be deemed to have reasonably withheld your consent if a disposition made under that subsection would have a material adverse impact on your use of the Land under this Agreement;

(e) 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);

(f) if a proposed disposition under subsection (c) will not have a material adverse impact on your use of the Land under this Agreement you must not require any payment, whether as compensation or any other charge, as a condition of your consent to that disposition;

(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 under this Agreement that arises as a result of the exercise or operation of the interests, rights, privileges and titles described in subsections (a), (b) and (c);

(h) any interference with your use of the Land under this Agreement as a result of the exercise or operation of the interests, rights, privileges and titles described in subsection (a), (b) and (c) will not constitute a breach of our covenant of quiet enjoyment and you release and discharge us from all claims for loss or damage arising directly or indirectly out of any such interference;

(i) 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;

(j) you will not dredge or displace beach materials on the Land unless you have obtained our prior written approval;

(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 termination of this Agreement, except where an Improvement may be removed under paragraph 4.1(m)(ii) or (iii) 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 4.1(m)(ii) or the time period provided for in the direction or permission given under paragraph 4.1(m)(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 tenant 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 6 - SECURITY AND INSURANCE

6.1 On the Commencement Date, you will deliver to us Security in the amount of $25,000.00 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.

6.2 Despite section 6.1, 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.

6.3 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 Rent 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.

6.4 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 6.1, less all amounts drawn down by us under section 6.3.

6.5 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.

6.6 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) Environmental Impairment Liability (Pollution Legal Liability) insurance insuring against bodily injury, property damage, and cleanup expenses (including removal and/or transit and disposal of contaminants) arising from gradual or sudden pollution events arising from the performance of this Agreement by you in an amount not less than two million dollars ($2,000,000) per occurrence, including provision to provide 30 days advance notice to us of material change or cancellation, and include us as additional insured. If this insurance is written on a claims-made basis it must include the option to purchase an extended reporting period of 24 months beyond the date of cancellation or expiry of this Agreement;

(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.

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

(a) change the amount of insurance set out in subsection 6.6(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.

6.8 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.

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

ARTICLE 7 - ASSIGNMENT

7.1 You must not sublease, assign, mortgage or transfer this Agreement, or permit any person to use or occupy the Land, without our prior written consent, which consent we may withhold.

7.2 Prior to considering a request for our consent under section 7.1, 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 4.5.

ARTICLE 8 - TERMINATION

8.1 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 you transfer or assign your interest in fee simple in all that parcel or tract of land more particularly described as PID 004-758-901 PARCEL A (D.D. 27784N) OF LOT 11, NELSON DISTRICT, EXCEPT PARTS OUTLINED IN RED ON PLANS 397 R.W. AND 1414R, AND EXCEPT THOSE PARTS IN PLANS 7190, 8906, 21511, 22414,

28338, 29341, AND 29342;

(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; or

(g) if this Agreement is taken in execution or attachment by any person;

this Agreement will, at our option and with or without entry, terminate, and all of your right, interest and estate in the Land will be absolutely forfeited to us.

8.2 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.

8.3 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 8.1; and

(b) our remedies under this Article are in addition to those available to us under the *Land Act*.

ARTICLE 9 - DISPUTE RESOLUTION

9.1 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.

9.2 Subject to section 9.5, if a dispute under this Agreement cannot be resolved under section 9.1, we or you may refer the dispute to arbitration conducted by a sole arbitrator appointed pursuant to the *Commercial Arbitration Act*.

9.3 The cost of the arbitration referred to in section 9.2 will be shared equally by the parties and the arbitration will be governed by the laws of the Province of British Columbia.

9.4 The arbitration will be conducted at our offices (or the offices of our authorized representative) in Port Alberni, British Columbia, and if we or our authorized representative have no office in Port Alberni, British Columbia, then our offices (or the offices of our authorized representative) that are closest to Port Alberni, British Columbia.

9.5 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 9.2.

ARTICLE 10 - NOTICE

10.1 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, NATURAL RESOURCE OPERATIONS AND RURAL DEVELOPMENT
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9;

to you

UNION BAY INDUSTRIES LTD.
Po Box 276
Union Bay, BC V0R 3B0;

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.

10.2 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 10.1.

10.3 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 11 - MISCELLANEOUS

11.1 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.

11.2 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.

11.3 The grant of a sublease, 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 sublease, assignment or transfer of this Agreement.

11.4 This Agreement extends to, is binding upon and enures to the benefit of the parties, their heirs, executors, administrators, successors and permitted assigns.

11.5 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.

11.6 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.

11.7 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.

11.8 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

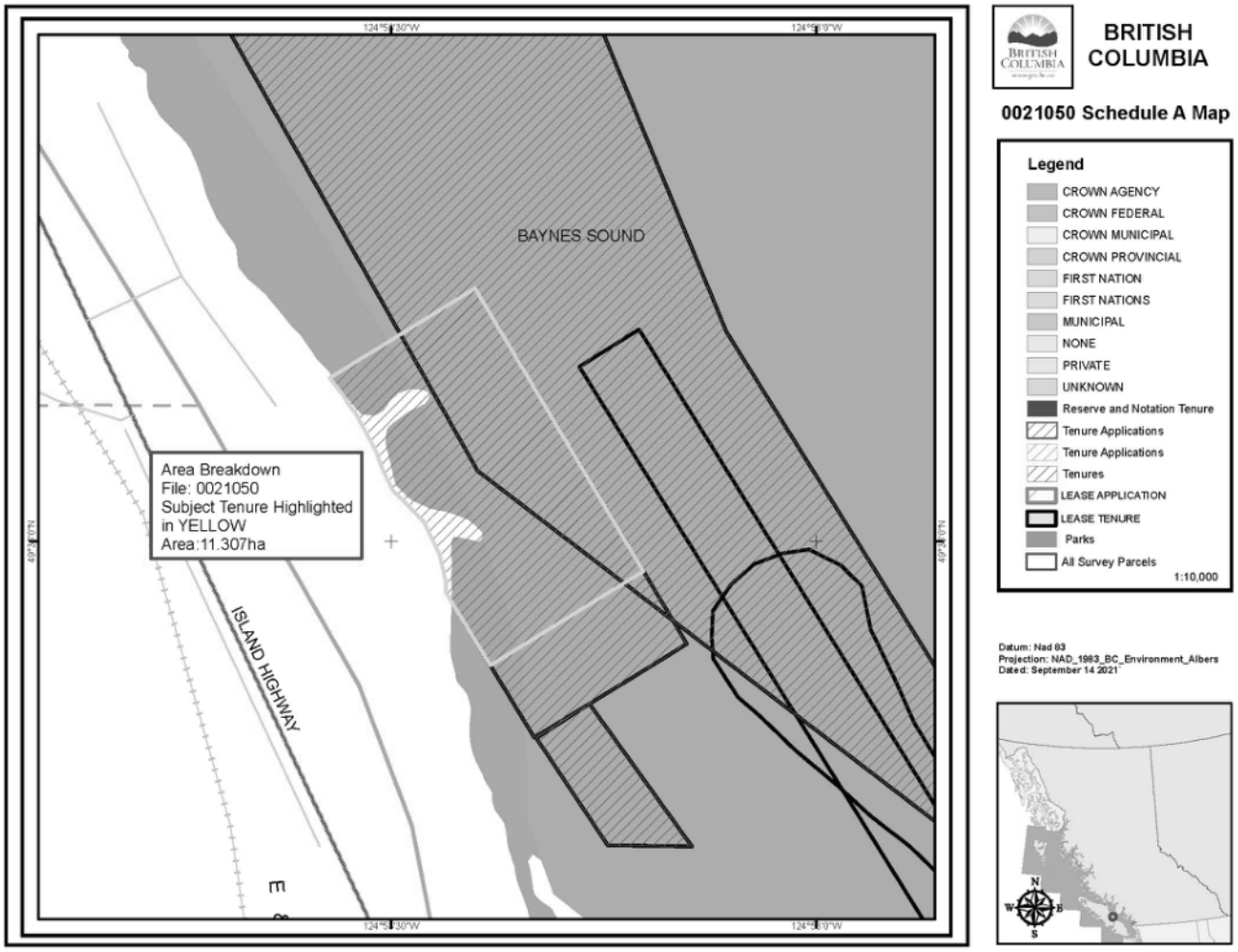
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Minister responsible for the *Land Act*
or the minister's authorized representative

SIGNED on behalf of **UNION BAY INDUSTRIES LTD.**
by a duly authorized signatory

_____
Authorized Signatory

LEGAL DESCRIPTION SCHEDULE

LEGAL DESCRIPTION: Part of District Lot 2020, Nanaimo District



Ministry of Forests, Lands, Natural Resource Operations and Rural Development
4885 Cherry Creek~~Suite 142 - 2080 Labieux~~ Road
Port Alberni~~Nanaimo~~, BC V9Y 8E9~~T 6J9~~

Telephone No: 250-731-3000
Facsimile No: 250 731-3010

GST Registration No: R107864738

Your contact is: Melanie Blight

Our file: 0021050

~~Your file: delete~~

NOTICE OF FINAL REVIEW

October 15, 2021

UNION BAY INDUSTRIES LTD.
Po Box 276
Union Bay, BC V0R 3B0

~~Attention: delete~~

Dear Tenure Holder:

Re: Your Application for a Tenure over Crown Land

The review of your amendment application for a lease for storage and transit of vessels or barges from the water to the land to facilitate upland activity purposes over:

Part of District Lot 2020, Nanaimo District

(the "Land") has reached the stage where we anticipate making our final decision once the various matters described in this letter have been completed.

1. Deadline for Completion of Requirements

We ask that you complete the requirements described below by December 15, 2021.

Please complete the Response to Notice of Final Review page attached, indicating whether you will **or** will not proceed with the application and sign and return that page to us for our records.

2. Requirements

Signing and Return of Tenure Documents

You must sign and deliver to us two copies of the lease document which are enclosed with this letter. You are responsible for ensuring that this is properly completed including, if applicable, obtaining any appropriate corporate authorizations and having any Land Title Act form C or D witnessed by a solicitor, notary or commissioner.

Monies Payable

~~———~~Invoice 782135 is outstanding and overdue. Further interest charges will be applied after October 31, 2021. This amount is included in the total amount calculated below

You must deliver to us the following amount:~~You must deliver to us the following amounts:~~

~~Lease Rental~~	~~*$ .00~~	
~~Application Fee~~	~~*$ 500.00~~	
~~GST Total~~	~~$ 25.00~~	
~~**Total Fees Payable**~~	~~$ 525.00~~	
Application Fee	*$	500.00
Licence Fee (Annual Rent Oct 15, 2021-22)	*$	54,734.00
Invoice 782135 (Annual Rent Sep 10, 2021-22)	*$	5,382.72
Interest on overdue invoice 782135	$	12.40
Deduct overlap period Oct 15/21 – Sep 9/22 Inv 782135 330 days @ $14.75/day	*$	**-4,866.57**
GST Total	$	2,788.13
Total Fees Payable	$	58,550.68

* denotes GST payable

Your cheque or money order must be payable to the Minister of Finance and be delivered to 4885 Cherry Creek~~Suite 142 - 2080 Labieux~~ Road Port Alberni ~~Nanaimo~~, BC V9Y 8E9~~T 6J9~~. Please quote our file number when sending us your payment.

If we disallow your application and do not grant a Crown land tenure to you, the Lease Rental and associated GST payment made by you as set out in section 2 will be returned to you.

Insurance

You must deliver to us the attached Province of British Columbia Certificate of Insurance, signed by your insurance agent, for the insurance required to be maintained under the lease. A sample certificate is enclosed.

~~Additional Requirements~~Management Plan Cover Page

You must sign, date and return the cover page to the ~~submit to us a~~ management plan that is acceptable to us for your proposed development of the Land. See attached.

3. Process following completion of Requirements

If the requirements set out above are completed within the required time we expect to make our decision and advise you of that decision within 30 days.

Please note however that this letter does not constitute an offer by us and we reserve all our rights in connection with the decision making process, including, if appropriate, to disallow your application, to extend the decision making process and to establish additional requirements not set out in this letter.

Upon decision to issue the lease to you we will sign and return one copy of the lease to you.

4. Acknowledgments of the Applicant

You represent, acknowledge and agree that:

(a) Your application for a Crown land tenure cannot be transferred to another person.

(b) This Letter does not obligate us to issue the lease to you and does not give you any right to use or occupy the Land for any purpose.

(c) You are responsible for, and encouraged to seek, your own legal advice with respect to:

(i) any laws, bylaws, orders, directions, ordinances and regulations associated with your use of the Land,

(ii) the terms and conditions set out in this Letter, and

(iii) the terms and conditions of, and your rights and obligations that will arise under, the lease.

(d) You are responsible for the costs and expenses incurred by you in pursuing your application, including any cost you incur in connection with satisfying the requirements set out in this letter.

(e) If you sign and return the lease to us that will constitute your offer to us to enter into the lease.

~~(e)~~(f) The Deep Water Recovery Ltd. Environmental Management Plan and the Water and Sediment Sampling Procedures jointly are considered the Management Plan in Lease No. V930973.

Freedom of Information

Personal information is collected under the *Land Act* for the purpose of administering Crown land. Information on your application, and if issued, your tenure, will become part of the Crown Land Registry, from which information is routinely made available to the public under Freedom of Information and Protection of Privacy legislation.

Yours truly,

Melanie Blight
Authorization Administrator~~ed Representative~~

Attachments: 2 Copies of Lease
Certificate of Insurance~~cc:~~
Management Plan with Cover Page

Response to Notice of Final Review

File No. 0021050

Ministry of Forests, Lands, Natural Resource Operations and Rural Development
4885 Cherry Creek~~Suite 142 - 2080 Labieux~~ Road
Port Alberni~~Nanaimo~~, BC V9Y 8E9~~T 6J9~~

Dear Melanie Blight:

Re: Application for lease

☐ I/We wish to proceed to obtain a lease in accordance with the letter dated October 15, 2021 from the Ministry of Forests, Lands, Natural Resource Operations and Rural Development and enclose all copies of the lease which I/We have signed.

☐ I/We do not wish to proceed to obtain a lease in accordance with the letter dated October 15, 2021 from the Ministry of Forests, Lands, Natural Resource Operations and Rural Development.

DATED the ____ of _____, ____.

_____	_____
Applicant's signature/Applicant's representative's signature	Applicant's signature/Applicant's representative's signature
_____	_____
Print name of person signing	Print name of person signing

Monies Payable

Invoice 782135 is outstanding and overdue. Further interest charges will be applied after October 31, 2021. This amount is included in the total amount calculated below.

You must deliver to us the following amounts:

Application Fee	*$	1,000.00
Licence Fee (Annual Rent Oct 15, 2021-22)	*$	54,734.00
Invoice 782135 (Annual Rent Sep 10, 2021-22)	*$	5,382.72
Interest on overdue invoice 782135	$	12.40
Deduct overlap period Oct 15/21 – Sep 9/22 Inv 782135 330 days @ $14.75/day	*$	**-4,866.57**
GST Total	$	2,812.46
Total Fees Payable	$	58,074.08

* denotes GST payable

Your cheque or money order must be payable to the Minister of Finance and be delivered to . Please quote our file number when sending us your payment.

Application Fee	*$	500.00
Licence Fee (Annual Rent Oct 15, 2021-22)	*$	54,734.00
Invoice 782135 (Annual Rent Sep 10, 2021-22)	*$	5,382.72
Interest on overdue invoice 782135	$	12.40
Deduct overlap period Oct 15/21 – Sep 9/22 Inv 782135 330 days @ $14.75/day	*$	**-4,866.57**
GST Total	$	2,788.13
Total Fees Payable	$	58,550.68

Water Lease...

From:	Mark Jurisich <mark@deepwaterrecovery.com>
To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent:	October 15, 2021 10:40:33 AM PDT
Attachments:	Outlook-00lu3y10.png

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Dear Annette,
This letter serves to confirm that Deep Water Recovery authorizes Union Bay Industries to establish a new water lease on the foreshore of its upland property in Union Bay, British Columbia.
If you have any questions, please do not hesitate to contact me at your convenience.
Kind Regards,
Mark R. Jurisich
Operations Manager - Canada

deepwater recovery
A Canadian Limited Company

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

Ministry of Forests, Lands, Natural Resource Operations and Rural Development
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9

Telephone No: 250-731-3000
Facsimile No: 250 731-3010

GST Registration No: R107864738

Your contact is: Melanie Blight

Our file: 0021050

NOTICE OF FINAL REVIEW

October 15, 2021

UNION BAY INDUSTRIES LTD.
Po Box 276
Union Bay, BC V0R 3B0

Dear Tenure Holder:

Re: Your Application for a Tenure over Crown Land

The review of your amendment application for a lease for storage and transit of vessels or barges from the water to the land to facilitate upland activity purposes over:

Part of District Lot 2020, Nanaimo District

(the "Land") has reached the stage where we anticipate making our final decision once the various matters described in this letter have been completed.

1. Deadline for Completion of Requirements

We ask that you complete the requirements described below by December 15, 2021.

Please complete the Response to Notice of Final Review page attached, indicating whether you will **or** will not proceed with the application and sign and return that page to us for our records.

2. Requirements

Signing and Return of Tenure Documents

You must sign and deliver to us two copies of the lease document which are enclosed with this letter. You are responsible for ensuring that this is properly

completed including, if applicable, obtaining any appropriate corporate authorizations and having any Land Title Act form C or D witnessed by a solicitor, notary or commissioner.

Monies Payable

Invoice 782135 is outstanding and overdue. Further interest charges will be applied after October 31, 2021. This amount is included in the total amount calculated below

You must deliver to us the following amount:

Application Fee	*$	500.00
Licence Fee (Annual Rent Oct 15, 2021-22)	*$	54,734.00
Invoice 782135 (Annual Rent Sep 10, 2021-22)	*$	5,382.72
Interest on overdue invoice 782135	$	12.40
Deduct overlap period Oct 15/21 – Sep 9/22 Inv 782135 330 days @ $14.75/day	*$	**-4,866.57**
GST Total	$	2,788.13
Total Fees Payable	$	58,550.68

* denotes GST payable

Your cheque or money order must be payable to the Minister of Finance and be delivered to 4885 Cherry Creek Road Port Alberni, BC V9Y 8E9. Please quote our file number when sending us your payment.

If we disallow your application and do not grant a Crown land tenure to you, the Lease Rental and associated GST payment made by you as set out in section 2 will be returned to you.

Insurance

You must deliver to us the attached Province of British Columbia Certificate of Insurance, signed by your insurance agent, for the insurance required to be maintained under the lease. A sample certificate is enclosed.

Management Plan Cover Page

You must sign, date and return the cover page to the management plan that is acceptable to us for your proposed development of the Land. See attached.

3. Process following completion of Requirements

If the requirements set out above are completed within the required time we expect to make our decision and advise you of that decision within 30 days.

Please note however that this letter does not constitute an offer by us and we reserve all our rights in connection with the decision making process, including, if appropriate, to disallow your application, to extend the decision making process and to establish additional requirements not set out in this letter.

Upon decision to issue the lease to you we will sign and return one copy of the lease to you.

4. Acknowledgments of the Applicant

You represent, acknowledge and agree that:

(a) Your application for a Crown land tenure cannot be transferred to another person.

(b) This Letter does not obligate us to issue the lease to you and does not give you any right to use or occupy the Land for any purpose.

(c) You are responsible for, and encouraged to seek, your own legal advice with respect to:

  (i) any laws, bylaws, orders, directions, ordinances and regulations associated with your use of the Land,

  (ii) the terms and conditions set out in this Letter, and

  (iii) the terms and conditions of, and your rights and obligations that will arise under, the lease.

(d) You are responsible for the costs and expenses incurred by you in pursuing your application, including any cost you incur in connection with satisfying the requirements set out in this letter.

(e) If you sign and return the lease to us that will constitute your offer to us to enter into the lease.

(f) The Deep Water Recovery Ltd. Environmental Management Plan and the Water and Sediment Sampling Procedures jointly are considered the Management Plan in Lease No. V930973.

Ministry of Forests, Lands, Natural Resource Operations and Rural Development
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9

Telephone No: 250-731-3000
Facsimile No: 250 731-3010

GST Registration No: R107864738

Freedom of Information

Personal information is collected under the *Land Act* for the purpose of administering Crown land. Information on your application, and if issued, your tenure, will become part of the Crown Land Registry, from which information is routinely made available to the public under Freedom of Information and Protection of Privacy legislation.

Yours truly,

Melanie Blight

Melanie Blight
Authorization Administrator

Attachments: 2 Copies of Lease
Certificate of Insurance
Management Plan with Cover Page

Response to Notice of Final Review

File No. 0021050

Ministry of Forests, Lands, Natural Resource Operations and Rural Development
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9

Dear Melanie Blight:

Re: Application for lease

☐ I/We wish to proceed to obtain a lease in accordance with the letter dated October 15, 2021 from the Ministry of Forests, Lands, Natural Resource Operations and Rural Development and enclose all copies of the lease which I/We have signed.

☐ I/We do not wish to proceed to obtain a lease in accordance with the letter dated October 15, 2021 from the Ministry of Forests, Lands, Natural Resource Operations and Rural Development.

DATED the ____ of _____, ____.

_____	_____
Applicant's signature/Applicant's representative's signature	Applicant's signature/Applicant's representative's signature
_____	_____
Print name of person signing	Print name of person signing

Tenure Package - File No. 0021050

From:	Blight, Melanie FLNR:EX <Melanie.Blight@gov.bc.ca>
To:	mark@deepwaterrecovery.com
Sent:	October 15, 2021 11:36:04 AM PDT
Attachments:	2021-10-14 Insurance 0021050.pdf, 2021-10-15 Ten Doc 0021050.pdf, 2021-10-15 NFR 0021050.pdf, 2021-10-14 MP Cover Page 0021050.pdf

Good morning Mark,

The tenure package has been prepared for Lease Amendment for File No. 0021050.

Please read the Notice of Final Review for all requirements of this Lease Amendment. Attached are the following:

1. Notice of Final Review – please sign and return the Response to Notice of Final Review (page 5) indicating if you wish to proceed with the application and note the monies payable on page 2.
2. Lease Document – we require two originally signed copies of the lease agreement. Originals will be mailed. If you choose to use the digital copies attached, please print 2 colour copies **(1- sided)**, sign and return both copies. Note that we cannot accept electronic signatures.
3. Certificate of Insurance – Commercial General Liability and Environmental Impairment Liability Insurance of $2,000,000 per occurrence is required. See page 12 of licence document. Please have your insurance agent complete this certificate and return it to us. A digital copy will suffice.
4. Management Plan & Cover Page – As our standards include a requirement for a specific Management Plan cover, it is requested that you append the attached cover sheet to your Management Plan, also attached, sign as indicated, and then return 2 copies of the Management Plan to us for our signature. Once executed one copy of the Management Plan and the executed tenure contract will then be returned to you.

Please make your cheque or money order payable to the Minister of Finance and send to:
Ministry of Forests, Land, Natural Resource Operations and Rural Development
South Island Natural Resource District
4885 Cherry Creek Road
Port Alberni, BC
V9Y 8E9

As mentioned, the originals will be mailed to you.

Please do not hesitate to contact me if you have any questions or require additional information, thank you.

Melanie Blight
A/Authorization Administrator
Ministry of Forests, Lands, Natural Resource
Operations & Rural Development
Phone: 250-736-6838 Fax: 250-731-3010
Melanie.Blight@gov.bc.ca

CERTIFICATE OF INSURANCE

Freedom of Information and Protection of Privacy Act
The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Financial Administration Act*. Questions about the collection and use of this information can be directed to the Director, Client Services, Core Government and Crowns at 250 356-8915, PO Box 9405 STN PROV GOVT, Victoria BC V8W 9V1.
Please refer *all other questions* to the contact named in Part 1.

Part 1 To be completed by the Province

THIS CERTIFICATE IS REQUESTED BY and ISSUED TO *(Name of office)* HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister responsible for the Land Act	AGREEMENT IDENTIFICATION NO. File: 0021050
PROVINCE'S CONTACT PERSON NAME & TITLE Melanie Blight, Authorization Administrator	PHONE NO. 250-736-6838 FAX NO. 250-731-3010
MAILING ADDRESS 4885 Cherry Creek Road, Port Alberni, BC	POSTAL CODE V9Y 8E9
CONTRACTOR NAME Union Bay Industries Ltd.	
CONTRACTOR ADDRESS	POSTAL CODE

Part 2 To be completed by the Insurance Agent or Broker

INSURED	NAME	
	ADDRESS	POSTAL CODE
OPERATIONS INSURED	PROVIDE DETAILS	

TYPE OF INSURANCE *List each separately*	COMPANY NAME, POLICY NO. & BRIEF DESCRIPTION	EXPIRY DATE YYYY/MM/DD	LIMIT OF LIABILITY/AMOUNT

This certificate certifies that policies of insurance described herein are in full force and effective as of the date of this certificate and comply with the insurance requirements of the Agreement identified above, except as follows:

AGENT OR BROKER COMMENTS:

AGENT OR BROKERAGE FIRM	ADDRESS	PHONE NO.
NAME OF AUTHORIZED AGENT OR BROKER (PRINT)	SIGNATURE OF AGENT OR BROKER ON BEHALF OF THE ABOVE INSURER(S)	DATE SIGNED

Page 588 of 646

Withheld pursuant to/removed as

s.3

FW: Deep Water Group

From:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
To:	Blight, Melanie FLNR:EX <Melanie.Blight@gov.bc.ca>
Sent:	October 20, 2021 10:56:36 AM PDT
Attachments:	Deep Water 2021 Annual Report.pdf, image003.png, Union 2021 Annual Report.pdf, image001.jpg

From: Mark Jurisich <mark@deepwaterrecovery.com>
Sent: October 15, 2021 3:32 PM
To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Subject: Fw: Deep Water Group

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Good Afternoon Annette,
Please find attached the Annual Reports that have been filed for Union Bay Industries and Deep Water Recovery. Could you please contact me via telephone as I have a couple of questions regarding the new lease.
Kind Regards,
Mark R. Jurisich
Operations Manager - Canada

deepwater recovery
A Canadian Limited Company

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

From: Catherine Hofmann <Hofmann@bernardllp.ca>
Sent: Friday, October 15, 2021 2:14 PM
To: Mark Jurisich <mark@deepwaterrecovery.com>
Cc: Michelle Dorjgotov <michelled@deepwaterrecovery.com>; Deborah Voigt <Voigt@bernardllp.ca>; Kayla Luo <Luo@bernardllp.ca>
Subject: FW: Deep Water Group

Hi Mark
As discussed, attached are documents you can forward to FLNRO to show that you are in good standing.
We filed these earlier today. We will send you separate accounts for these three later this month. If it suits you we can give them to you when you come in next week.
Thanks,

Catherine Hofmann+
BERNARD
BARRISTERS | SOLICITORS
1500 - 570 Granville Street
Vancouver, BC Canada V6C 3P1
T: 604-681-1700
D: 604-661-0612
C: 604-809-0719
F: 604-681-1788
W: bernardllp.ca

Confidentiality Message:
This e-mail message and any attachments hereto is confidential, may be privileged and is intended for the exclusive use of the addressee. All rights to that privilege are expressly claimed and not waived. Any other person is strictly prohibited from disclosing, distributing or reproducing it. If the addressee cannot be reached or is unknown to you, please inform the sender by return e-mail immediately and delete this e-mail message and destroy all copies. Email communication may not be secure unless properly encrypted. Please advise if you wish us to use a mode of communication other than regular e-mail. Thank you. Bernard LLP is a BC limited liability partnership. +Practices through a law corporation.

From: Deborah Voigt
Sent: Friday, October 15, 2021 12:37 PM
To: Catherine Hofmann <Hofmann@bernardllp.ca>
Subject: RE: Deep Water Group

Here you go!

From: Catherine Hofmann
Sent: October 15, 2021 12:31 PM
To: Deborah Voigt <Voigt@bernardllp.ca>
Subject: RE: Deep Water Group

Thanks … can you send me copies of something to show that to Mark.

Catherine Hofmann+
BERNARD
BARRISTERS | SOLICITORS
1500 - 570 Granville Street
Vancouver, BC Canada V6C 3P1
T: 604-681-1700
D: 604-661-0612
C: 604-809-0719
F: 604-681-1788
W: bernardllp.ca
Confidentiality Message:
This e-mail message and any attachments hereto is confidential, may be privileged and is intended for the exclusive use of the addressee. All rights to that privilege are expressly claimed and not waived. Any other person is strictly prohibited from disclosing, distributing or reproducing it. If the addressee cannot be reached or is unknown to you, please inform the sender by return e-mail immediately and delete this e-mail message and destroy all copies. Email communication may not be secure unless properly encrypted. Please advise if you wish us to use a mode of communication other than regular e-mail. Thank you. Bernard LLP is a BC limited liability partnership. +Practices through a law corporation.

From: Deborah Voigt
Sent: Friday, October 15, 2021 12:18 PM
To: Catherine Hofmann <Hofmann@bernardllp.ca>
Subject: Deep Water Group

Hi C,

The Companies are now in good standing.

Thanks

Deborah Voigt
Senior Corporate Paralegal
BERNARD
BARRISTERS | SOLICITORS
1500 - 570 Granville Street
Vancouver, BC Canada V6C 3P1
T: 604-681-1700
D: 604-661-0618
F: 604-681-1788
W: bernardllp.ca
Confidentiality Message:
This e-mail message and any attachments hereto is confidential, may be privileged and is intended for the exclusive use of the addressee. All rights to that privilege are expressly claimed and not waived. Any other person is strictly prohibited from disclosing, distributing or reproducing it. If the addressee cannot be reached or is unknown to you, please inform the sender by return e-mail immediately and delete this e-mail message and destroy all copies. Email communication may not be secure unless properly encrypted. Please advise if you wish us to use a mode of communication other than regular e-mail. Thank you. Bernard LLP is a BC limited liability partnership.

Page 591 of 646 to/à Page 592 of 646

Withheld pursuant to/removed as

s.3

MANAGEMENT PLAN

File #0021050
Document #V930973

ACCEPTED BY:

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.

The signature of the Province's authorized representative is solely for the purpose of acknowledging the Province's acceptance of this document as the Management Plan for the purposes of the tenure document and does not represent a certification by the Province or its signatory of any factual content or acceptance of professional responsibility by the Province's signatory for any advice or analysis contained in this document.

Authorized Signatory
Ministry of Forests, Lands, Natural Resource Operations & Rural Development

Rhonda (Morris) Coleman
Print Name
District Manager
Title
Oct 21, 2021
Date

SIGNED by Union Bay Industries Ltd.

Authorized Signatory

MARK JURISICH
Print Name
MANAGER - CANADIAN OPERATIONS
Title
October 18 2021
Date

containing 20 pages (including this page)

Copyright

13719 Jennifer Road, Ladysmith, British Columbia V9G 1G4 Tel: (250) 245-0225

Page 595 of 646 to/à Page 606 of 646

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CASTOR CONSULTANTS LTD.

Water & Sediment Sampling Procedures

August 2021

Copyright

13719 Jennifer Road, Ladysmith, British Columbia V9G 1G4 Tel: (250) 245-0225 Fax: (250) 245-0339

Page 608 of 646 to/à Page 612 of 646

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BRITISH COLUMBIA

LEASE

Lease No.: V930973

File No.: 0021050
Disposition No.: 930973

THIS AGREEMENT is dated for reference October 15, 2021 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:

UNION BAY INDUSTRIES LTD.
Po Box 276
Union Bay, BC V0R 3B0

(the "Lessee")

The parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 In this Agreement,

"Agreement" means this lease;

"Commencement Date" means October 15, 2021;

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

"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;

"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;

"Rent" means the rent set out in Article 3;

"Security" means the security referred to in section 6.1 or 6.2, as replaced or supplemented in accordance with section 6.5;

"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 Lessee: that combination is referred to as **"the parties"**; and

"you" or **"your"** refers to the Lessee.

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 Where this Agreement contains the forms of words contained in Column I of Schedule 4 of the *Land Transfer Form Act,* those words will have the same effect and be construed as if the appropriate forms of words contained in Column II of that Schedule were contained in this Agreement, unless the context requires another construction of those words.

1.15 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 you a lease of the Land for storage and transit of vessels or barges from the water to the land to facilitate upland activity purposes, as set out in the Management Plan.

2.2 The term of this Agreement commences on the Commencement Date and terminates on September 10, 2038 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 - RENT

3.1 You will pay to us Rent of $54,734.00, payable in advance on the Commencement Date and on each anniversary of the Commencement Date.

3.2 You acknowledge that we may, on written notice to you and in our sole discretion, change the Rent payable by you under this Agreement.

ARTICLE 4 - COVENANTS

4.1 You must

(a) pay, when due,

(i) the Rent to us at the address set out in Article 10,

(ii) the Realty Taxes, and

(iii) all charges for electricity, gas, water and other utilities supplied to the Land;

(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; despite the foregoing, you will be deemed to not be in breach of this subsection so long as you are the owner of an upland property adjacent to the Land and your activities on the Land only interfere with riparian rights of access held by you; you acknowledge that if you cease to own the upland property you will remain responsible for complying with this subsection and we may terminate this Agreement in accordance with Article 8 if you fail to satisfy your obligations under this subsection;

(h) pay all accounts and expenses as they become due for labour or services performed on, or materials supplied to, the Land 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*, 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) 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*;

(k) 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;

(l) 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

(m) on the termination of this Agreement,

(i) peaceably quit and deliver to us possession of the Land and, subject to paragraphs (ii) and (iii), the Improvements in a safe, clean and sanitary condition,

(ii) within 60 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) 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

(iv) 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.

4.2 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.

4.3 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.

4.4 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.

4.5 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.

4.6 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.

4.7 We will provide you with quiet enjoyment of the Land.

ARTICLE 5 - LIMITATIONS

5.1 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) with your prior consent, which consent you will not unreasonably withhold, we may make other dispositions of or over the Land, or any part of it, by way of easement, right of way or statutory right of way, to any person, including a Crown agency or ministry, and, upon such consent being given you will, if required by us, execute and deliver to us such instrument as may be necessary to subordinate your rights under this Agreement to such easement, right of way or statutory right of way;

(d) for the purpose of subsection (c), you will be deemed to have reasonably withheld your consent if a disposition made under that subsection would have a material adverse impact on your use of the Land under this Agreement;

(e) 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);

(f) if a proposed disposition under subsection (c) will not have a material adverse impact on your use of the Land under this Agreement you must not require any payment, whether as compensation or any other charge, as a condition of your consent to that disposition;

(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 under this Agreement that arises as a result of the exercise or operation of the interests, rights, privileges and titles described in subsections (a), (b) and (c);

(h) any interference with your use of the Land under this Agreement as a result of the exercise or operation of the interests, rights, privileges and titles described in subsection (a), (b) and (c) will not constitute a breach of our covenant of quiet enjoyment and you release and discharge us from all claims for loss or damage arising directly or indirectly out of any such interference;

(i) 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;

(j) you will not dredge or displace beach materials on the Land unless you have obtained our prior written approval;

(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 termination of this Agreement, except where an Improvement may be removed under paragraph 4.1(m)(ii) or (iii) 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 4.1(m)(ii) or the time period provided for in the direction or permission given under paragraph 4.1(m)(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 tenant 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 6 - SECURITY AND INSURANCE

6.1 On the Commencement Date, you will deliver to us Security in the amount of $25,000.00 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.

6.2 Despite section 6.1, 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.

6.3 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 Rent 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.

6.4 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 6.1, less all amounts drawn down by us under section 6.3.

6.5 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.

6.6 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) Environmental Impairment Liability (Pollution Legal Liability) insurance insuring against bodily injury, property damage, and cleanup expenses (including removal and/or transit and disposal of contaminants) arising from gradual or sudden pollution events arising from the performance of this Agreement by you in an amount not less than two million dollars ($2,000,000) per occurrence, including provision to provide 30 days advance notice to us of material change or cancellation, and include us as additional insured. If this insurance is written on a claims-made basis it must include the option to purchase an extended reporting period of 24 months beyond the date of cancellation or expiry of this Agreement;

(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.

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

(a) change the amount of insurance set out in subsection 6.6(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.

6.8 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.

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

ARTICLE 7 - ASSIGNMENT

7.1 You must not sublease, assign, mortgage or transfer this Agreement, or permit any person to use or occupy the Land, without our prior written consent, which consent we may withhold.

7.2 Prior to considering a request for our consent under section 7.1, 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 4.5.

ARTICLE 8 - TERMINATION

8.1 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 you transfer or assign your interest in fee simple in all that parcel or tract of land more particularly described as PID 004-758-901 PARCEL A (D.D. 27784N) OF LOT 11, NELSON DISTRICT, EXCEPT PARTS OUTLINED IN RED ON PLANS 397 R.W. AND 1414R, AND EXCEPT THOSE PARTS IN PLANS 7190, 8906, 21511, 22414,

28338, 29341, AND 29342;

(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; or

(g) if this Agreement is taken in execution or attachment by any person;

this Agreement will, at our option and with or without entry, terminate, and all of your right, interest and estate in the Land will be absolutely forfeited to us.

8.2 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.

8.3 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 8.1; and

(b) our remedies under this Article are in addition to those available to us under the *Land Act*.

ARTICLE 9 - DISPUTE RESOLUTION

9.1 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.

9.2 Subject to section 9.5, if a dispute under this Agreement cannot be resolved under section 9.1, we or you may refer the dispute to arbitration conducted by a sole arbitrator appointed pursuant to the *Commercial Arbitration Act*.

9.3 The cost of the arbitration referred to in section 9.2 will be shared equally by the parties and the arbitration will be governed by the laws of the Province of British Columbia.

9.4 The arbitration will be conducted at our offices (or the offices of our authorized representative) in Port Alberni, British Columbia, and if we or our authorized representative have no office in Port Alberni, British Columbia, then our offices (or the offices of our authorized representative) that are closest to Port Alberni, British Columbia.

9.5 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 9.2.

ARTICLE 10 - NOTICE

10.1 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, NATURAL RESOURCE OPERATIONS AND RURAL DEVELOPMENT
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9;

to you

UNION BAY INDUSTRIES LTD.
Po Box 276
Union Bay, BC V0R 3B0;

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.

10.2 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 10.1.

10.3 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 11 - MISCELLANEOUS

11.1 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.

11.2 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.

11.3 The grant of a sublease, 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 sublease, assignment or transfer of this Agreement.

11.4 This Agreement extends to, is binding upon and enures to the benefit of the parties, their heirs, executors, administrators, successors and permitted assigns.

11.5 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.

11.6 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.

11.7 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.

11.8 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

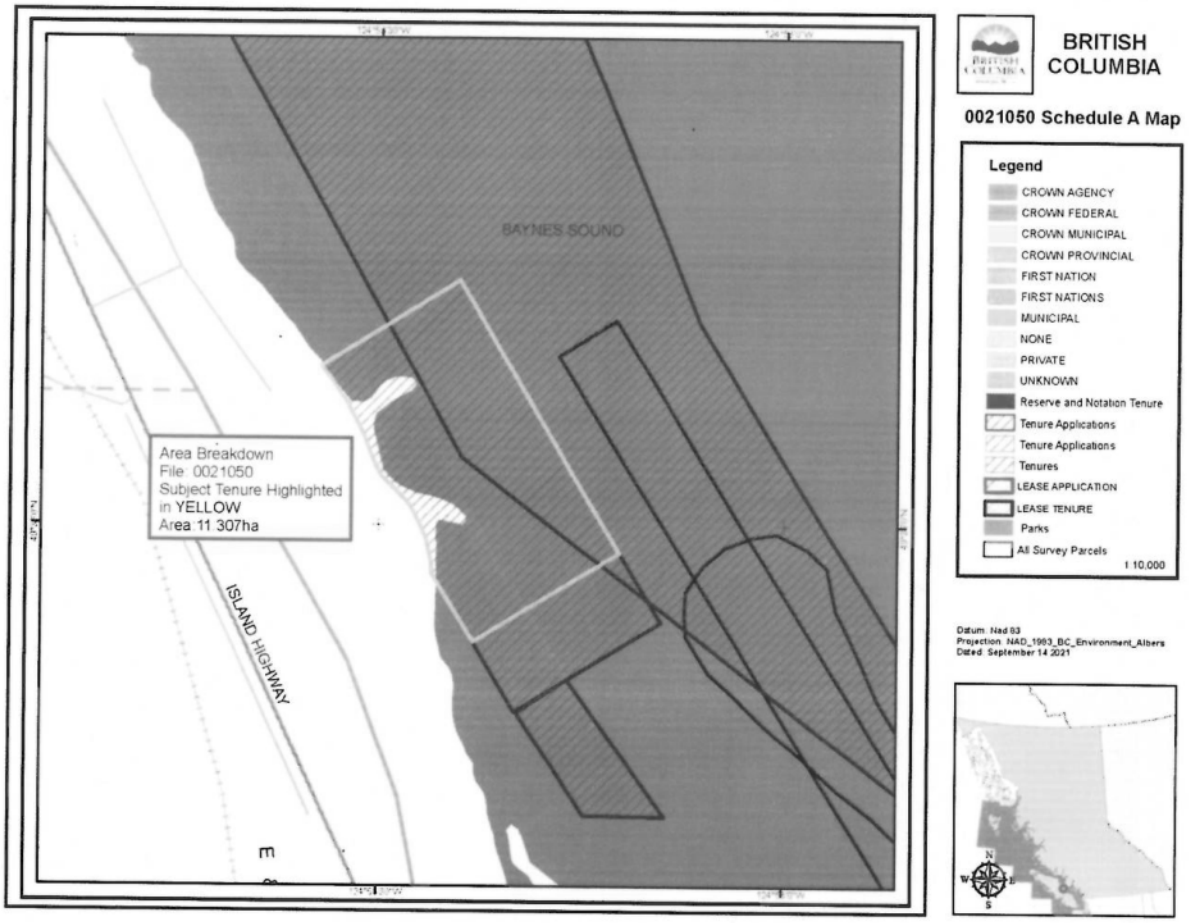
Minister responsible for the *Land Act*
or the minister's authorized representative

SIGNED on behalf of **UNION BAY INDUSTRIES LTD.**
by a duly authorized signatory

Authorized Signatory

LEGAL DESCRIPTION SCHEDULE

LEGAL DESCRIPTION: Part of District Lot 2020, Nanaimo District



Response to Notice of Final Review

File No. 0021050

Ministry of Forests, Lands, Natural Resource Operations and Rural Development
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9

Dear Melanie Blight:

Re: Application for lease

☑ I/We wish to proceed to obtain a lease in accordance with the letter dated October 15, 2021 from the Ministry of Forests, Lands, Natural Resource Operations and Rural Development and enclose all copies of the lease which I/We have signed.

☐ I/We do not wish to proceed to obtain a lease in accordance with the letter dated October 15, 2021 from the Ministry of Forests, Lands, Natural Resource Operations and Rural Development.

DATED the 18th of October, 2021

Applicant's signature/Applicant's representative's signature	Applicant's signature/Applicant's representative's signature
MARK JURISICH.	
Print name of person signing	Print name of person signing

Notification of Decision - File No. 0021050

From:	Blight, Melanie FLNR:EX <Melanie.Blight@gov.bc.ca>
To:	mark@deepwaterrecovery.com
Cc:	BCA Vancouver Island Assessment Region BCA:EX <vancouver.island@bcassessment.ca>, administration@comoxvalleyrd.ca
Sent:	October 22, 2021 8:49:37 AM PDT
Attachments:	2021-10-21 LE Amended 0021050.pdf, 2021-10-21 MP 0021050.pdf

Mark, thank you for coming into the office yesterday. I have attached a digital copy of your amended Lease No. 0021050 and Management Plan.
Please forward me you insurance certificate and I will let you know as soon as I hear back from my finance department regarding the Security Deposit.
If you require any additional information, please do not hesitate to contact me.

Melanie Blight
Authorization Administrator
Ministry of Forests, Lands, Natural Resource
Operations & Rural Development
Phone: 250-736-6838 Fax: 250-731-3010
Melanie.Blight@gov.bc.ca

HUB International Insurance Brokers

260-470 Puntledge Road
Courtenay, BC, Canada V9N 3R1
T: (250) 331-0527
F: (250) 331-0577
www.hubinternational.com

Certificate of Liability Insurance

This certificate of Insurance neither affirmatively nor negatively amends, extends or alters the coverage afforded by the policies scheduled herein. It is furnished as a matter of information only, confers no rights upon the holder and is issued with the understanding that the rights and liabilities of the parties will be governed by the original policy or policies as they may be lawfully amended by endorsement.

Copyright

Issued at: 260-470 Puntledge Rd, Courtenay BC V9N 3R1

HUB International Insurance Brokers



Date: November 4, 2021

Authorized Representative

Concerns received regarding land tenure

From: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
To: Mark Jurisich <mark@deepwaterrecovery.com>
Sent: November 23, 2021 2:26:38 PM PST

Hi Mark
I want to keep you informed about a recent concern that was received by the K'omoks First Nation.
The concern was submitted by a person who wishes to remain anonymous.
Here is a summary of the concern;

November 22nd,2021

On the weekend of November 20th,2021 the Guardians received an anonymous tip of hazardous work and potentially illegal operations at the industrial property north of union bay owned by Deep Water Recovery(formerly a log sort). The property was purchased to dismantle ships by way of beaching the ship and cutting apart on the shore. The anonymous caller said they are not using any means of containing the hazardous materials that may come from the ship such as led paint, oils, and other waste materials. The staff are not wearing the proper PPE when working. They had an issue with flooding on the property and used excavators to landscape the property and went over their property line and into the park to the left of the property. One of the ships was being dismantled and they discovered a caustic material that was bubbling and spilling onto the shore and into the ocean. They tried sucking the material out of the ship with a truck (possibly a hydro vac). The material began to melt the hoses on the truck, so they dug a hole on the property and buried the material.
This site is within close proximity to salmon bearing streams, important cultural and archaeological sites, and many aquaculture farms in baynes sound. This site was deemed contaminated before deep water recovery purchased it and should never have been allowed to beach large ships which disturb the already contaminated sediments, nor should they have excavated of the property.
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I will keep you posted if I receive any further information.
Thanks

Annette Bailey, RPBio
Senior Project Manager
Habitat Officer | Water Officer
South Island Natural Resource District
4885 Cherry Creek Road
Port Alberni, BC V9Y 8E9
250-736-6843

Voice Mail (45 seconds)

From: s.15

>

To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>

Sent: November 30, 2021 12:18:05 PM PST

Attachments: 6198235925 (45 seconds) Voice Mail.mp3

You received a voice message from 6198235925

Caller-Id: 6198235925

Sump Facility Monitoring - Sampling Event

From:	Rob Waters <robwaters@shaw.ca>
To:	Mark Jurisich <mark@deepwaterrecovery.com>
Cc:	Bailey, Annette Flnr:Ex <annette.bailey@gov.bc.ca>, Dena Balla <dena@deepwaterrecovery.com>
Sent:	December 1, 2021 3:16:57 PM PST

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Hi Marc,

Further to our telephone conversation this morning on sampling the sump at DeepWater Recovery my plan is to make the site visit Tuesday December 14, 2021.

The water and sediment sampling will follow the procedures as laid out in the proposed sampling plan.

I trust this is satisfactory.

Regards,

Rob

Castor Consultants Ltd.
13719 Jennifer Road
Ladysmith BC V9G 1G4

Cellphone: 250-816-1234
Telephone: 250-245-0225

FW: Today's discussion

From:	Morris, Rhonda M FLNR:EX <Rhonda.Morris@gov.bc.ca>
To:	Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent:	December 24, 2021 10:23:32 AM PST
Attachments:	image002.png

I am not sure if you have a copy of this email in the union bay file as you were not cc'd. Please upload email for FOI request 2021-1528. Thanks.

From: Mark Jurisich <mark@deepwaterrecovery.com>
Sent: August 5, 2021 4:16 PM
To: Morris, Rhonda M FLNR:EX <Rhonda.Morris@gov.bc.ca>
Subject: Today's discussion

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Dear Rhonda,
Firstly, I wish to apologize for my frustrations in dealing with this matter that would appear to have no end in sight. Please understand that my frustration is amplified as all of the issues that we discussed today were mentioned in detail in our Environmental Management Plan, most pages make specific reference to the importance of maintaining a clean environment on the work site and if I may be very blunt, this responsibility is motivated by 2 factors, those being Fear and Economics. The Fear Factor is one that relates to keeping the site clean and staying out of trouble with any and all government authorities that could potentially cause the site to be shut down.
The Economic Factor has both short and long term consequences, the larger of those concerns directly relates to our discussion earlier today. As we have discussed from the beginning, I think we can all agree that this site is a relatively short term proposition, somewhere in the vicinity of 5-7 years which then questions what are the future prospects for the site. Irrespective of what the future may hold for the site, it is absolutely mandatory that the site is maintained in pristine condition, if a viable economic exit from the site is to be realized, then under no circumstances can any contamination occur which could potentially make it an unviable economic proposition for any future investor.
We are very much aware that with the residential neighbors on our northern property line, and the large property development on our southern property line, that a transition from an industrial site to a commercial application such as a marina complex or potential hotel site is most likely going to be the preferred route for both government and residents alike in the not too distant future.
On a more positive note, I look forward to your visit next Wednesday. With regard to our discussion earlier today I would like to make reference to those items that you would like to address in your discussions concerning our tenure.

1. You will note that on page 1 of our Environmental Management Plan (EMP) paragraph 4 specifically relates to the removal of hydrocarbons. Both paragraphs 4 and 5 notably make reference to our awareness and sense of responsibility with regard to our operations in Baynes Sound. You will also note that paragraph 8 refers to again to the standards that we are required to maintain on the site in order to conform to the ISO standards.
2. You will note on page 2 of the EMP, that comprehensive upland monitoring is also part of the company's environmental management plan. Please feel free to make contact with Rob Waters (ex DFO) who has been involved in all aspects of our environmental management since our acquisition of the Union Bay site.
3. On page 3 of the EMP paragraph 3.1 article F specifically discusses the management of rain water and the flow of rain water from culverts and/or storm drains.
4. Page 4 refers specifically to storm water, storm water run-off and the importance of maintaining the site clean and free of any contaminants or deleterious substances that could enter the marine habitat. All of page 4 and part of page 5 refer to the importance and reasoning as to why the site needs to be kept clean.

It would appear from our discussion earlier today that the Comox Band have not read our site management plan and I think you will see on your visit that our management of the facility and its cleanliness are taken very seriously. I suspect we have more oil spill kits and oil remediation equipment than any other business that is operating anywhere on the water in British Columbia. With regard to the work area all processing is done on hard surface only, directly above a 10,000 litre catchment basin that has oil absorbent socks around its perimeter at all times and all solids are pumped out on a monitored basis (invoicing can be provided for verification).

I hope that the information and references I have provided are helpful, however, I think you will have a different perspective on our activity after you have had a chance to walk the site and form your own opinion of what we are doing.

Kind Regards,

Mark R. Jurisich
Operations Manager - Canada



If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

FW: Modified EMP

From: Morris, Rhonda M FLNR:EX <Rhonda.Morris@gov.bc.ca>
To: Bailey, Annette FLNR:EX <Annette.Bailey@gov.bc.ca>
Sent: December 24, 2021 10:24:22 AM PST
Attachments: image002.png, modified_Deep Water Recovery EMP March 2021.pdf, Deepwater Recovery Water Sampling Procedure rw Sept 2 2021[1].pdf

And here is another for FOI request if you don't already have it, thanks.

From: Mark Jurisich <mark@deepwaterrecovery.com>
Sent: September 10, 2021 3:32 PM
To: Morris, Rhonda M FLNR:EX <Rhonda.Morris@gov.bc.ca>
Cc: Michelle Dorjgotov <michelled@deepwaterrecovery.com>
Subject: Modified EMP

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Hi Rhonda,
Please find attached the updated EMP and a separate attachment for water sampling. I did not include the economic impact of the activity as I was not sure if it was relevant or appropriate to be included in the EMP.
For your discussion on Tuesday, the site currently employs 11 people on a full-time basis, and injects roughly $100,000 into the local economy each month.
It is anticipated that both the number of the people employed and the direct monthly spending should increase by roughly 100%. I am not sure if you feel it is appropriate to mention Seaspan's interest in establishing some operations here, however, they have expressed interest again today and will be coming for a site visit sometime later this month, as well as to conduct an Environmental Compliance Inspection.
As discussed I expect to have (weather permitting) the painting of the sumps completed over the weekend and I will send you photographs accordingly. If you have any questions over the weekend, please feel free to call me at your convenience.
Kind Regards,
Mark R. Jurisich
Operations Manager - Canada

deepwater recovery
A Canadian Limited Company

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