

**MEMORANDUM OF UNDERSTANDING**

**THIS MEMORANDUM OF UNDERSTANDING** dated the \_\_\_\_ day of \_\_\_\_\_, 2009.

**BETWEEN:**

**CAPITAL REGIONAL DISTRICT**

625 Fisgard Street  
Victoria, B.C. V8W 1R7

(the "**CRD**")

**OF THE FIRST PART**

**AND:**

**RTOWN HOLDINGS ULC**

2546 Government Street  
Victoria, B.C. V8T 4P7

(the "**RTOWN**")

**OF THE SECOND PART**

**WHEREAS :**

- A. Three Point Properties (2006) Ltd. is the bare land trustee and RTOWN is the beneficial owner of certain lands situate within the Capital Assessment Area more particularly described in Schedule "A" attached to this Memorandum of Understanding (the "**Lands**");
- B. RTOWN proposes to develop a multi-phased residential/commercial development on the Lands;
- C. The CRD operates water and sewer services in areas adjacent to the Lands. Many of these services do not have the capacity to service the scope of the development proposed by RTOWN on its Lands and significant capital

investment is required to upgrade and expand those services and, in some cases, to design and construct new replacement works for a portion of the services to ensure adequate water and sewer services for the development of the Lands;

- D. RTOWN proposes to petition the CRD under sections 797.4 and 823.11 of the *Local Government Act* to establish two new services over the Lands and for the CRD to borrow money in relation to the services (the "Services"). The first petition will be for the construction of new off-site water works. The petition service will be for the construction of new off-site sewer works (the "**Petitions**");
  
- E. RTOWN proposes to construct an initial development of 42 residential lots within an area, approximately as shown outlined by a double line on the plan attached as Schedule "B" to this Memorandum of Understanding ("Phase I"), the servicing of which will require the completion of certain off-site works associated with the existing Port Renfrew Water System established by the Port Renfrew Water Supply Local Service Establishment Bylaw No. 1, 1989 and certain off-site works associated with the existing Port Renfrew Sewer System established by the Port Renfrew Sewer Local Service Establishment Bylaw No. 1, 1989;
  
- F. If RTOWN intends to proceed with an eighteen (18) lot bare land strata development on that portion of the Lands outside Phase I ("18 Lot Development") then, on-site sewage disposal facilities will be required before proceeding with

the 18 Lot Development. RTOWN agrees to grant to the CRD a statutory right of way over the on-site sewage disposal facilities such that the interest granted in the SRW to the CRD will only take effect if and when the on-site sewage disposal system is decommissioned and the pipes of the on-site sewage disposal system are connected to the off-site Port Renfrew Sewer System.

- G. If RTOWN proceeds with either or both the development of that portion of the Lands outside Phase I ("Phase II") and the 18 Lot Development, further off-site water works will be required before proceeding with Phase II or the 18 Lot Development to relocate and replace the current water reservoir and associated pipes and facilities.
- H. If RTOWN proceeds with the development of the Phase II Lands other than the 18 Lot Development in the circumstance where only minor upgrades of the off-site sewer system have been constructed for the Phase I development, an expansion and partial replacement of the off-site sewer system will need to be constructed and RTOWN must connect to it before proceeding with the Phase II development.
- I. If the Petitions are successful, then the CRD may adopt establishing bylaws for each of the services outlined in the Petitions making the boundaries of the service area, the Lands (the "**Establishing Bylaws**");

- J. Additionally, the CRD may adopt Loan Authorization Bylaws to authorize the borrowing for the purposes of funding the construction of the water and sewer works contemplated in each of the Petitions (the "**Loan Authorization Bylaws**");
- K. Upon the completion of the construction of the new off-site water works and either the upgrading of the existing off-site sewer works or completion of an expansion and partial replacement of the off-site sewer system necessary to service the Phase I development, whichever is required by the CRD, the CRD may adopt a bylaw to amend the boundaries of the Port Renfrew Water Local Service Area and the Port Renfrew Sewer Local Service Area to include the Phase I Lands (the "**Phase I Amending Establishing Bylaws**");
- L. Before the CRD considers the Establishing Bylaws:
1. the Phase I Lands will be subject to a covenant ("Covenant No. 1") in favour of the CRD: (a) restricting building on the Phase I Lands until the CRD authorizes the Phase I Lands to be connected to the off-site sewer system and the Phase I Lands are connected to the off-site sewer system and the upgrading, expansion and partial replacement of the off-site water system is constructed and the Phase I Lands are connected to the new off-site water system; and (b) restricting subdivision of the Phase I Lands until RTOWN has deposited with the CRD irrevocable letters of credit in relation to the CRD's borrowing for the construction of the off-site sewer and water works

contemplated in the Petitions for the 42 lot residential development on the Phase I Lands and the CRD has adopted security issuing bylaws or obtained temporary borrowing in relation to the off-site works to be constructed for the Phase I Lands; and

2. the Phase II Lands will be subject to a section 219 covenant ("Covenant No. 2") in favour of the CRD restricting the subdivision of and building on the Lands in Phase II until any remaining off-site water works, including the replacement and relocation of the water reservoir, and associated pipes and facilities and off-site sewer works required for the Phase II development have been completed except that the portion of the Lands for the 18 Lot Development described by metes and bounds attached to this Memorandum of Understanding as Schedule "C", may be subdivided and built upon in accordance with the terms set out in Covenant No. 2;

- M. Upon completion of all off-site water works and off-site sewer works required for the Phase II development, the CRD may adopt a bylaw to amend the boundaries of the Port Renfrew Water Local Service Area and the Port Renfrew Sewer Local Service Area to include that portion of the Lands in Phase II (the "**Phase II Amending Establishing Bylaws**").

- N. This Memorandum of Understanding is not legally binding and does not create any contractual or other legal obligation on the part of the CRD or RTOWN with respect to the development of the Lands.

**NOW THEREFORE** it is acknowledged as follows:

1. RTOWN has prepared and will submit to the CRD two separate Petitions in the form as set out in Schedule "D" attached to this Memorandum of Understanding.
2. If the Petitions are successful, then the CRD may adopt Establishing Bylaws for the purposes of establishing the service for the construction of off-site sewer works and for the service of the construction of off-site water works in the Port Renfrew area of the Juan de Fuca Electoral Area.
3. Additionally, if the Establishing Bylaws are adopted, the CRD may adopt bylaws to authorize the borrowing of funds through the Municipal Finance Authority of British Columbia in accordance with its authority to adopt Loan Authorization Bylaws in the *Local Government Act* in relation to each of the services as follows:
  - (a) \$2,986,000.00 for off-site water service;
  - (b) \$5,740,000.00 for off-site sewer service

based on estimates made in 2009 and in accordance with the CRD's formula for projecting costs attached to this Memorandum of Understanding as Schedule "E"

and which may be increased or decreased depending on cost estimates available at the time the CRD proceeds with any Loan Authorization Bylaws.

4. The Establishing Bylaws creating the new services will be for the construction of the new services, as well as the debt servicing costs associated with the CRD's borrowing to pay for the construction costs.
5. The form of Establishing Bylaws are set out in Schedule "F" attached to this Memorandum of Understanding.
6. Before the CRD considers adopting the Establishing Bylaws, the Lands will have registered against them two section 219 covenants as follows:
  - (1) Covenant No. 1 attached as Schedule "G" to this Memorandum of Understanding to be registered in favour of the CRD against title to the Phase I Lands restricting: (1) building on the Phase I Lands until the CRD's General Manager of Environmental Services authorizes the Phase I Lands to be connected to the off-site sewer system and the Phase I Lands are connected to the off-site sewer system and the upgrading, expansion and partial replacement of the off-site water system is constructed and the Phase I Lands are connected to the new off-site water system and (2) restricting subdivision of the Phase I Lands until RTOWN has deposited with the CRD irrevocable letters of credit in relation to the CRD's borrowing

for the construction of the off-site sewer and water works contemplated in the Petitions for the 42 lot residential development on the Phase I Lands and the CRD has adopted security issuing bylaws or obtained temporary borrowing in relation to the off-site works to be constructed for the Phase I Lands; and

- (2) Covenant No. 2 attached as Schedule "H" to this Memorandum of Understanding to be registered in favour of the CRD against title to the Phase II Lands restricting the subdivision of and building on those Lands until:
  - a) the construction of and connection of the Phase II Lands to the off-site water works including the replacement and relocation of the water reservoir and associated pipes and facilities and the granting by RTOWN of a statutory right of way to the CRD for the reservoir and associated pipes and facilities;
  - b) RTOWN submits a park plan associated with the Phase II Lands to the CRD;
  - c) RTOWN grants to the CRD a statutory right of way over the on-site sewage disposal facilities related to the 18 Lot Development such that the interest granted to the CRD in the statutory right of way will



only take effect if and when the on-site sewage disposal system is decommissioned and the pipes of the on-site sewage disposal system are connected to the off-site Port Renfrew Sewer System; and

- d) except for that portion of the Lands in the 18 Lot Development, until the construction of and connection to the off-site sewer works required for the Phase II development and the granting by RTOWN of a statutory right of way to the CRD for that portion of the wastewater treatment plan, outfall and interconnection between them on the Lands.

These covenants will be capable of being discharged if the CRD does not adopt the Establishing Bylaws, Loan Authorization Bylaws or Security Issuing Bylaws.

- 7. If the CRD adopts Security Issuing Bylaws or carries out temporary borrowing, for the purposes of borrowing in respect of the Services contemplated in the Establishing Bylaws, RTOWN must first deposit with the CRD one or more Irrevocable Letters of Credit in the amount that is the greater of the amount of the initial security issuing bylaws or temporary borrowings plus the sum of the remaining debt servicing payments within the 15 year financing term. In any case, at the end of any refinancing term, the Letter of Credit must have been

reduced to no less than the principal balance outstanding at that time plus the sum of the debt servicing payment required within the next borrowing term. The letter of credit is irrevocable up to a one year expiry date, however, it will be deemed to be automatically extended without amendment from year to year for a period of fifteen (15) years unless, at least thirty (30) days prior to the expiry, the issuing bank will notify the CRD in writing by registered mail or courier that the issuing bank elects not to renew the letter of credit for any additional period. In this event, the CRD will draw down the entire amount of the letter of credit. The amount of the letter of credit may be reduced from time to time in accordance with the conditions in and the schedule of payments set out and attached to this Memorandum of Understanding as Schedule "I".

8. Once the borrowing under the Security Issuing Bylaws or temporary borrowing for the off-site water and off-site sewer service has been completed, the CRD may tender for the construction of the off-site works and in the case of the off-site water works, in accordance with RTOWN's design engineers complete and final design drawings and specification, as approved by the CRD, for the off-site water improvements. If the CRD awards a contract in relation to the construction of the works off-site, the CRD or its consultant would oversee the contract works on behalf of the CRD.
  
9. RTOWN will execute and register Covenant No. 1 and Covenant No. 2 before the CRD considers the Establishing Bylaws.

10. Should RTOWN not proceed with either or both the Phase I or Phase II developments within four and half years of the adoption of the Loan Authorization Bylaws, if any, the CRD, in its absolute discretion, may not proceed to adopt Security Issuing Bylaws or carry out temporary borrowing under the Loan Authorization Bylaws.
  
11. RTOWN acknowledges that the CRD, as a local government, is subject to the requirements of the *Local Government Act*, the *Community Charter* and the *Environmental Management Act* and other enactments, and that prior to the CRD taking any steps in relation to the Petitions or entering into any agreements or subsidiary agreements relating to the development of the Lands, all legal requirements of the *Local Government Act*, the *Community Charter* and the *Environmental Management Act* and other applicable enactments must be satisfied and all necessary authorizations and approvals under those Acts must be obtained, including, but without limiting, the following matters that are in the sole discretion of the CRD Board:
  - (a) adoption of the Establishing Bylaws, the Amending Establishing Bylaws, the Loan Authorization Bylaws and the Security Issuing Bylaws;

- (b) assent of the Electors in accordance with section 823.1 of the *Local Government Act* and the approval of the Inspector of Municipalities of the Loan Authorization Bylaws;
- (c) approval by the Inspector of Municipalities and the participating area of the Establishing and Amending Establishing Bylaws;
- (d) the adoption of a Security Issuing Bylaw in accordance with section 825 of the *Local Government Act*;
- (e) approval by the CRD Board or its delegate to the terms of Covenant No. 1 and Covenant No. 2;
- (f) approval by the CRD Board as to the terms of this Memorandum of Understanding and any subsidiary agreements associated with the Phase I and Phase II Developments.

**CAPITAL REGIONAL DISTRICT** by its )  
authorized signatories )  
 )  
 )  
\_\_\_\_\_)  
Name: )  
 )  
\_\_\_\_\_)  
Name: )

**RTOWN HOLDINGS ULC** by its authorized )  
signatories )

\_\_\_\_\_)  
Name: )

\_\_\_\_\_)  
Name: )

## SCHEDULE "A"

### Description of Lands

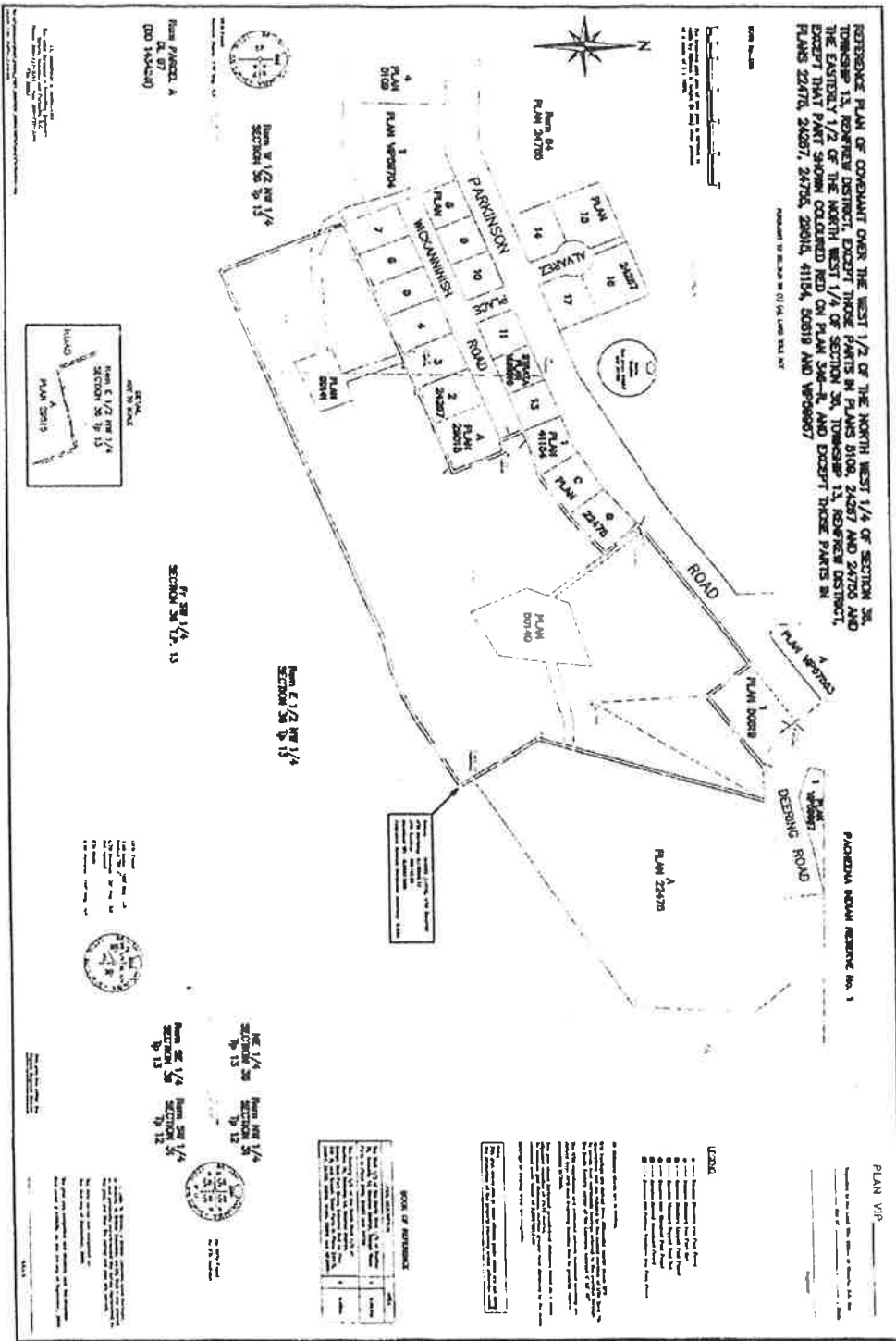
PID

Legal Description

009-565-787	The West ½ of the North West ¼ of Section 36, Township 13, Renfrew District, excepts those parts in Plans 5109, 24267 and 24755
009-565-752	The North East ¼ of Section 36, Township 13, Renfrew District
000-468-291	The Easterly ½ of the North West ¼ of Section 36, Township 13, Renfrew District, except that part shown coloured red on Plan 346-R, and except those parts in Plans 22475, 24267, 24755, 29515, 41154, 50819 and VIP59967
009-592-423	Parcel A (DD 143426I) of Section 97, Renfrew District, except that part in Plan 15462 and VIP77871

# Schedule "B"

## Phase I Development – Covenant Area



Phase I  
42 lot  
subland subdivision

## Schedule "C"

### 18 Lot Development Metes and Bounds Description

# Memo



J.E. ANDERSON  
& ASSOCIATES  
SURVEYORS - REAL ESTATE

To	Three Point Properties- Ben Mycroft Patterson, Adams, Sols.- Davis Adams	Date	September 8, 2008
From	Danny Carrier, B.C.L.S.	File No.	26116

**Re: Description for Covenant – District Lot 97**

The no development covenant should be placed on Parcel A District Lot 97 except that portion described as follows:

All that portion of Parcel A (DD143426 I), Section 97, Renfrew District, except that part in plan 15462 and VIP77671 which said portion may be described as lying to the south of Parkinson Road as said road is shown on plan VIP77671 and also lying to the north of a line or line produced joining points on the west and east boundaries of said section 97, said points distant 234 meters and 439 meters respectively from the south west and south east corners of said section 97.



**Schedule "D"**

**Petitions**

**PETITION**

**TO THE BOARD OF THE CAPITAL REGIONAL DISTRICT:**

We, the undersigned owners of parcels of land, set out below, and shown outlined on the Plan reproduced on the back of this Petition, which parcels of land are liable to be specially charged to pay for the annual operating and debt servicing costs of the service hereinafter described, **DO HEREBY PETITION YOU UNDER SECTIONS 797.4, 823.11 AND 801.5 OF THE LOCAL GOVERNMENT ACT** to, by bylaw:

1. establish and operate a new service to construct off-site waste water works and related works (the "Works") as an expansion of and upgrade to the Port Renfrew Sewer System, including a system of wastewater collection, conveyance, treatment, control, and disposal works (the "Port Renfrew Wastewater Service No. 2");
2. define the boundaries of the proposed service area as the area in the Juan de Fuca Electoral Area shown outlined on the Plan reproduced on the back of this Petition containing lands legally described as:
 

PID 009-565-787  
the West ½ of the North West ¼ of Section 36, Township 13, Renfrew District, Except Those Parts in Plans 5109, 24267 and 24755

PID 009-565-752  
the North East ¼ of Section 36, Township 13, Renfrew District

PID 000-468-291  
the Easterly ½ of the North West ¼ of Section 36, Township 13, Renfrew District, Except That Part Shown Coloured Red on Plan 346-R, and Except Those Parts in Plans 22475, 24267, 24755, 29515, 41154, 50819 and VIP59967

PID 009-592-423  
Parcel A (DD 1434261) of Section 97, Renfrew District, Except That Part in Plan 15462 and VIP77871  
(the "Service Area");
3. provide that the annual operating and debt servicing costs for the Port Renfrew Wastewater Service No. 2 shall be recovered within the Service Area by one or more of the following:
  - (a) for parcels greater than one (1) hectare, an estimated annual parcel tax of (\$154,300.00) and for parcels one (1) hectare or smaller, an estimated annual parcel tax of four hundred dollars (\$400.00);
  - (b) fees and charges to be imposed by bylaw under section 363 of the *Local Government Act*;
  - (c) revenues raised by other means authorized under the *Local Government Act* or another Act;
  - (d) revenues received by way of agreement, enterprises, gift, grant or otherwise; or
  - (e) the requisition of money under section 806.1 of the *Local Government Act* to be collected by a property value tax to be levied and collected on land and improvements within the local service area.
4. Provide that the maximum amount that may be requisitioned for the Service will be the greater of:
  - (a) six hundred and thirty-four thousand (\$634,000.00) Dollars; or
  - (b) an amount equal to the amount that could be raised by a property value tax of two hundred and eleven dollars and eighty-three cents (\$211.83) per one thousand (\$1,000.00) which, when applied to the net taxable value of land and improvements within the service area, will yield the maximum amount that may be requisitioned under section 806(1) of the *Local Government Act* for the Service.
5. Authorize the borrowing upon the credit of the Regional District, a sum not to exceed five million seven hundred and forty thousand dollars (\$5,740,000.00) for the purpose of the construction of the Works plus contingencies and the debt servicing costs of the borrowing.
6. Provide for a maximum term of fifteen (15) years for which debentures may be issued to secure the debt referred to in paragraph 5.
7. We understand that:
  - (a) the amount of money to be borrowed under paragraph 5 is the estimated cost of the capital works improvements required to complete the Port Renfrew Waste Water Service No. 2 plus contingencies and the debt servicing costs of the borrowing;
  - (b) we must provide security for the borrowing, in the form of an Irrevocable Letter of Credit, in an amount that is greater of the amount of the initial security issuing bylaw or temporary borrowing plus the sum of the remaining debt servicing payments within the financing term. In any case, at the end of any refinancing term, the Letter of Credit must have been reduced to no less than the principal balance outstanding at that time plus the sum of the debt servicing payments required within the next borrowing term. The deposit of the Irrevocable Letter of Credit must be done before the CRD adopts a Security Issuing Bylaw or carries out temporary borrowing for the money referred to in paragraph 5;
  - (c) if the Regional District establishes the Port Renfrew Wastewater Service No. 2, it may finance the construction of the Works by adoption of a loan authorization bylaw for \$5,740,000.00; and
  - (d) we agree and acknowledge that the Capital Regional District may from time to time alter the method of cost recovery, increase tax rates and parcel taxes or fees and make changes as the Capital Regional District necessary or advisable for the management of the Service.

**NOTE: Where a property is owned by more than one person, the Petition must be signed by each registered owner.**

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009-592-423	Parcel A (DD 1434261) of Section 97, Renfrew District, except that part in Plan 15462 and VIP77871

Assessed Value: \$ \_\_\_\_\_ [assessed value]

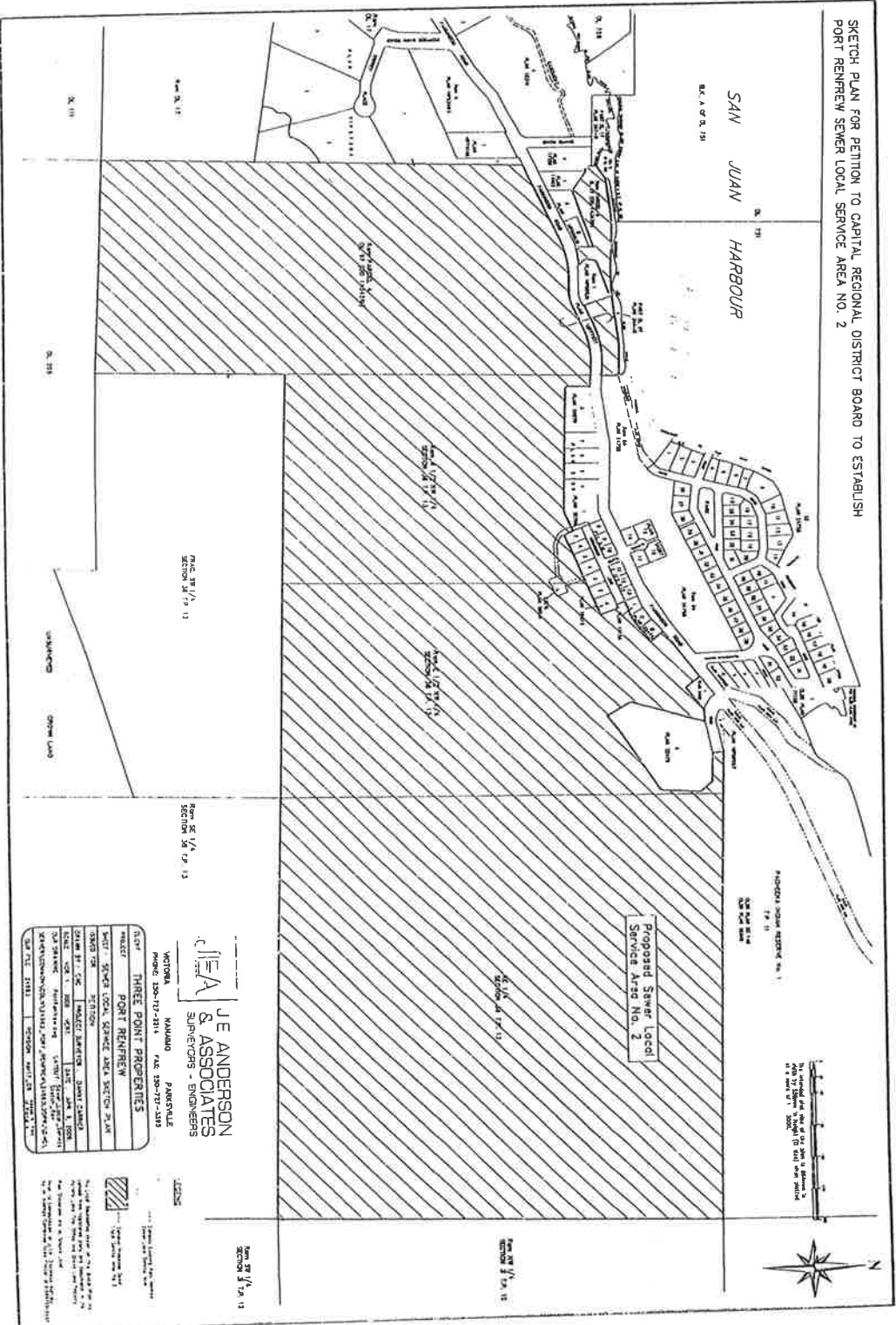
Registered Owners(s): \_\_\_\_\_ [Registered Owner 1] \_\_\_\_\_ [Registered Owner 2]

Civic Address: \_\_\_\_\_ [Property location]

Mailing Address: \_\_\_\_\_ [Address 1] \_\_\_\_\_ [Address 2]  
 \_\_\_\_\_ [Postal] \_\_\_\_\_ [Postal]

Signature(s): \_\_\_\_\_

SKETCH PLAN FOR PETITION TO CAPITAL REGIONAL DISTRICT BOARD TO ESTABLISH  
PORT RENREW SEWER LOCAL SERVICE AREA NO. 2



Proposed Sewer Local  
Service Area No. 2

This record and map of this plan is deemed to  
be a true and correct copy of the original  
as shown to the Board of Directors on 11/11/11



**J E ANDERSON  
& ASSOCIATES**  
SUPERVISORS - ENGINEERS

VICTORIA NANAIMO PARKSVILLE  
PHONE 250-712-2811 FAX 250-712-2819

**THREE POINT PROPERTIES**  
PROJECT: PORT RENREW  
OWNER: SCHEP LOCAL SERVICE AREA NO. 2

DATE: 11/11/11	BY: J. E. ANDERSON
DATE: 11/11/11	BY: J. E. ANDERSON
DATE: 11/11/11	BY: J. E. ANDERSON

SECTION 28 1/4 13  
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**PETITION**

**TO THE BOARD OF THE CAPITAL REGIONAL DISTRICT:**

We, the undersigned owners of parcels of land, set out below, and shown outlined on the Plan reproduced on the back of this Petition, which parcels of land are liable to be specially charged to pay for the annual operating and debt servicing costs of the service hereinafter described, **DO HEREBY PETITION YOU UNDER SECTIONS 797.4, 823.11 AND 801.5 OF THE LOCAL GOVERNMENT ACT** to, by bylaw:

1. establish and operate a new service to construct new water works and related works (the "Works") as an expansion and upgrade to the Port Renfrew Water System, including a system of water supply, conveyance, treatment, control, storage and distribution works (the "Port Renfrew Water Service No. 3");
2. define the boundaries of the proposed service area as the area in the Juan de Fuca Electoral Area shown outlined on the Plan reproduced on the back of this Petition containing lands legally described as:
  - PID 009-565-787  
the West ½ of the North West ¼ of Section 36, Township 13, Renfrew District, Except Those Parts in Plans 5109, 24267 and 24755
  - PID 009-565-752  
the North East ¼ of Section 36, Township 13, Renfrew District
  - PID 000-468-291  
the Easterly ½ of the North West ¼ of Section 36, Township 13, Renfrew District, Except That Part Shown Coloured Red on Plan 346-R, and Except Those Parts in Plans 22475, 24267, 24755, 29515, 41154, 50819 and VIP59967
  - PID 009-592-423  
Parcel A (DD 1434261) of Section 97, Renfrew District, Except That Part in Plan 15462 and VIP77871 (the "Service Area");
3. provide that the annual operating and debt servicing costs for the Port Renfrew Water Service No. 3 shall be recovered within the Service Area by one or more of the following:
  - (a) for parcels greater than one (1) hectare, an estimated annual parcel tax of (\$78,550.00) and for parcels one (1) hectare or smaller an estimated annual parcel tax of four hundred dollars (\$400.00);
  - (b) fees and charges to be imposed by bylaw under section 363 of the *Local Government Act*;
  - (c) revenues raised by other means authorized under the *Local Government Act* or another Act;
  - (d) revenues received by way of agreement, enterprises, gift, grant or otherwise; or
  - (e) the requisition of money under section 806.1 of the *Local Government Act* to be collected by a property value tax to be levied and collected on land and improvements within the local service area.
4. Provide that the maximum amount that may be requisitioned for the Service will be the greater of:
  - (a) three hundred and thirty-one thousand (\$331,000.00) Dollars; or
  - (b) an amount equal to the amount that could be raised by a property value tax of one hundred and eleven dollars (\$111.00) per one thousand (\$1,000.00) which, when applied to the net taxable value of land and improvements within the service area, will yield the maximum amount that may be requisitioned under section 806(1) of the *Local Government Act* for the Service.
5. Authorize the borrowing upon the credit of the Regional District, a sum not to exceed two million nine hundred and eighty-six thousand dollars (\$2,986,000.00) for the purpose of the construction of the Works plus contingencies and the debt servicing costs of the borrowing.
6. Provide for a maximum term of fifteen (15) years for which debentures may be issued to secure the debt referred to in paragraph 5.
7. We understand that:
  - (a) the amount of money to be borrowed under paragraph 5 is the estimated cost of the capital works improvements required to complete the Port Renfrew Local Water Service No. 3 plus contingencies and the debt servicing costs of the borrowing;
  - (b) we must provide security for the borrowing, in the form of an Irrevocable Letter of Credit, in an amount that is greater of the amount of the initial security issuing bylaw or temporary borrowing plus the sum of the remaining debt servicing payments within the financing term. In any case, at the end of any refinancing term, the Letter of Credit must have been reduced to no less than the principal balance outstanding at that time plus the sum of the debt servicing payments required within the next borrowing term. The deposit of the Irrevocable Letter of Credit must be done before the CRD adopts a Security Issuing Bylaw or carries out temporary borrowing for the money referred to in paragraph 5;
  - (c) if the Regional District establishes the Port Renfrew Water Service No. 3, it may finance the construction of the Works by adoption of a loan authorization bylaw for \$2,986,000.00; and
  - (d) we agree and acknowledge that the Capital Regional District may from time to time alter the method of cost recovery, increase tax rates and parcel taxes or fees and make changes as the Capital Regional District necessary or advisable for the management of the Service.

**NOTE: Where a property is owned by more than one person, the Petition must be signed by each registered owner.**

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009-592-423	Parcel A (DD 1434261) of Section 97, Renfrew District, except that part in Plan 15462 and VIP77871

Assessed Value: \$ \_\_\_\_\_ [assessed value]

Registered Owners(s): \_\_\_\_\_ [Registered Owner 1] \_\_\_\_\_ [Registered Owner 2]

Civic Address: \_\_\_\_\_ [Property location]

Mailing Address: \_\_\_\_\_ [Address 1] \_\_\_\_\_ [Address 2]

Signature(s): \_\_\_\_\_ [Printed] \_\_\_\_\_ [Printed]



## Schedule "E"

### Cost Projection Formula

CRD Capital Project Estimation Form  
 Rtown Port Renfrew Water Project - Amended  
 Total Project - See Phase 1 and 2 Below  
 Amended July 2009, increase consultant fees 5% to 10%

	<u>Allowance</u>	<u>Total</u>
<b>1 Construction</b>		
1.1 Preliminary Construction Cost Estimate	\$ 1,663,660	
1.2 Allowance for Construction Contingencies (5%-15% of Item 1.1)	15% \$ 249,548	
1.3 Allowance for Design Contingencies (0% -10%-25% of Item 1.1)	10% \$ 166,366	
1.4 Allowance for Working in Hazardous Conditions (if any)	5% \$ 83,183	
1.5 Allowance for Inflation during Project (See Note 1)	Varies \$ 242,873	
<b>1.0 TOTAL ESTIMATED CONSTRUCTION COST</b>	<b>\$ 2,405,630</b>	<b>\$ 2,405,318</b>
<b>2 Engineering (10%-20% of Line 1.6)</b>		
2.1 In-House Engineering Services	5% \$ 120,266	
2.2 Consultant Fees	10% \$ 240,532	
<b>2.3 TOTAL ESTIMATED ENGINEERING COST</b>	<b>\$ 360,798</b>	<b>\$ 360,798</b>
<b>3 Administration (Miscellaneous Costs - 1% of Line 1.6)</b>	1%	\$ 24,053
<b>4 Operations (Start-up) Costs - (2% of Line 1.6) (adjusted from 1%)</b>	2%	\$ 48,106
<b>5 Environmental Assessment Costs (if any)</b>	Nil	
<b>6 SUB-TOTAL</b>		<b>\$ 2,838,275</b>
<b>7 Cost of Borrowing</b>		
7.1 MFA Cost of Issue, Interim Financing Costs and Finance Department Charges (4% of item 6)	4%	\$ 113,531
<b>8 Bylaw Contingency</b>		
8.1 Allowance for Changes in Scope (2% of Item 6, Phase 2 Only)	2%	\$ 33,288
<b>9 Estimated Total Capital Project Cost, Phase 1 and 2 Water</b>		<b>\$ 2,985,094</b>
<b>Borrowing Bylaw - Water Phase 1 and 2</b>		<b>\$2,986,000</b>

1 Assume Phase 2 Works will not proceed for 4.5 years allow for inflation of 5%

CRD Capital Project Estimation Form  
 TPP Port Renfrew Water Project - Amended  
 Phase 1 Water Only

Amended July 2009, increase consultant fees to 10%

	<u>Allowance</u>	<u>Total</u>
1 Construction		
1.1 Preliminary Construction Cost Estimate		\$753,650
1.2 Allowance for Construction Contingencies (5% - 15% of Item 1.1)	10.00%	\$113,048
1.3 Allowance for Design Contingencies (0% - 10% - 25% of Item 1.1)	10.00%	\$75,365
1.4 Allowance for Working in Hazardous Conditions (if any)	0.00%	\$27,683
1.5 Allowance for Inflation during Project	2.00%	\$15,073
1.6 TOTAL ESTIMATED CONSTRUCTION COST		\$984,818
2 Engineering (10% - 20% of Line 1.6)		
2.1 In-House Engineering Services	0.00%	\$49,741
2.2 Consultant Fees	10.00%	\$99,452
2.3 TOTAL ESTIMATED ENGINEERING COST		\$149,223
3 Administration (Miscellaneous Costs - 1% of Line 1.6)	1.00%	\$9,948
4 Operations (Start-up) Costs - (2% of Line 1.6) (adjusted from 1%)	2.00%	\$19,896
5 Environmental Assessment Costs (if any)	na	
6 SUE-TOTAL		\$1,173,885
7 Cost of Borrowing		
7.1 MFA Cost of Issue, Interim Financing Costs and Finance Department Charges (4% of Item 6)	4.00%	\$46,955
Bylaw Contingency		
8.1 Allowance for Changes in Scope (2% of Item 6)	na	
8 Estimated Total Capital Project Cost, Phase 1 Water		\$1,220,841

CRD Capital Project Estimation Form  
 TPP Part Renew Water Project - Preliminary for Discussion  
 Phase 2 Water Only  
 Amended July 2009, increase consultant fees to 10%

	<u>Allowance</u>	<u>Total</u>
<b>1 Construction</b>		
1.1 Preliminary Construction Cost Estimate		\$910,000
1.2 Allowance for Construction Contingencies (5%-15% of Item 1.1)	15.00%	\$136,500
1.3 Allowance for Design Contingencies (6%, 10% -25% of Item 1.1)	10.00%	\$91,000
1.4 Allowance for Working in Hazardous Conditions (if any)	5.00%	\$45,500
1.5 Allowance for Inflation during Project	25.00%	\$227,500
<b>1.6 TOTAL ESTIMATED CONSTRUCTION COST</b>		<b>\$1,410,500</b>
<b>2 Engineering (10%-20% of Line 1.6)</b>		
2.1 In-House Engineering Services	5.00%	\$70,525
2.2 Consultant Fees	10.00%	\$141,050
<b>2.3 TOTAL ESTIMATED ENGINEERING COST</b>		<b>\$211,575</b>
<b>3 Administration (Miscellaneous Costs – 1% of Line 1.6)</b>	<b>1.00%</b>	<b>\$14,105</b>
<b>4 Operations (Start-up) Costs – (2% of Line 1.6) (adjusted from 1%)</b>	<b>2.00%</b>	<b>\$28,210</b>
<b>5 Environmental Assessment Costs (if any)</b>	na	
<b>c SUB-TOTAL</b>		<b>\$1,664,390</b>
<b>7 Cost of Borrowing</b>		
7.1 MFA Cost of Issue, Interim Financing Costs and Finance Department Charges (4% of item 6)	4.00%	\$66,576
<b>8 Eylaw Contingency</b>		
8.1 Allowance for Changes in Scope (2% of Item 6, Phase 2 Only)	2.00%	\$33,288
<b>e Estimated Total Capital Project Cost Phase 2 Water</b>		<b>\$1,764,253</b>



**CRD Capital Project Estimation Form**  
**Rtown Port Renfrew Wastewater Project**  
**Total Project - See Phase 1 and 2 Below**  
 Amended July 2009 Phase 1 Sewer Works Added to Project

	<u>Allowance</u>	<u>Total</u>
<b>1 Construction</b>		
1.1 Preliminary Construction Cost Estimate		\$2,763,152
1.2 Allowance for Construction Contingencies (5%-15% of Item 1.1)	15%	414,473
1.3 Allowance for Design Contingencies (0%, 10% -25% of Item 1.1)	10%	276,316
1.4 Allowance for Working in Hazardous Conditions (if any)	5%	138,158
1.5 Allowance for Inflation during Project (See Note 1)	Varies	\$613,777
<b>1.6 TOTAL ESTIMATED CONSTRUCTION COST</b>		<b>\$4,205,876</b>
<b>2 Engineering (10%-20% of Line 1.6)</b>		
2.1 In-House Engineering Services	5%	210,294
2.2 Consultant Fees	15%	630,881
<b>2.3 TOTAL ESTIMATED ENGINEERING COST</b>		<b>\$ 841,175</b>
<b>3 Administration (Miscellaneous Costs – 1% of Line 1.6)</b>	1%	<b>\$ 42,059</b>
<b>4 Operations (Start-up) Costs – (2% of Line 1.6) (adjusted from 1%)</b>	3%	<b>\$ 126,176</b>
<b>5 Environmental Assessment Costs (if any) (see Note 2)</b>	5%	<b>\$ 210,294</b>
<b>6 SUB-TOTAL</b>		<b>\$5,425,578</b>
<b>7 Cost of Borrowing</b>		
7.1 MFA Cost of Issue, Interim Financing Costs and Finance Department	4%	\$ 217,023
<b>8 Bylaw Contingency</b>		
8.1 Allowance for Changes in Scope (2% of Item 6, Phase 2 Only)	2%	\$ 97,109
<b>9 Estimated Total Capital Project Cost Phase 1 and 2</b>		<b>\$5,739,710</b>
<b>Borrowing Bylaw - Wastewater Phase 1 and 2</b>		<b>\$5,740,000</b>

1 Assume work will not proceed for 5 years, allow inflation of 5% / year for Phase 2 works  
 2 Allowance for submission of MSR, additional environmental requirements

**CRD Capital Project Estimation Form  
 TPP Port Renfrew Phase 1 Wastewater Project  
 Phase 1 Wastewater Only**

	<u>Allowance</u>	<u>Total</u>
1 Construction		
1.1 Preliminary Construction Cost Estimate		\$334,830
1.2 Allowance for Construction Contingencies (5%-15% of Item 1.1)	5.00%	\$50,225
1.3 Allowance for Design Contingencies (0% -10% -25% of Item 1.1)	10.00%	\$33,483
1.4 Allowance for Working in Hazardous Conditions (if any)	5.00%	\$16,742
1.5 Allowance for Inflation during Project (See note 1)	2.00%	\$6,697
1.6 TOTAL ESTIMATED CONSTRUCTION COST		\$441,976
2 Engineering (10%-20% of Line 1.6)		
2.1 In-House Engineering Services	5.00%	\$22,099
2.2 Consultant Fees	15.00%	\$65,296
2.3 TOTAL ESTIMATED ENGINEERING COST		\$88,395
3 Administration (Miscellaneous Costs - 1% of Line 1.6)	1.00%	\$4,420
4 Operations (Start-up) Costs - (2% of Line 1.6) (adjusted from 1%)	3.00%	\$13,258
5 Environmental Assessment Costs (if any) (see Note 2)	5.00%	\$22,099
6 SUB-TOTAL		\$570,146
7 Cost of Borrowing		
7.1 MFA Cost of Issue, Interim Financing Costs and Finance Department	4.00%	\$22,806
8 Bylaw Contingency		
8.1 Allowance for Changes in Scope (2% of Item 6)	0.00%	
9 Estimated Total Capital Project Cost, Phase 1 Wastewater		<u>\$592,954</u>

1 Inflation allowed for Phase 2 Works Only

2 Allowance for submission of MSR, additional environmental requirements

**CRD Capital Project Estimation Form**  
**TPP Port Renfrew Phase2 Wastewater Project**  
 July, 2009

	<u>Allowance</u>	<u>Total</u>
<b>1 Construction</b>		
1.1 Preliminary Construction Cost Estimate		\$2,426,322
1.2 Allowance for Construction Contingencies (5%-15% of Item 1.1)	15.00%	\$364,248
1.3 Allowance for Design Contingencies (0% -10% -25% of Item 1.1)	10.00%	\$242,832
1.4 Allowance for Working in Hazardous Conditions (if any)	5.00%	\$121,416
1.5 Allowance for Inflation during Project (See note 1)	25.00%	\$607,051
<b>1.6 TOTAL ESTIMATED CONSTRUCTION COST</b>		<b>\$3,763,869</b>
<b>2 Engineering (10%-20% of Line 1.6)</b>		
2.1 In-House Engineering Services	5.00%	\$188,195
2.2 Consultant Fees	15.00%	\$564,585
<b>2.3 TOTAL ESTIMATED ENGINEERING COST</b>		<b>\$752,780</b>
<b>3 Administration (Miscellaneous Costs – 1% of Line 1.6)</b>	1.00%	<b>\$37,639</b>
<b>4 Operations (Start-up) Costs – (2% of Line 1.6) (adjusted from 1%)</b>	3.00%	<b>\$112,917</b>
<b>5 Environmental Assessment Costs (if any) (see Note 2)</b>	5.00%	<b>\$188,195</b>
<b>6 SUB-TOTAL</b>		<b>\$4,855,430</b>
<b>7 Cost of Borrowing</b>		
7.1 MFA Cost of Issue, Interim Financing Costs and Finance Department	4.00%	\$194,217
<b>8 Bylaw Contingency</b>		
8.1 Allowance for Changes in Scope (2% of Item 6)	2.00%	\$97,109
<b>9 Estimated Total Capital Project Cost, Phase 2 Wastewater</b>		<b>\$5,146,756</b>

- 1 Assume work will not proceed for 5 years allow inflation of 5% / year
- 2 Allowance for submission of MSR additional environmental requirements

**Schedule "F"**

**Establishing Bylaws**

CAPITAL REGIONAL DISTRICT

BYLAW NO. 3644

\*\*\*\*\*

A BYLAW TO ESTABLISH THE PORT RENFREW WASTEWATER SERVICE NO. 2

\*\*\*\*\*

WHEREAS:

- A. Under section 796 of the *Local Government Act* a Regional District may operate any service the Board considers necessary or desirable for all or part of the Regional District;
- B. The Capital Regional District Board has been requested, by Petition under the provisions of sections 797.4, 801.5 and 823.11 of the *Local Government Act* to establish and operate a waste water treatment and disposal system for the benefit of property owners in the Port Renfrew area of the Juan de Fuca Electoral Area;
- C. The sufficiency of the Petition has been certified under section 797.4 of the *Local Government Act*;
- D. Participating area approval of the participating area has been obtained under section 801.5 of the *Local Government Act*; and
- E. The approval of the Inspector of Municipalities has been obtained under section 801 of the *Local Government Act*.

NOW THEREFORE the Board of the Capital Regional District in open meeting assembled enacts as follows:

1. **Service**

The service established by this Bylaw is the Port Renfrew Wastewater Service No. 2 Service (the "Service") for the purposes of constructing new off-site wastewater works and related works as an expansion of and upgrade to the Port Renfrew Sewer System, including a system of waste water collection, conveyance, treatment, control, and disposal works for the Service Area, borrowing for the costs of constructing these new waste water works and paying the debt servicing costs associated with the borrowing.

2. **Boundaries**

The boundaries of the Service Area are the parcels shown outlined on the Plan attached as Schedule "A" to this Bylaw within the Juan de Fuca Electoral Area (the "Service Area").

3. **Participating Areas**

Only the Juan de Fuca Electoral Area includes a participating area for this Service.

4. **Cost Recovery**

As provided in section 803 of the *Local Government Act*, the annual cost of providing the Service shall be recovered by one or more of the following:

- (a) parcel taxes imposed in accordance with Division 4.3 of Part 24 of the *Local Government Act*;

- (b) property value taxes imposed in accordance with Division 4.3 of Part 24 of the *Local Government Act*,
- (c) fees and charges imposed under section 363 of the *Local Government Act*,
- (d) revenues raised by other means authorized by the *Local Government Act* or another Act; and
- (e) revenues received by way of agreement, enterprise, gift, grant or otherwise.

5. **Maximum Requisition**

In accordance with section 800.1(1)(e) of the *Local Government Act*, the maximum amount that may be requisitioned annually for the cost of the Service is the greater of:

- (a) \$634,000.00; or
- (b) an amount equal to the amount that could be raised by a property value tax rate of \$211.83 per \$1,000 applied to the net taxable value of land and improvements in the Service Area.

6. **Citation**

This Bylaw may be cited for all purposes as the "Port Renfrew Wastewater Service No. 2, Establishment Bylaw No. 1, 2009".

READ A FIRST TIME THIS	day of	2009
READ A SECOND TIME THIS	day of	2009
READ A THIRD TIME THIS	day of	2009
APPROVED BY THE INSPECTOR OF MUNICIPALITIES THIS	day of	2009
ADOPTED THIS	day of	2009

\_\_\_\_\_  
CHAIR

\_\_\_\_\_  
SECRETARY

FILED WITH THE INSPECTOR OF MUNICIPALITIES THIS                      day of                      2009



CAPITAL REGIONAL DISTRICT

BYLAW NO. 3646

\*\*\*\*\*  
A BYLAW TO ESTABLISH THE PORT RENFREW WATER SERVICE NO. 3  
\*\*\*\*\*

WHEREAS:

- A. Under section 796 of the *Local Government Act* a Regional District may operate any service the Board considers necessary or desirable for all or part of the Regional District;
- B. The Capital Regional District Board has been requested, by Petition under the provisions of sections 797.4, 801.5 and 823.11 of the *Local Government Act* to establish and operate a water supply and treatment system for the benefit of property owners in the Port Renfrew area of the Juan de Fuca Electoral Area;
- C. The sufficiency of the Petition has been certified under section 797.4 of the *Local Government Act*;
- D. Participating area approval of the participating area has been obtained under section 801.5 of the *Local Government Act*; and
- E. The approval of the Inspector of Municipalities has been obtained under section 801 of the *Local Government Act*.

NOW THEREFORE the Board of the Capital Regional District in open meeting assembled enacts as follows:

1. **Service**

The service established by this Bylaw is the Port Renfrew Water Service No. 3 Service (the "Service") for the purposes of constructing new waterworks and related works as an expansion of and upgrade to the Port Renfrew Water System, including a system of water supply, conveyance, treatment, control, storage and distribution works for the Service Area, borrowing for the cost of constructing these new waterworks and paying the debt servicing costs associated with the borrowing.

2. **Boundaries**

The boundaries of the Service Area are the parcels shown outlined on the Plan attached as Schedule "A" to this Bylaw within the Juan de Fuca Electoral Area (the "Service Area").

3. **Participating Areas**

Only the Juan de Fuca Electoral Area includes a participating area for this Service.

4. **Cost Recovery**

As provided in section 803 of the *Local Government Act*, the annual cost of providing the Service shall be recovered by one or more of the following:

- (a) parcel taxes imposed in accordance with Division 4.3 of Part 24 of the *Local Government Act*;



- (b) property value taxes imposed in accordance with Division 4.3 of Part 24 of the *Local Government Act*;
- (c) fees and charges imposed under section 363 of the *Local Government Act*;
- (d) revenues raised by other means authorized by the *Local Government Act* or another Act; and
- (e) revenues received by way of agreement, enterprise, gift, grant or otherwise.

5. **Maximum Requisition**

In accordance with section 800.1(1)(e) of the *Local Government Act*, the maximum amount that may be requisitioned annually for the cost of the Service is the greater of:

- (a) \$331,000.00; or
- (b) an amount equal to the amount that could be raised by a property value tax rate of \$110.00 per \$1,000 applied to the net taxable value of land and improvements in the Service Area.

6. **Citation**

This Bylaw may be cited for all purposes as the "Port Renfrew Water Service No. 3, Establishment Bylaw No. 1, 2009".

READ A FIRST TIME THIS	day of	2009
READ A SECOND TIME THIS	day of	2009
READ A THIRD TIME THIS	day of	2009
APPROVED BY THE INSPECTOR OF MUNICIPALITIES THIS	day of	2009
ADOPTED THIS	day of	2009

\_\_\_\_\_  
CHAIR

\_\_\_\_\_  
SECRETARY

FILED WITH THE INSPECTOR OF MUNICIPALITIES THIS                      day of                      2009

Bylaw 3646 Schedule A

Port Renfrew Water Service  
No. 3 Establishment  
Bylaw No. 1, 2009



- Properties included in Bylaw
- Other Lot Boundaries

Park  
Roads



Projection: Universal Transverse Mercator Zone 10, North North American Datum 83

DISCLAIMER  
Information on this map is for general information purposes only. The Capital Regional District (CRD) makes no representation or warranties regarding the accuracy or completeness of this map or the suitability of the map for any purpose. This map is not for navigation. The CRD will not be liable for any damage, loss or injury resulting from the use of the map or information on the map and the map may be changed by the CRD at any time.

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Parkinson Rd

Parcel ID  
009-565-752

Parcel ID  
000-468-291

Parcel ID  
009-565-787

Parcel ID  
009-592-423

**Schedule "G"**

**Covenant No.1**

LAND TITLE ACT

**FORM C**

(Section 233)

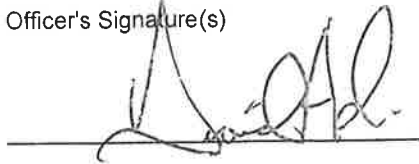
Province of British Columbia

Fee: \$146.80

**GENERAL INSTRUMENT - PART 1**

1. APPLICATION:  
**PATTERSON ADAMS**, No. 10270  
 Barristers and Solicitors (360-2991)  
 402-707 Fort St., Box 1231  
 Victoria, BC, V8W 2T6  
 File: 11988.022/DBA/jem Per: \_\_\_\_\_
- 
2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:  
 (PID) (LEGAL DESCRIPTION)  
 See schedule
- 
3. NATURE OF INTEREST:
- | DESCRIPTION  | DOCUMENT REFERENCE<br>(page and paragraph) | PERSON ENTITLED TO INTEREST |
|--------------|--|-----------------------------|
| See schedule |  |                             |
- 
4. TERMS: Part 2 of this instrument consists of (select one only)  
 (a) Filed Standard Charge Terms  
 (b) Express Charge Terms  Annexed as Part 2  
 (c) Release  There is no Part 2 of this instrument  
 A selection of (a) includes any additional or modified terms referred to in item 7 of in a schedule annexed to this instrument. If (c) is selected, the charge described in item 3 is released or discharged as a charge on the land described in item 2.
- 
5. TRANSFEROR(S):  
**THREE POINT PROPERTIES (2006) LTD.** (Inc. No. 0776352), and **HSBC BANK CANADA** (as to priority) and **FAIRVIEW CAPITAL (1978) LIMITED** (Inc. No. C177989) (as to priority)
- 
6. TRANSFEREE(S):  
**CAPITAL REGIONAL DISTRICT**, 625 Fisgard Street, Victoria, BC V8W 1R7
- 
7. ADDITIONAL OR MODIFIED TERMS: n/a
- 
8. EXECUTION(S): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer's Signature(s)



**DAVID ADAMS**  
*Barrister & Solicitor*  
 402-707 Fort Street  
 Victoria, B.C. V8W 2T6

Execution Date

Y	M	D
2009	10	14

Transferor(s) Signature(s)

**THREE POINT PROPERTIES (2006) LTD.**  
 by its authorized signatory:



**JACK JULSETH**

**OFFICER CERTIFICATION:**

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996 c. 124 to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument

LAND TITLE ACT  
**FORM D**

**EXECUTIONS CONTINUED**

Officer's Signature(s)

\_\_\_\_\_

Execution Date

Y      M      D

2009
------

Party(ies) Signature(s)

**HSBC BANK CANADA**  
by its authorized signatories:

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
Print Name:

**OFFICER CERTIFICATION:**

*Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996 c. 124 to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.*

LAND TITLE ACT  
**FORM D**

**EXECUTIONS CONTINUED**

Officer's Signature(s)

\_\_\_\_\_

Execution Date

Y      M      D

2009
------

Party(ies) Signature(s)

**FAIRVIEW CAPITAL (1978) LIMITED**  
by its authorized signatory:

\_\_\_\_\_  
MICHAEL JENSEN

**OFFICER CERTIFICATION:**

*Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996 c. 124 to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.*

LAND TITLE ACT  
**FORM D**  
**EXECUTIONS CONTINUED**

Officer's Signature(s)

\_\_\_\_\_

Execution Date

Y      M      D

2009
------

Party(ies) Signature(s)

**CAPITAL REGIONAL DISTRICT**  
by its authorized signatories:

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
Print Name:

**OFFICER CERTIFICATION:**

*Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996 c. 124 to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.*

## LAND TITLE ACT

**FORM E  
SCHEDULE**

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

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:  
(PID) (LEGAL DESCRIPTION)

- 009-565-787 The West ½ of the North West ¼ of Section 36, Township 13, Renfrew District, Except those parts in Plans 5109, 24267 and 24755
- 000-468-291 The easterly ½ of the North West ¼ of Section 36, Township 13, Renfrew District, except that part shown coloured red on Plan 346-R, and except those parts in Plans 22475, 24267, 24755, 29515, 41154, 50819 and VIP59967

3. NATURE OF INTEREST:

DESCRIPTION	DOCUMENT REFERENCE (page and paragraph)	PERSON ENTITLED TO INTEREST
Sec. 219 Covenant	Entire Document, except Pages 8 & 9, Par. 3.1 and 3.2	Transferee
Priority granting Covenant _____ priority over Mortgage FB189303 and Assignment of Rents FB189304	Page 8, Par. 3.1	Transferee
Priority granting Covenant _____ priority over Mortgage FB256419 and Assignment of Rents FB256420	Page 9, Par. 3.2	Transferee



**TERMS OF INSTRUMENT**

**SECTION 219 COVENANT**

THIS AGREEMENT dated for reference this 14 day of October, 2009.

BETWEEN:

**THREE POINT PROPERTIES (2006) LTD.** (Inc. No. 0776352)  
2546 Government Street, Victoria, BC V8T 4P7

(the "Owner")

AND:

**CAPITAL REGIONAL DISTRICT**, a regional district incorporated under the *Local Government Act*, R.S.B.C. 1996, c.323 and having its office at 625 Fisgard Street, Victoria, BC V8W 1R7

(the "CRD")

**WHEREAS:**

- A. The Owner is the registered owner in fee simple of the lands in Port Renfrew, British Columbia, within the Capital Regional District legally described as:
- 009-565-787 The West ½ of the North West ¼ of Section 36, Township 13, Renfrew District, Except those parts in Plans 5109, 24267 and 24755
- 000-468-291 The easterly ½ of the North West ¼ of Section 36, Township 13, Renfrew District, except that part shown coloured red on Plan 346-R, and except those parts in Plans 22475, 24267, 24755, 29515, 41154, 50819 and VIP59967
- (collectively the "Lands");
- B. The Owner proposes to develop a portion of the Lands shown outlined in heavy dark line on the Reference Plan of Covenant dated September 3, 2009, a copy of which is attached hereto as Schedule "A" (the "Covenant Area") and has petitioned the CRD to operate new offsite sewer and water services to serve the Lands;
- C. The Owner has agreed to grant the within Covenants to restrict the use and development of the Lands until the Lands have been connected to the newly constructed offsite water and sewer services.

THIS AGREEMENT is evidence that in consideration of payment of \$1.00 by the CRD to each the Owner (the receipt of which is acknowledged by the Owner) and other good and valuable consideration and the mutual promises set out in this Agreement, the parties agree as follows:

**1.0 Restrictions on Subdivision**

- 1.1 In this Agreement subdivision shall mean the division of land into two or more parcels by subdivision plan or strata plan.

- 1.2 The Owner shall not subdivide the lands within the Covenant Area and the Approving Officer shall be under no obligation to approve any application for a subdivision of the lands within the Covenant Area and no habitable buildings shall be constructed and the CRD shall be under no obligation to issue a building permit for any habitable building to be constructed on or within the Covenant Area except in strict compliance with the terms and conditions of this Covenant.
- 1.3 If:
- (a) The Owner deposits with the CRD such irrevocable Letters of Credit or such other form of security in a form and in amounts acceptable to the CRD in relation to the CRD borrowing for the construction of the works and services described in Schedule "B" hereto (the "Works"); and
  - (b) The CRD has adopted a security issuing bylaw or has obtained temporary borrowing necessary to construct the Works (the "Security Issuing Bylaws");

Then notwithstanding Section 1.2, the Owner may subdivide and the Approving officer may approve an application to subdivide the lands within the Covenant Area.

- 1.4 Until a certificate of substantial completion for the installation of the Works all to the standard of the CRD as at the date of this Agreement or to the equivalent standard at the date of construction or installation has been issued by the CRD General Manager of Environmental Services and the parcels of land within the Covenant Area have been connected to the Port Renfrew Water Service and the Port Renfrew Waste Water Treatment Plant, no habitable buildings shall be constructed and the CRD shall be under no obligation to issue a building permit for any habitable building to be constructed on the lands within the Covenant Area.

## 2.0 General

- 2.1 The Owner shall indemnify and keep indemnified the CRD from any and all claims, causes of action, suits, demands, fines, penalties, costs or expenses, or legal fees whatsoever which anyone has or may have against the CRD or which the CRD incurs as a result of any loss or damage or injury, including economic loss, arising out of or connected with the Owner's breach of any covenant contained in this Agreement.
- 2.2 The Owner hereby releases and forever discharges the CRD of and from any claim, cause of action, suits, demands, fines, penalties, costs or expenses or legal fees whatsoever which the Owner can or may have against the CRD for any loss or damage or injury, including economic loss, that the Owner may sustain or suffer arising out of or connected with the Owner's breach of any covenant in this Agreement.
- 2.3 Nothing contained or implied herein shall prejudice or affect the rights and powers of the CRD in the exercise of its functions under any public or private statutes, bylaws, orders and regulations, all of which may be fully and effectively exercised in relation to the Lands as if the Agreement had not been executed and delivered by the Owner, and, without limiting the generality of the foregoing, nothing in this Covenant shall be interpreted as interfering with the statutory power of a building inspector under the *Local Government Act* to request that the Owner provide a report by a professional engineer with experience in geotechnical engineering prior to the issuance of a building permit in relation to a building or structure to be constructed on the Lands.
- 2.4 The Owner and the CRD agree that the enforcement of this Agreement shall be entirely within the discretion of the CRD and that the execution and registration of this covenant against the title to the Lands shall not be interpreted as creating any duty on the part of the CRD to the Owner or to any other person to enforce any provision or the breach of any provision of this Agreement.
- 2.5 The Owner covenants and agrees for itself, its heirs, executors, successors and assigns, that it will at all times perform and observe the requirements and restrictions hereinbefore set out and they shall be binding upon the Owner as personal covenants only as to the Lands or any part thereof during the period of the Owner's ownership of the Lands or any part thereof.

- 2.6 At the Owner's expense, the Owner must do everything necessary to secure priority of registration and interest for this Agreement and the Section 219 Covenant it creates over all registered and pending charges and encumbrances of a financial nature against the Lands. The Owner shall pay the reasonable legal costs of the CRD in connection with the preparation and registration of this Agreement. This is a personal covenant between the parties. The Owner agrees to execute and deliver all of their assurances necessary to give effect to the covenants contained in this Agreement.
- 2.7 Time is to be the essence of this Agreement.
- 2.8 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. The restrictions and covenants contained in this Agreement shall be covenants running with the Lands and shall be perpetual, and shall continue to bind all of the Lands when subdivided, and shall be registered in the Victoria Land Title Office pursuant to section 219 of the *Land Title Act*. Notwithstanding the foregoing, however, in the case of the Owner, this Agreement shall ensure to the benefit of and be binding upon an Owner only for so long as that Owner is the registered owner of the Lands.
- 2.9 The waiver by a party of any failure on the part of the other party to perform in accordance with any of the terms or conditions of this Agreement is not to be construed as a waiver of any future or continuing failure, whether similar or dissimilar.
- 2.10 Wherever the singular, masculine and neuter are used throughout this Agreement, the same is to be construed as meaning the plural or the feminine or the body corporate or politic as the context so requires.
- 2.11 No remedy under this Agreement is to be deemed exclusive but will, where possible, be cumulative with all other remedies at law or in equity.
- 2.12 If for any reason the Bylaws described in Schedule "C" (the "Establishing Bylaws") are not approved by the CRD within six (6) months after the date of execution of this Agreement by both parties, the CRD shall execute and deliver to the Owner a discharge of this Agreement as it relates to the Lands within nine (9) months of the date of registration hereof provided the Owner has abandoned in writing its to pursue the Establishment Bylaw.
- 2.13 If for any reason the Security Issuing Bylaws are not approved by the CRD within 55 months after the date of the adoption of the Establishing Bylaws, the CRD shall execute and deliver to the Owner a discharge of this Agreement as it relates to the Lands within nine (9) months of the date of registration hereof provided the Owner has abandoned in writing its intent to pursue the Loan Authorization Bylaw.
- 2.14 Once the Works have been certified to have been substantially complete as set out in subsection 1.4, the CRD shall execute and deliver in registerable form a discharge of this 219 Covenant to the Owner as to the Lands and/or any lot or strata lot of common property into which the Lands have been subdivided.
- 3.0 **Priority**
- 3.1 HSBC BANK CANADA as the registered holder of a charge by way of Mortgage and Assignment of Rents against the Lands, which said charges are registered in the Land Title Office at Victoria, British Columbia, under numbers FB189303 and FB189304 for and in consideration of the sum of One Dollar (\$1.00) paid by the CRD to the said Chargeholder (the receipt whereof is hereby acknowledged), agrees with the CRD, its successors and assigns, that the within S. 219 Covenant shall be an encumbrance upon the Lands in priority to the said charge in the same manner and to the same effect as if it had been dated and registered prior to the said charge.

- 3.2. FAIRVIEW CAPITAL (1978) LIMITED, as the registered holder of a charge by way of Mortgage and Assignment of Rents against the Lands, which said charges are registered in the Land Title Office at Victoria, British Columbia, under numbers FB256419 and FB256420 for and in consideration of the sum of One Dollar (\$1.00) paid by the CRD to the said Chargeholder (the receipt whereof is hereby acknowledged), agrees with the CRD, its successors and assigns, that the within S. 219 Covenant shall be an encumbrance upon the Lands in priority to the said charge in the same manner and to the same effect as if it had been dated and registered prior to the said charge



## Schedule "B"

### Wastewater Works

The Works shall be either (a) or (b) determined by the Owner.

#### (a) Stage 1 Wastewater Works – Works to be completed for Phase 1 Lands to receive service

The list of works and specifications for equipment required to be constructed at the existing Port Renfrew Wastewater Treatment Plant will be as specified in an approved amendment of Permit PE-00312, which, based on discussions between CRD and MOE staff respecting the Worley Parsons "Plan for Capacity Increase and Operation of the Port Renfrew Wastewater Treatment Plant", will include:

- Screening of wastewater with 1mm mesh size continuous screen.
- MBR; Sanibrane membrane equipment consisting of M-2 Modules, nominal rating 50m<sup>3</sup>/day and supporting infrastructure including dual blowers, pumps, membrane cleaning system, magnetic flow meter, control panel, equipment housing, electrical and controls connections
- Sludge transfer and pumping system to facilitate use of MBR as a thickener
- MBR feed pump
- Modification of existing final tank, installation of MBR in existing final tank, installation of other pumps, housing, electrical and mechanical equipment and plumbing
- Ultraviolet disinfection of effluent
- Extension of electrical and control from existing
- Electrical Service replacement to convert existing service to current code and standards

The additional program works required to address Ministry of Environment concerns for I&I abatement are expected to include:

- Target for Inflow and Infiltration (I&I) reduction of flow peaks from the present 400 – 500m<sup>3</sup>/day to the 200m<sup>3</sup>/day level representing 2X ADWF for the upgraded plant.
- The target may be elusive and not cost effective to meet, however it represents the safest approach to obtaining the desired amendment to the present permit to allow Phase 1 works to proceed.
- Disconnection of catch basin to be undertaken by Ministry of Transport and disconnection of private dwelling storm drainage from the sanitary system to be addressed by CRD through Operating bylaws and are not part of the Phase 1 costs.
- Assessment of the storm flows to the plant pre and post remedial works outlined above, to be undertaken during the winter of 2009/2010 to determine the outcome of remedial upgrades.
- Based on comparison to target, if required, conduct in-pipe camera inspection during a major rainfall event(s) to further isolate entry points for storm or groundwater and installation of 2-3 piezometers to track groundwater levels during the evaluation.
- Develop remedial design for sewer system based on camera, groundwater evaluation. The design may include requirements for lining of mains, remediation of manhole barrels and lids, or provision of groundwater relief. Estimated remedial works costs include the following:
  - Hydraulic sealing of up to 14 manhole barrels
  - Resetting of up to 15 loose or deficient manhole castings
  - Lining of up to 30% of main sewer lines
  - Design, contract administration

(b) **Stage 2 Wastewater Works required for the Connection of Phase 2 Lands**  
**Description of Works by Component**

**Component 1 – Wastewater Treatment and Disposal Works**

The report entitled "Preliminary Design Report- Port Renfrew Wastewater Treatment Plant" dated 31 July, 2009 attached, outlines the conceptual design, performance objectives, recommended equipment selection capacity and phasing of the proposed wastewater plant and disposal outfall to be constructed.

The report was completed assuming flows from the existing and new service areas would be accommodated in a new modularly designed wastewater plant. The following issues arise as a consequence of proceeding with use of the existing Port Renfrew wastewater plant for the initial phase project.

Section 2

- Average Dry Weather Flow allowance for Port Renfrew sewer local service area, increase from 50m<sup>3</sup>/day to 70 m<sup>3</sup>/day to account for Phase 1 contributions to the existing sewer service area
- Peak daily flow allowance for Port Renfrew sewer local service area is indicated to be 200m<sup>3</sup>/day although it is recognized current flows are 400m<sup>3</sup> or more. The target for peak daily flows from the expanded service area (including Phase 1 strata subdivision) is two times ADWF or 200m<sup>3</sup>/day, however this target may not be cost effective to attain, hence the peak flow handling capacity for plant components may need to be increased incremental to the peak flows experienced from the existing sewer area, post remediation works.

Section 4

- National Performance standards may necessitate amendments to the stated effluent quality objectives as noted by the consultant.

Section 5

- The proposed process design is based on wastewater technology and components available at the date of the preparation of the report. As the construction of the new plant to serve Phase 2 lands may be delayed for years, the design will need to be considered conceptual. The plant components tendered in future may handle the necessary flows indicated in Section 2, and produce the required effluent quality referenced in Section 4, but be of different design, manufacture or performance from those stated in the study.
- The outfall location and depth of discharge, as detailed on Figure 2A, have been selected based on current environment information and standards. The final location and depth of discharge will be based on the requirements of the MSR registration at the time registration is proposed.
- The design of the facility envisions that the plant be constructed in a modular fashion with some process components sized to accommodate the ultimate flows anticipated from the existing service area and the new service area, while others are sized only for flows anticipated from the existing service area plus initial developments within the new service area lands. The capacity of each component as proposed to be constructed by the CRD to initially service these lands are summarized in the Capital Cost Estimate Sheet, attached as page 4, Appendix 3 to the report. The maximum treatment capacity (average dry weather flow) of the initial constructed works is a nominal 200m<sup>3</sup>/day of which 70m<sup>3</sup>/day is required for the expanded Port Renfrew Sewer Local Service Area

**Component 2 – Wastewater Outfall, Interconnecting Main**

The proposed outfall alignment is generally as shown on Figure 2 and Figure 2A of the Report. The outfall Manhole H will be located at the northerly extent of the Baird Road RW.

The new wastewater plant is proposed for a site of suitable area, minimum 1/3 acre, which is proposed to be located on the south east corner of Section 17, Renfrew District, Plan VIP3Tr1 by way of statutory right or way conveyed to the CRD or by creation of fee simple parcel and provided to the CRD at no cost.

The works required include the following:

- Provision of site of suitable area for the wastewater plant as generally outlined on Figure 3 of the Report
- Gravity influent main from Parkinson Road to plant, installed at an elevation to permit gravity extension on Parkinson
- Gravity effluent main crossing Parkinson Road, following Baird road RW to the outfall Manhole
- Directional drilling of portion of the main on the North end of Baird Rd. to accommodate the rapid change in elevation encountered from the travelled portion of Baird Rd. to Manhole H
- 200mm polyethylene butt fused, weighted, buried outfall, terminating in a minimum water depth of 10m, with multiport diffuser
- Outfall capacity, average annual daily flow 800m<sup>3</sup>/day, maximum daily flow 1600m<sup>3</sup>/day
- Outfall alignment and plan and profile of pipe are detailed in Figure 2A of the Report
- SRW as necessary over private lands to connect the plant to the outfall

### **Component 3 – Redirection of wastewater from Port Renfrew sewer local service area.**

The completion of the Phase 2 wastewater plant, outfall and connecting mains will permit the decommissioning of the existing Port Renfrew wastewater plant, with redirection of the flow to the new facility. The works included in this component include:

- 850m of 150mm force main following road RW west, statutory RW over CRD Lot 64 and Parkinson Road RW from existing plant to new 350m length of gravity sewer main entering new wastewater plant
- Upgrade existing wastewater pump station at plant with new high head pumps, upgraded control system and standby power upgrade as required.
- SRW as necessary over private lands for routing of new forcemain to new plant

### **Component 4 – Connection of Strata System to Phase 2 wastewater treatment and disposal system.**

The completion of the Phase 2 wastewater plant, outfall and connecting mains will permit the decommissioning and removal of the interim wastewater treatment and disposal system, constructed as part of the Strata system, and reconnection of the Strata collection system to the new Phase 2 plant. The works included in this component include:

- Disconnection and removal of the plant by the Owner, for the owner's use elsewhere.
- Reconnection of the Strata collection system to the gravity sewer system conveying wastewater to the new plant.



## Water Works

### The Works shall be:

#### Works to be completed for Phase 1 Lands to receive water service

##### Component 1 – Existing Water Reservoir works.

As it is intended the existing water reservoir will remain in service until the second phase of the water system upgrade is completed, and as there is a conflict between a new access road, to be constructed as part of the Phase 1 strata development and piping from the reservoir, it is necessary to realign and relay a portion of the watermain from the tank. This work is generally shown on 1<sup>st</sup> Team Consulting Ltd. (1<sup>st</sup> Team) drawing 373-10-W.01. The works are to be completed within the existing CRD RW, in which the original watermain is constructed.

Maintaining the reservoir in operation requires installation of control and telemetry equipment at the reservoir site. The equipment will sense reservoir level and send a signal to the water plant to start and stop pumping. The equipment required at the site for this purpose includes, underground single phase power to the site, following the watermain route, a kiosk at the reservoir, purchase and installation of level device, and a means to convey the signal back to the main pump station, likely with a rented telephone line.

Provision of fire protection at an acceptable pressure will require use of the fire trucks pump. A hydrant source is needed to be provided on the supply main from the existing reservoir.

##### Component 2 - Well Source, water treatment and pumping works

The list of works and specifications for equipment required to be constructed at the existing Port Renfrew Wastewater Treatment Plant will be as required by the Regional Drinking Water Officer and the Capital Regional District. Certain components of the system will be sized for the ultimate projected population contained within the existing Port Renfrew water local service area and the owner's lands comprising the Phase 1 and the Phase 2 developments. These components are not easily upgraded in future without outright replacement, and include the facilities electrical service, electrical distribution, emergency power system and hydrogen sulfide stripping tower. It is not intended to expend further funds on the facility to initiate Phase 2 development, rather the Phase 1 design and construction will provide sufficient capacity to allow development of Phase 2 lands to be implemented with only those upgrades identified in Article b) necessary to be completed.

For purposes of this agreement the following capacity guidelines are provided, based on a maximum day flow of 1,450 L / household.

Minimum dwelling units to be serviced by all water supply well and pump station works	400
Max day capacity required, L/sec	9 L/s
Minimum dwelling units to be serviced by electrical works, generator set, Scrubber	785
Max. day capacity required, L/sec	17.6L/s

Generally the works to be constructed under this component include the following:

- Development of water supply well TW07-2 as generally detailed on Drawing 373-10-PS.04
- Interconnection of well TW07-02 to the new water pumping station, to include watermain, electrical and control cable and access road construction as detailed on drawing 373-10-C.01
- Interconnection of CRD Well PW03 to TW07-2 supply main, electrical service and control cables as detailed on Drawing 373-10PS.04
- Construction of new water plant structure, general size and mechanical layout to be as shown on drawings 373-10-PS.01-03

- Provision and installation of hydrogen sulfide stripping tower sized for 17.6L/s minimum capacity
- Supply and installation of diesel generator set sized to operate well pump, booster pump, all support systems, instrumentation and building heat and light. Unit to be housed in an exterior insulated steel structure, sized to operate all systems needed to provide water at a rate of 17.6L/s into the water system, be fully alarmed and interconnected to SCADA and come complete with fuel storage for continuous 7 day operation
- Supply and installation of all electrical equipment necessary for operation of the facility. Size service components for the future requirements of the facility. Provide variable frequency drive controllers for pumps for more energy efficient starting and operation
- Interconnect the station to existing watermain and electrical pole line, upgrade line as necessary to meet BC Hydro requirements.
- Comply with all requirements of the Drinking Water Officer and the CRD Building inspector.

## **Schedule "C"**

### **Establishing Bylaws**

Port Renfrew Waste Water Service No. 2 Establishment Bylaw No. 1, 2009

Port Renfrew Water Service No. 3 Establishment Bylaw No. 1, 2009

**Schedule "H"**  
**Covenant No. 2**

**FORM C**

(Section 233)

Province of British Columbia

Fee: \$146.80

**GENERAL INSTRUMENT - PART 1**

1. APPLICATION:  
**PATTERSON ADAMS**, No. 10270  
 Barristers and Solicitors (360-2991)  
 402-707 Fort St., Box 1231  
 Victoria, BC, V8W 2T6  
 File: 11988.022/DBA/jem

Per: \_\_\_\_\_

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:  
 (PID) (LEGAL DESCRIPTION)  
 See schedule

3. NATURE OF INTEREST:

DESCRIPTION	DOCUMENT REFERENCE (page and paragraph)	PERSON ENTITLED TO INTEREST
See schedule		

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

(a) Filed Standard Charge Terms  
 (b) Express Charge Terms  Annexed as Part 2  
 (c) Release  There is no Part 2 of this instrument

A selection of (a) includes any additional or modified terms referred to in item 7 of in a schedule annexed to this instrument. If (c) is selected, the charge described in item 3 is released or discharged as a charge on the land described in item 2.

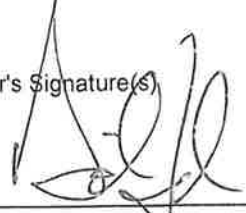
5. TRANSFEROR(S):  
**THREE POINT PROPERTIES (2006) LTD.** (Inc. No. 0776352), and **HSBC BANK CANADA** (as to priority) and **FAIRVIEW CAPITAL (1978) LIMITED** (Inc. No. C177989) (as to priority)

6. TRANSFEREE(S):  
**CAPITAL REGIONAL DISTRICT**, 625 Fisgard Street, Victoria, BC V8W 1R7

7. ADDITIONAL OR MODIFIED TERMS: n/a

8. EXECUTION(S): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer's Signature(s)

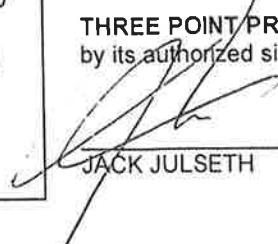


\_\_\_\_\_  
**DAVID ADAMS**  
 Barrister & Solicitor  
 402-707 Fort Street  
 Victoria, B.C. V8W 2T6

Execution Date		
Y	M	D
2009	10	14

Transferor(s) Signature(s)

**THREE POINT PROPERTIES (2006) LTD.**  
 by its authorized signatory:



\_\_\_\_\_  
**JACK JULSETH**

**OFFICER CERTIFICATION:**  
 Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996 c. 124 to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument

LAND TITLE ACT  
**FORM D**

**EXECUTIONS CONTINUED**

Officer's Signature(s)

\_\_\_\_\_

Execution Date

Y      M      D

2009
------

Party(ies) Signature(s)

**HSBC BANK CANADA**  
by its authorized signatories:

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
Print Name:

**OFFICER CERTIFICATION:**

*Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996 c. 124 to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.*

LAND TITLE ACT  
**FORM D**

**EXECUTIONS CONTINUED**

Officer's Signature(s)

\_\_\_\_\_

Execution Date

Y      M      D

2009
------

Party(ies) Signature(s)

**FAIRVIEW CAPITAL (1978) LIMITED**  
by its authorized signatory:

\_\_\_\_\_  
MICHAEL JENSEN

**OFFICER CERTIFICATION:**

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996 c. 124 to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

LAND TITLE ACT  
**FORM D**  
**EXECUTIONS CONTINUED**

Officer's Signature(s)

\_\_\_\_\_

Execution Date

Y      M      D

2009
------

Party(ies) Signature(s)

**CAPITAL REGIONAL DISTRICT**  
by its authorized signatories:

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
Print Name:

**OFFICER CERTIFICATION:**

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996 c. 124 to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.



## LAND TITLE ACT

**FORM E  
SCHEDULE**

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

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:
- | (PID)            | (LEGAL DESCRIPTION)   |
|------------------|---|
| PID: 000-468-291 | THE EASTERLY 1/2 OF THE NORTH WEST 1/4 OF SECTION 36, TOWNSHIP 13, RENFREW DISTRICT, EXCEPT THAT PART SHOWN COLOURED RED ON PLAN 346-R, AND EXCEPT THOSE PARTS IN PLANS 22475, 24267, 24755, 29515, 41154, 50819 AND VIP59967 |
| PID: 009-565-752 | THE NORTH EAST ¼ OF SECTION 36, TOWNSHIP 13, RENFREW DISTRICT   |
| PID: 009-565-787 | THE WEST 1/2 OF THE NORTH WEST 1/4 OF SECTION 36, TOWNSHIP 13, RENFREW DISTRICT, EXCEPT THOSE PARTS IN PLANS 5109, 24267 AND 24755  |
| PID: 009-592-423 | PARCEL A (DD 14326I) OF SECTION 97, RENFREW DISTRICT, EXCEPT THAT PART IN PLAN 15462 AND VIP7787  |

## 3. NATURE OF INTEREST:

DESCRIPTION	DOCUMENT REFERENCE (page and paragraph)	PERSON ENTITLED TO INTEREST
Sec. 219 Covenant	Entire Document, except Page 9, Par. 3.1 and 3.2	Transferee
Priority granting Covenant _____ priority over Mortgage FB189303 and Assignment of Rents FB189304	Page 9, Par. 3.1	Transferee
Priority granting Covenant _____ priority over Mortgage FB256419 and Assignment of Rents FB256420	Page 9, Par. 3.2	Transferee

**TERMS OF INSTRUMENT**

**SECTION 219 COVENANT**

THIS AGREEMENT dated for reference this 14 day of October, 2009.

BETWEEN:

**THREE POINT PROPERTIES (2006) LTD.** (Inc. No. 0776352)  
2546 Government Street, Victoria, BC V8T 4P7

(the "Owner")

AND:

**Capital Regional District**, a regional district incorporated under the *Local Government Act*, R.S.B.C. 1996, c.323 and having its office at 625 Fisgard Street, Victoria, BC V8W 1R7

(the "CRD")

**WHEREAS:**

A. The Owner is the registered owner in fee simple of the lands in Port Renfrew, British Columbia, within the Capital Regional District legally described as:

PID: 000-468-291 THE EASTERLY 1/2 OF THE NORTH WEST 1/4 OF SECTION 36, TOWNSHIP 13, RENFREW DISTRICT, EXCEPT THAT PART SHOWN COLOURED RED ON PLAN 346-R, AND EXCEPT THOSE PARTS IN PLANS 22475, 24267, 24755, 29515, 41154, 50819 AND VIP59967

PID: 009-565-752 THE NORTH EAST ¼ OF SECTION 36, TOWNSHIP 13, RENFREW DISTRICT

PID: 009-565-787 THE WEST 1/2 OF THE NORTH WEST 1/4 OF SECTION 36, TOWNSHIP 13, RENFREW DISTRICT, EXCEPT THOSE PARTS IN PLANS 5109, 24267 AND 24755

PID: 009-592-423 PARCEL A (DD 143261) OF SECTION 97, RENFREW DISTRICT, EXCEPT THAT PART IN PLAN 15462 AND VIP7787

(collectively the "Lands");

B. The Owner proposes to develop the Lands and has petitioned the CRD for the Lands to establish and to operate new offsite sewer and water services to serve the Lands;

C. The Owner has agreed to grant the within Covenants to restrict the use and development of the Lands until the Lands have been connected to the newly constructed offsite water and sewer services.

THIS AGREEMENT is evidence that in consideration of payment of \$1.00 by the CRD to each the Owner (the receipt of which is acknowledged by the Owner) and other good and valuable consideration and the mutual promises set out in this Agreement, the parties agree as follows:

#### 1.0 Restrictions on Subdivision

- 1.1 In this Agreement subdivision shall mean the division of land into two or more parcels by subdivision plan or strata plan.
- 1.2 The Owner shall not subdivide the Lands and the Approving Officer shall be under no obligation to approve any application for a subdivision of the Lands and no habitable buildings shall be constructed and the CRD shall be under no obligation to issue a building permit for any habitable building to be constructed on the Lands, until:
- (a) a certificate of substantial completion for the installation of the works described in Schedule "A" to this 219 Covenant all to the standard of the CRD as at the date of this Agreement or to the equivalent standard at the date of construction or installation, (the "Works") has been issued by the CRD General Manager of Environmental Services;
  - (b) The Owner has delivered to the CRD a plan (the "Park Plan") which incorporates the approximate locations of the following:
    - (i) all riparian areas;
    - (ii) connective trail elements
    - (iii) public areas permits;
    - (iv) informal/formal recreation areas;
    - (v) hazardous areas; and
    - (vi) access to significant features and to the ocean.
  - (c) The Owner has granted to the CRD a Statutory Right of Way in the then current CRD standard blanket specific format as a change against that part of the Lands where the existing water reservoir is to be relocated as described in Schedule "A"; and
  - (d) The Owner has granted to the CRD a specific Statutory Right of Way in the then current CRD standard blanket specific format, as a change against that part of the Lands where any portion of the wastewater treatment plant, outfall and interconnecting main between them as described in Schedule "A" is situate.
- 1.3 (a) Upon the issuance of a certificate of substantial completion for the Works, the Owner shall not subdivide and the Approving Officer shall be under no obligation to approve any application for a subdivision of the Lands and no habitable buildings shall be constructed and the CRD shall be under no obligation to issue a building permit for any habitable building to be constructed on the Lands unless there is sufficient capacity within the Port Renfrew Wastewater Treatment Plant, to be constructed as part of the Works, to provide sewage disposal for all parcels to be created by the plan of subdivision.
- (b) The Owner may increase the number of parcels into which the Lands may be subdivided by expanding the capacity of the Port Renfrew Wastewater Treatment Plant at the expense of the Owner so that there is sufficient capacity for those additional parcels.
- 1.4 The restriction set out in Section 1.2 shall not prevent a subdivision of or application to subdivide any parcel or part thereof included within that part of the Lands described in Schedule "B" attached hereto (the "Subdivision Lands") provided that the Approving Officer shall be under no obligation to approve any application for a subdivision of the Subdivision Lands until:

- (a) A certificated of substantial completion for the installation of the works described in Schedule "C" to this 219 Covenant (the "Strata Sewer System") has been issued by the CRD General Manager of Environmental Services; and
- (b) A Statutory Right of Way in favour of the CRD (in the standard blanket/specific format of the CRD) has been registered as a charge against the Subdivision Lands for the future connection and public use of the Strata Sewer System.

Notwithstanding the foregoing, no habitable buildings shall be constructed and the CRD shall be under no obligation to issue a building permit for any habitable building to be constructed on any part of the Subdivision Lands.

## 2.0 **General**

- 2.1 Notwithstanding anything set out herein the within Covenant shall not apply to that part of the Lands included within the area shown outlined in heavy dark line on the Reference Plan of Covenant attached as Schedule "E" hereto.
- 2.2 The Owner shall indemnify and keep indemnified the CRD from any and all claims, causes of action, suits, demands, fines, penalties, costs or expenses, or legal fees whatsoever which anyone has or may have against the CRD or which the CRD incurs as a result of any loss or damage or injury, including economic loss, arising out of or connected with the Owner's breach of any covenant contained in this Agreement.
- 2.3 The Owner hereby releases and forever discharges the CRD of and from any claim, cause of action, suits, demands, fines, penalties, costs or expenses or legal fees whatsoever which the Owner can or may have against the CRD for any loss or damage or injury, including economic loss, that the Owner may sustain or suffer arising out of or connected with the Owner's breach of any covenant in this Agreement.
- 2.4 Nothing contained or implied herein shall prejudice or affect the rights and powers of the CRD in the exercise of its functions under any public or private statutes, bylaws, orders and regulations, all of which may be fully and effectively exercised in relation to the Lands as if the Agreement had not been executed and delivered by the Owner, and, without limiting the generality of the foregoing, nothing in this Covenant shall be interpreted as interfering with the statutory power of a building inspector under the *Local Government Act* to request that the Owner provide a report by a professional engineer with experience in geotechnical engineering prior to the issuance of a building permit in relation to a building or structure to be constructed on the Lands.
- 2.5 The Owner and the CRD agree that the enforcement of this Agreement shall be entirely within the discretion of the CRD and that the execution and registration of this covenant against the title to the Lands shall not be interpreted as creating any duty on the part of the CRD to the Owner or to any other person to enforce any provision or the breach of any provision of this Agreement.
- 2.6 The Owner covenants and agrees for itself, its heirs, executors, successors and assigns, that it will at all times perform and observe the requirements and restrictions hereinbefore set out and they shall be binding upon the Owner as personal covenants only as to the Lands or any part thereof during the period of the Owner's ownership of the Lands or any part thereof.
- 2.7 At the Owner's expense, the Owner must do everything necessary to secure priority of registration and interest for this Agreement and the Section 219 Covenant it creates over all registered and pending charges and encumbrances of a financial nature against the Lands. The Owner shall pay the reasonable legal costs of the CRD in connection with the preparation and registration of this Agreement. This is a personal covenant between the parties. The Owner agrees to execute and deliver all of their assurances necessary to give effect to the covenants contained in this Agreement.

- 2.8 Time is to be the essence of this Agreement.
- 2.9 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. The restrictions and covenants contained in this Agreement shall be covenants running with the Lands and shall be perpetual, and shall continue to bind all of the Lands when subdivided, and shall be registered in the Victoria Land Title Office pursuant to section 219 of the *Land Title Act*. Notwithstanding the foregoing, however, in the case of the Owner, this Agreement shall ensure to the benefit of and be binding upon an Owner only for so long as that Owner is the registered owner of the Lands.
- 2.10 The waiver by a party of any failure on the part of the other party to perform in accordance with any of the terms or conditions of this Agreement is not to be construed as a waiver of any future or continuing failure, whether similar or dissimilar.
- 2.11 Wherever the singular, masculine and neuter are used throughout this Agreement, the same is to be construed as meaning the plural or the feminine or the body corporate or politic as the context so requires.
- 2.12 No remedy under this Agreement is to be deemed exclusive but will, where possible, be cumulative with all other remedies at law or in equity.
- 2.13 If for any reason the Bylaws described in Schedule "D" (the "Establishing Bylaws") are not approved by the CRD within six (6) months after the date of execution of this Agreement by both parties, the CRD shall execute and deliver to the Owner a discharge of this Agreement as it relates to the Lands within nine (9) months of the date of registration hereof provided the Owner has abandoned in writing its to pursue the Establishment Bylaw.
- 2.14 If for any reason the CRD has not adopted a Security Issuing Bylaw or obtained temporary borrowing necessary to construct the Works within 55 months after the date of the adoption of the Establishing Bylaws, the CRD shall execute and deliver to the Owner a discharge of this Agreement as it relates to the Lands within nine (9) months of the date of registration hereof provided the Owner has abandoned in writing its intent to pursue the Loan Authorization Bylaw.
- 2.15 Once the Strata Sewer System is connected to the CRD's offsite sewer services the CRD shall execute and deliver in registerable form a discharge of this 219 Covenant to the Owner as to the Subdivision Lands and/or any lot or strata lot of common property which the Subdivision Lands have been subdivided.
- 2.16 Once the Works have been certified to have been substantially complete as set out in subsection 1.2, the CRD shall execute and deliver in registerable form a discharge of this 219 Covenant to the Owner as to the Subdivision Lands and/or any lot or strata lot of common property which the Subdivision Lands have been subdivided.
- 3.0 **Priority**
- 3.1. HSBC BANK CANADA as the registered holder of a charge by way of Mortgage and Assignment of Rents against the Lands, which said charges are registered in the Land Title Office at Victoria, British Columbia, under numbers FB189303 and FB189304 for and in consideration of the sum of One Dollar (\$1.00) paid by the CRD to the said Chargeholder (the receipt whereof is hereby acknowledged), agrees with the CRD, its successors and assigns, that the within S. 219 Covenant shall be an encumbrance upon the Lands in priority to the said charge in the same manner and to the same effect as if it had been dated and registered prior to the said charge.

- 3.2. FAIRVIEW CAPITAL (1978) LIMITED, as the registered holder of a charge by way of Mortgage and Assignment of Rents against the Lands, which said charges are registered in the Land Title Office at Victoria, British Columbia, under numbers FB256419 and FB256420 for and in consideration of the sum of One Dollar (\$1.00) paid by the CRD to the said Chargeholder (the receipt whereof is hereby acknowledged), agrees with the CRD, its successors and assigns, that the within S. 219 Covenant shall be an encumbrance upon the Lands in priority to the said charge in the same manner and to the same effect as if it had been dated and registered prior to the said charge

The Owner and the CRD hereby acknowledge that this Agreement has been duly executed and delivered by the parties executing Form C (pages 1 and 2) attached hereto.

## Schedule "A"

### Wastewater Works

The Works shall be:

#### Wastewater Works required for the Connection of Phase 2 Lands

##### Description of Works by Component

##### Component1 – Wastewater Treatment and Disposal Works

The report entitled "Preliminary Design Report- Port Renfrew Wastewater Treatment Plant" dated 31 July, 2009 attached, outlines the conceptual design, performance objectives, recommended equipment selection capacity and phasing of the proposed wastewater plant and disposal outfall to be constructed.

The report was completed assuming flows from the existing and new service areas would be accommodated in a new modularly designed wastewater plant. The following issues arise as a consequence of proceeding with use of the existing Port Renfrew wastewater plant for the initial phase project.

##### Section 2

- Average Dry Weather Flow allowance for Port Renfrew sewer local service area, increase from 50m<sup>3</sup>/day to 70 m<sup>3</sup>/day to account for Phase 1 contributions to the existing sewer service area
- Peak daily flow allowance for Port Renfrew sewer local service area is indicated to be 200m<sup>3</sup>/day although it is recognized current flows are 400m<sup>3</sup> or more. The target for peak daily flows from the expanded service area (including Phase 1 strata subdivision) is two times ADWF or 200m<sup>3</sup>/day, however this target may not be cost effective to attain, hence the peak flow handling capacity for plant components may need to be increased incremental to the peak flows experienced from the existing sewer area, post remediation works.

##### Section 4

- National Performance standards may necessitate amendments to the stated effluent quality objectives as noted by the consultant.

##### Section 5

- The proposed process design is based on wastewater technology and components available at the date of the preparation of the report. As the construction of the new plant to serve Phase 2 lands may be delayed for years, the design will need to be considered conceptual. The plant components tendered in future may handle the necessary flows indicated in Section 2, and produce the required effluent quality referenced in Section 4, but be of different design, manufacture or performance from those stated in the study.
- The outfall location and depth of discharge, as detailed on Figure 2A, have been selected based on current environment information and standards. The final location and depth of discharge will be based on the requirements of the MSR registration at the time registration is proposed.
- The design of the facility envisions that the plant be constructed in a modular fashion with some process components sized to accommodate the ultimate flows anticipated from the existing service area and the new service area, while others are sized only for flows anticipated from the existing service area plus initial developments within the new service area lands. The capacity of each component as proposed to be constructed by the CRD to initially service these lands are summarized in the Capital Cost Estimate Sheet, attached as page 4, Appendix 3 to the report. The maximum treatment capacity (average dry weather

flow) of the initial constructed works is a nominal 200m<sup>3</sup>/day of which 70m<sup>3</sup>/day is required for the expanded Port Renfrew Sewer Local Service Area,

### **Component 2 –Wastewater Outfall, Interconnecting Main**

The proposed outfall alignment is generally as shown on Figure 2 and Figure 2A of the Report. The outfall Manhole H will be located at the northerly extent of the Baird Road RW.

The new wastewater plant is proposed for a site of suitable area, minimum 1/3 acre, which is proposed to be located on the south east corner of Section 17, Renfrew District, Plan VIP3Tr1 by way of statutory right or way conveyed to the CRD or by creation of fee simple parcel and provided to the CRD at no cost.

The works required include the following:

- Provision of site of suitable area for the wastewater plant as generally outlined on Figure 3 of the Report
- Gravity influent main from Parkinson Road to plant, installed at an elevation to permit gravity extension on Parkinson
- Gravity effluent main crossing Parkinson Road, following Baird road RW to the outfall Manhole
- Directional drilling of portion of the main on the North end of Baird Rd. to accommodate the rapid change in elevation encountered from the travelled portion of Baird Rd. to Manhole H
- 200mm polyethylene butt fused, weighted, buried outfall, terminating in a minimum water depth of 10m, with multiport diffuser
- Outfall capacity, average annual daily flow 800m<sup>3</sup>/day, maximum daily flow 1600m<sup>3</sup>/day
- Outfall alignment and plan and profile of pipe are detailed in Figure 2A of the Report
- SRW as necessary over private lands to connect the plant to the outfall

### **Component 3 – Redirection of wastewater from Port Renfrew sewer local service area.**

The completion of the Phase 2 wastewater plant, outfall and connecting mains will permit the decommissioning of the existing Port Renfrew wastewater plant, with redirection of the flow to the new facility. The works included in this component include:

- 850m of 150mm force main following road RW west, statutory RW over CRD Lot 64 and Parkinson Road RW from existing plant to new 350m length of gravity sewer main entering new wastewater plant
- Upgrade existing wastewater pump station at plant with new high head pumps, upgraded control system and standby power upgrade as required.
- SRW as necessary over private lands for routing of new forcemain to new plant

### **Component 4 – Connection of Strata System to Phase 2 wastewater treatment and disposal system.**

The completion of the Phase 2 wastewater plant, outfall and connecting mains will permit the decommissioning and removal of the interim wastewater treatment and disposal system, constructed as part of the Strata system, and reconnection of the Strata collection system to the new Phase 2 plant. The works included in this component include:

- Disconnection and removal of the plant by the Owner, for the owner's use elsewhere.
- Reconnection of the Strata collection system to the gravity sewer system conveying wastewater to the new plant.



## Water Works

The Works shall be:

### Works to be completed for Phase 2 Lands to receive water service

#### Description of Works by Component

##### Component 1 – Existing water reservoir works.

The intention of this work is to relocate the current bolted steel water tank to a new location and elevation. The works under this item include:

- Construct new base slab at elevation 80m
- Retain a qualified contractor to dismantle, relocate and reconstruct tank on new slab
- Enlarge the capacity of the tank by addition of a new ring, minimal increase of 20%, desired, 60%
- Test and certify the new tank
- Construct new valve chamber to interconnect to new water mains
- Install SCADA , level controls and electrical service at the site
- Remove base slabs at existing reservoir site, cap and make safe mains.

##### Component 2 – Well source, water treatment and pumping works

The list of works and specifications for equipment required to be constructed at the existing Port Renfrew Wastewater Treatment Plant will be as required by the Regional Drinking Water Officer and the Capital Regional District. Certain components of the system will be sized for the ultimate projected population contained within the existing Port Renfrew water local service area and the owner's lands comprising the Phase 1 and the Phase 2 developments. These components are not easily upgraded in future without outright replacement, and include the facilities electrical service, electrical distribution, emergency power system and hydrogen sulfide stripping tower. It is not intended to expend further funds on the facility to initiate Phase 2 development, rather the Phase 1 design and construction will provide sufficient capacity to allow development of Phase 2 lands to be implemented with only those upgrades identified in Article b) necessary to be completed.

For purposes of this agreement the following capacity guidelines are provided, based on a maximum day flow of 1,450 L / household.

Minimum dwelling units to be serviced by all water supply well and pump station works	400
Max day capacity required, L/sec	9 L/s
Minimum dwelling units to be serviced by electrical works, generator set, scrubber	785
Max. day capacity required, L/sec	17.6L/s

Generally the works to be constructed under this component include the following:

- Development of water supply well TW07-2 as generally detailed on Drawing 373-10-PS.04
- Interconnection of well TW07-02 to the new water pumping station, to include watermain, electrical and control cable and access road construction as detailed on drawing 373-10-C.01
- Interconnection of CRD Well PW03 to TW07-2 supply main, electrical service and control cables as detailed on Drawing 373-10PS.04

- Construction of new water plant structure, general size and mechanical layout to be as shown on drawings 373-10-PS.01-03
- Provision and installation of hydrogen sulfide stripping tower sized for 17.6L/s minimum capacity
- Supply and installation of diesel generator set sized to operate well pump, booster pump, all support systems, instrumentation and building heat and light. Unit to be housed in an exterior insulated steel structure, sized to operate all systems needed to provide water at a rate of 17.6L/s into the water system, be fully alarmed and interconnected to SCADA and come complete with fuel storage for continuous 7 day operation
- Supply and installation of all electrical equipment necessary for operation of the facility. Size service components for the future requirements of the facility. Provide variable frequency drive controllers for pumps for more energy efficient starting and operation
- Interconnect the station to existing watermain and electrical pole line, upgrade line as necessary to meet BC Hydro requirements.
- Comply with all requirements of the Drinking Water Officer, BC electrical inspector and the CRD Building inspector.

### **Component 3 - Watermains**

Water will be conveyed to the new reservoir location from the existing supply main on Parkinson road by a new supply main, and will be conveyed back to the distribution system by a new distribution main. To prevent overpressure of low lying properties water will pass through a pressure reducing station. Water to the reservoir will be boosted by way of in line booster station.

Generally the works to be constructed under this component are watermain installation works as are generally shown on Drawings 373-10-WR.01-10 except as noted following:

- PRV station, detailed on Drawing 373-10-WR.07 is shown underground and will be constructed in an above ground wood frame structure.

### **Component 4 – Booster Station**

Until the existing asbestos Cement watermain from the well site to the Parkinson / Deering Road intersection is replaced, the maximum pressure allowance in the pipe shall be 80 PSI. To increase pressure head to supply water up to the proposed reservoir elevation of 80m, a pressure booster station is required. A tentative design layout is provided for this station on Corix Water Systems drawing 8-586. The final design for the facility will include the following:

- Duplex in line booster station, capacity matched to well site pumping station
- Controls / SCADA remote terminal for station to station and station to reservoir communications
- Standby Power for emergency operations, quiet residential sound attenuation package, 7 day fuel storage
- Housing for pump station with access hatches for pump removal, separate control, electrical room,
- Electrical service, 3 phase,

## **Schedule "B"**

### **The Subdivision Lands**

All that portion of Parcel A, (DD143426 I), Section 97, Renfrew District, except that part in plan 15462 and VIP77871 which said portion may be described as lying to the south of Parkinson Road as said road is shown on plan VIP77871 and also lying to the north of a line or line produced joining points on the west and east boundaries of said section 97, said points distant 234 meters and 439 meters respectively from the south west and south east corners of said section 97.

## Schedule "C"

### Sewer Collection System Design

The property to be developed shall be registered as a bare land strata for purposes of wastewater collection. The CRD sewer system will be extended in future by the developer within public road allowance to interconnect the strata system to the new CRD wastewater plant. The strata development shall be accessed by public road extending to the border of the common property to allow for connection of the strata sewer to the CRD sewer when installed.

The wastewater collection system shall be designed by a professional engineer as a conventional gravity collection system for a fee simple subdivision. Each strata lot will be serviced by separate lateral, and have provided a sewer inspection port at the boundary of the strata lot and the common property in which the gravity system is to be installed. The collection system shall be designed and installed to convey the sewage from all of the strata lots to a point at the intersection of the strata boundary and public road right of way. Wastewater collected at this point may be diverted to the proposed interim wastewater treatment plant by gravity or by pumping. The design of the elevation of system at the property line should be considerate of the road grade and elevation and the likely elevation of the community sewer will be installed to, to ensure future pumping or resetting of the connection is not required.

The gravity collection system shall be designed and constructed to a standard set by the Capital Regional District based on 2009 engineering standards or the then equivalent for this type of "Dry Pipe" System. RTown shall submit for the review and approval of the CRD, design drawings and specifications for the works. Acceptance of the system by the CRD will be made on completion of the works, subject to the design engineers review and acceptance of pressure testing results and sign off the works. A video inspection record will be submitted by the engineer at the time of sign off substantiating deficiencies have been corrected.

### Strata Treatment and Disposal System

The Treatment and disposal of wastewater collected through the common system shall be designed, installed and operated to meet the requirements of the Municipal Sewage Regulation. The design of the connection between the collection system and treatment system shall allow for rapid diversion of the wastewater to the Phase 2 wastewater servicing system when constructed.

#### Rights of Way:

The CRD shall be provided with a right of way over the strata common property for connection of the strata system to the CRD system. Inspection, operation and future maintenance of the sewer main and sewer laterals. It is not intended for the CRD to take over the operation of the sewer system while the system remains as an on-site system, rather, on connection of the system to the Phase 2 communal sewer system, the CRD would take over and operate the system as a component of the greater Port Renfrew sewer area. The right of way document shall be in a form acceptable to the CRD. RTown, in establishing the strata, shall undertake the necessary notification to reflect the that strata development will in future be connected to and be paying for debt and operating costs associated with the community wastewater system.

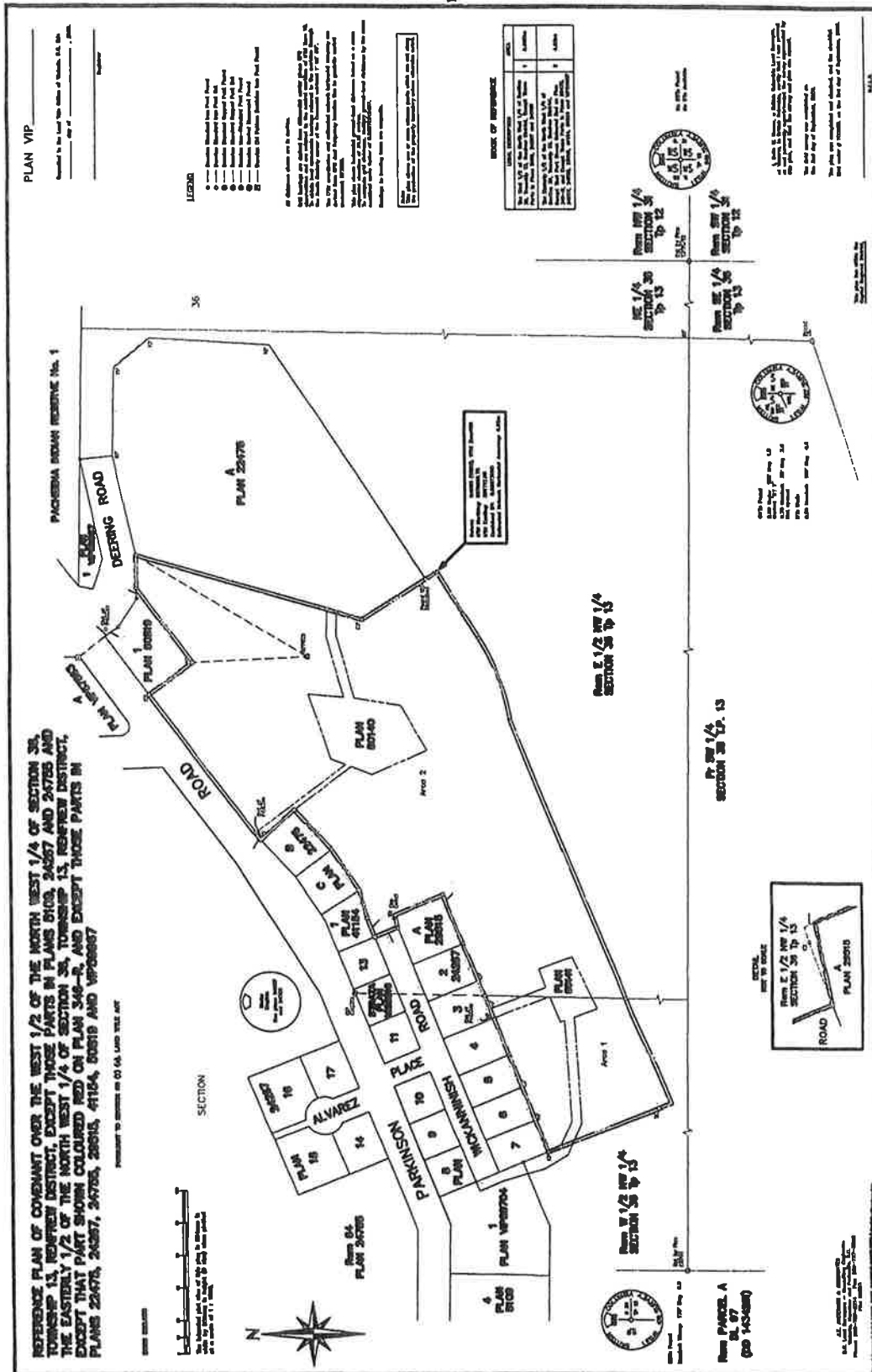
**Schedule "D"**

**Establishing Bylaws**

Port Renfrew Waste Water Service No. 2 Establishment Bylaw No. 1, 2009

Port Renfrew Water Service No. 3 Establishment Bylaw No. 1, 2009

Schedule 'E'



# Schedule "I"

## Irrevocable Letters of Credit – Schedule of Payments

Year Term	Principal Paym.	Interest Paym.	Total Paym.	Actual	Remaining Balance	Balance at End of Year	Balance at End of Year	Balance at End of Year
10 Year Term	6,750,000.00	1.000%	6,800,000.00	6,800,000.00	0.00	6,750,000.00	6,750,000.00	6,750,000.00
11/1/2011	675,000.00	67,500.00	742,500.00	742,500.00	6,075,000.00	6,075,000.00	6,075,000.00	6,075,000.00
12/31/2011	675,000.00	67,500.00	742,500.00	742,500.00	5,400,000.00	5,400,000.00	5,400,000.00	5,400,000.00
12/31/2012	675,000.00	67,500.00	742,500.00	742,500.00	4,725,000.00	4,725,000.00	4,725,000.00	4,725,000.00
12/31/2013	675,000.00	67,500.00	742,500.00	742,500.00	4,050,000.00	4,050,000.00	4,050,000.00	4,050,000.00
12/31/2014	675,000.00	67,500.00	742,500.00	742,500.00	3,375,000.00	3,375,000.00	3,375,000.00	3,375,000.00
12/31/2015	675,000.00	67,500.00	742,500.00	742,500.00	2,700,000.00	2,700,000.00	2,700,000.00	2,700,000.00
12/31/2016	675,000.00	67,500.00	742,500.00	742,500.00	2,025,000.00	2,025,000.00	2,025,000.00	2,025,000.00
12/31/2017	675,000.00	67,500.00	742,500.00	742,500.00	1,350,000.00	1,350,000.00	1,350,000.00	1,350,000.00
12/31/2018	675,000.00	67,500.00	742,500.00	742,500.00	675,000.00	675,000.00	675,000.00	675,000.00
12/31/2019	675,000.00	67,500.00	742,500.00	742,500.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>6,750,000.00</b>	<b>680,000.00</b>	<b>7,430,000.00</b>	<b>7,430,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

NOTE: The schedule of payments is based on the assumption that the borrower will make payments on the schedule shown above. The actual schedule of payments may vary depending on the borrower's actual performance.

15 Year Term      2,950,000.00      6.00%      4.75% Cash Margin Rate      Net Present Value: Project - Amortized

Amount of      Cash Flow

Label of Credit

**Schedule 1**

Period	Principal Payment	Interest Payment	Total Payment	Actual	Reducing Balance	Amount of Label of Credit	Cash Flow	End of end yr 1 - 5 prnts
1	149,276.11	195,500.00	344,776.11	344,776.11	2,550,000.00	179,114.09	3,819,716.76	End of end yr 1 - 5 prnts
2	149,276.11	195,500.00	344,776.11	344,776.11	2,400,623.89	59,704.15	3,911,432.14	Same as above less 1 prnt
3	149,276.11	195,500.00	344,776.11	344,776.11	2,251,247.78		3,971,432.14	Same as above less 1 prnt
4	149,276.11	195,500.00	344,776.11	344,776.11	2,101,871.67		3,153,148.01	Same as above less 2 prnts
5	149,276.11	195,500.00	344,776.11	344,776.11	1,952,495.56		2,851,863.83	Same as above less 3 prnts
6	149,276.11	195,500.00	344,776.11	344,776.11	1,803,119.45		2,505,579.76	Same as above less 4 prnts
7	149,276.11	195,500.00	344,776.11	344,776.11	1,653,743.34		2,159,295.69	Same as above less 5 prnts
8	149,276.11	195,500.00	344,776.11	344,776.11	1,504,367.23		1,813,011.62	Same as above less 6 prnts
9	149,276.11	195,500.00	344,776.11	344,776.11	1,354,991.12		1,466,727.55	Same as above less 7 prnts
10	149,276.11	195,500.00	344,776.11	344,776.11	1,205,615.01		1,120,443.48	Same as above less 8 prnts
11	149,276.11	195,500.00	344,776.11	344,776.11	1,056,238.90		774,159.41	Same as above less 9 prnts
12	149,276.11	195,500.00	344,776.11	344,776.11	906,862.79		427,875.34	Same as above less 10 prnts
13	149,276.11	195,500.00	344,776.11	344,776.11	757,486.68		77,591.27	
14	149,276.11	195,500.00	344,776.11	344,776.11	608,110.57			
15	149,276.11	195,500.00	344,776.11	344,776.11	458,734.46			
16	149,276.11	195,500.00	344,776.11	344,776.11	309,358.35			
17	149,276.11	195,500.00	344,776.11	344,776.11	159,982.24			
18	149,276.11	195,500.00	344,776.11	344,776.11	10,606.13			
19	149,276.11	195,500.00	344,776.11	344,776.11	0			
20	149,276.11	195,500.00	344,776.11	344,776.11	0			
<b>TOTAL</b>	<b>2,950,000.00</b>	<b>2,087,000.00</b>	<b>5,037,000.00</b>	<b>5,037,000.00</b>	<b>0.00</b>	<b>1,641,420.63</b>	<b>328,284.13</b>	

*Amount of Label of Credit*

*Cash Flow*

*End of end yr 1 - 5 prnts*

*Same as above less 1 prnt*

*Same as above less 2 prnts*

*Same as above less 3 prnts*

*Same as above less 4 prnts*

*Same as above less 5 prnts*

*Same as above less 6 prnts*

*Same as above less 7 prnts*

*Same as above less 8 prnts*

*Same as above less 9 prnts*

*Same as above less 10 prnts*

*0.00*

*1,641,420.63*

*328,284.13*

NOTE: This schedule is based on the assumption that the project will be completed by the end of year 10. If the project is not completed by the end of year 10, the schedule will be revised to reflect the actual completion date. The schedule is based on the assumption that the project will be completed by the end of year 10. If the project is not completed by the end of year 10, the schedule will be revised to reflect the actual completion date. The schedule is based on the assumption that the project will be completed by the end of year 10. If the project is not completed by the end of year 10, the schedule will be revised to reflect the actual completion date.

111 1461/Oct 13-09/Memorandum of Understanding/KS/cr