



DATE OF MEETING: July 30, 2024
TO: Gambier Island Local Trust Committee
FROM: Marlis McCargar, Island Planner
Northern Team
COPY: Warren Dingman, Bylaw Enforcement and Compliance Manager
SUBJECT: Development Variance Permit (GM-DVP-2023.4)
Applicant: Annie Lalande
Location: PID: 026-869-888

RECOMMENDATION

- 1. That the Gambier Island Local Trust Committee approve issuance of Development Variance Permit GM-DVP-2023.4 to reduce the minimum setback to the natural boundary of the sea from 15 metres to 10.10 metres to allow siting of existing single family dwelling.**

REPORT SUMMARY

The Gambier Island Local Trust Committee (LTC) is asked to consider a Development Variance Permit (DVP) application to retroactively authorize a reduction of the setback from the natural boundary of the sea for legalization of a single family dwelling and deck.

The existing single family dwelling and deck are not consistent with the setback regulations in the Gambier Island Land Use Bylaw No.86, 2004 (LUB). The applicant has provided a survey plan prepared by a professional B.C. land surveyor and it confirms that a portion of the deck structure extends beyond the property boundaries and into the foreshore. Structures within the foreshore require Crown foreshore tenure approval from the Province and in this case, a rezoning with Islands Trust as the Marine General (W1) zone does not permit deck structures.

Staff are recommending that a portion of the request be approved as follows:

- That a variance be granted with regards to setback from the natural boundary of the sea, allowing a 10.10m setback for the single family dwelling on the site;

Staff recommends approval of the variance for the single family dwelling only and recommends refusal of variance for the existing deck.

APPLICANT RATIONALE FOR VARIANCE

The Applicant has provided a letter of rationale for the Proposal (Attachment 3) which includes the following points:

- Applicant submits they built the cabin on the largest available flat area on the property, close to the water. They misunderstood bylaw setback regulations. Locating the dwelling farther from the natural boundary was not possible; as it would have required excavating into rock.
- Applicant submits the deck structure was already constructed when they purchased the property and they did not check for permits.

BACKGROUND

The application is proceeding as a result of Bylaw Enforcement file GM-BE-2019.4 for the unlawful siting of a single family dwelling and deck already constructed. The date of construction for the deck is unknown, but according to the applicant, was existing when the property was purchased in 2016. The date of construction for the dwelling is between 2017-2019. There are no building permits for the dwelling or the deck under Sunshine Coast Regional District (SCRD) records.

The 1.99 hectare (4.93 acre) subject property is located on the southeastern portion of Gambier Island, with access by boat only. The lot is split by a road, and the dwelling was constructed on the waterfront portion of the lot. This waterfront portion of the lot is on the west side of the road is approximately .729 hectare (1.801 acres). The property slopes significantly toward the water and contains rocky outcrops and areas with tree and scrub cover.

The DVP application proposes to reduce the setback from the natural boundary of the sea to permit the following existing single family building and/or deck structure within the setback area:

- Approx. 66m² single family dwelling; and
- Deck.

Staff have not visited the subject property, but have attached site photos from Bylaw Enforcement files from 2019. Staff requested that the applicant submit more recent photos; however, none have been submitted at the time of writing this report. Site survey and photos are found in Attachments 2 and 5. Copies of the Notices and draft permit GM-DVP-2023.4 are found in Attachments 4 and 6.

Staff have not received letters of support or opposition at this time.

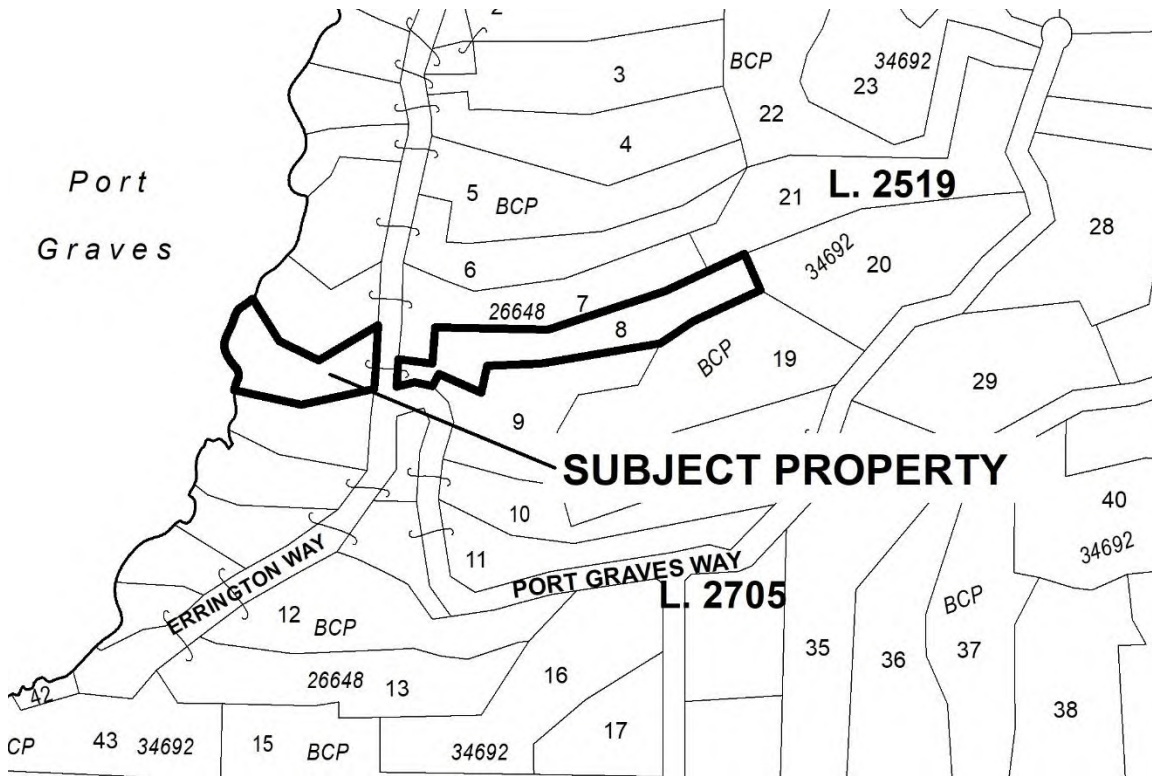


Figure 1. Subject property map.

ANALYSIS

Policy/Regulatory

A comprehensive site context analysis is provided in Attachment 1. The policies and regulations that pertain to this application are summarized below.

Official Community Plan:

The Gambier Island Official Community Plan Bylaw No. 73, 2001 (OCP) designates the subject property as Settlement Residential (SR). The principal dwelling on the subject property is consistent with the Settlement Residential (SR) land use designation in the OCP. The subject property is within Development Permit Area No. 3 – Riparian Areas. However, the proposed development is an exempted activity as it is taking place greater than 30 metres from a watercourse.

The existing deck is at variance with four policies in the OCP:

3.1 Criteria for determining land and foreshore use:

- v) the location of future land uses so that their appearance and impact are compatible with and do not degrade or otherwise negatively impact the natural environment, community resources, and the character of existing land uses;

viii) land disturbance, site clearing, or road building that is detrimental to the use or enjoyment of properties or to the environment should be kept to a minimum in any land development;

3.7 General Land Use Policies

The zoning regulations should establish setbacks for buildings and structures, in accordance with good planning practices, from:

iii. the sea...to maintain a view of the coastline that is rural in character and relatively pristine in appearance.

7.41 Marine and Foreshore Areas

Natural coastal processes should be left undisturbed to the maximum extent possible.

Land Use Bylaw:

The subject property is zoned **Settlement Residential (SR)** in the Gambier Island Land Use Bylaw No. 86, 2004 (LUB). Single family residential is a permitted use in that zone. Required setbacks are: 7.5 metres from any front or rear lot line; 3 metres from any interior side lot line; and 4.5 metres from any exterior side lot line.

In addition, as stated in Part 3: General Regulations for this Bylaw:

3.3 Siting and Setback Regulations

(1) No building or structure shall be sited within 15 metres of the natural boundary of the sea, lake, wetland or watercourse, or constructed with the underside of any floor system or the top of any pad supporting any space or room that is used for dwelling purposes, business or the storage of goods less than 1.5 metres above the natural boundary of the sea, lake or watercourse unless otherwise provided for in this Bylaw.

And further:

3.4. Siting and Setback Exemptions

(6) Boat houses, stairs, or walkways required for access to the foreshore or a permitted ramp associated with a dock may be sited within 15 metres of the natural boundary of the sea.

The maximum height for a principal building including a dwelling unit is 10 metres.

Existing Dwelling:

The existing dwelling does not comply with the Section 3.3(1), the siting and setback regulation for buildings and structures from the natural boundary of the sea. The existing dwelling is sited within 10.10 metres of the natural boundary of the sea where 15 metres is required.

Existing Deck:

The existing deck is sited within 0 metres of the natural boundary of the sea where 15 metres is required. Additionally, a portion of the deck structure extends beyond the property boundary and into the foreshore area. The foreshore area is zoned Marine General (W1) and decks are not permitted in that zone.

Development Permit Area:

The proposed development is exempt from the requirement for a development permit as per Section 9.3(3) of the LUB. *The following activities are exempt from any requirement for a development permit in Development Permit Area No. 3:*

- a. development taking place outside of the areas described below in 9.3(3)(a)(i) through 9.3(3)(a)(iv):*
 - i. For a watercourse that is not located in a ravine, a 30 metre strip on both sides of the watercourse measured from the high water mark;*
 - ii. For a watercourse located within a ravine that is less than 60 metres wide, a strip on both sides of the watercourse measured from the high water mark to a point that is 30 metres beyond the top of the ravine bank;*
 - iii. For a watercourse located within a ravine that is 60 metres wide or greater, a strip on both sides of the watercourse measured from the high water mark to a point that is 10 metres beyond the top of the ravine bank;*
 - iv. For a wetland, the area within 30 metres of the high water mark of the wetland;*

Covenants

There are covenants and easements registered on the subject property.

Covenant No. BA328502: This covenant includes a schedule with a geotechnical study dated May 15, 2006, recommending a bedrock bench on the lower portion of Lot 8 as a building site. The covenant and geotechnical study are provided in Attachment 7.

Covenant BA328505: This covenant includes a schedule with a geotechnical study dated May 14, 2006, recommending building setbacks from the natural boundary of the sea. The study recommends a 7.5-meter setback for Lot 8 (the subject property). The covenant and geotechnical study pertaining to Lot 8 (the subject property) is also included in Attachment 8.

The subject property was created as part of a subdivision in 2007. It appears that the subdivision did not require building sites to meet LUB setback requirements. It would be difficult to achieve the waterfront setback due to the subject property's topography and shape.

Upon review of the subdivision file, each proposed parcel was required to identify a suitable building site, but not at 15 metres from the natural boundary of the sea. A geotechnical study conducted in 2006, as a requirement for subdivision, recommended a minimum setback of 7.5 metres from a geotechnical engineering perspective due to site constraints. The geotechnical studies were registered on title as covenants.

Issues and Opportunities

Existing Deck

There are several policies that do not support the existence of structures within the foreshore that may impede natural features and processes. At this time, it is unclear to staff whether the existing deck impedes natural features and/or disrupts natural coastal processes. The LTC may request that the applicant submit an assessment

report by a qualified coastal engineer to determine whether the existing deck disrupts the integrity of the foreshore and natural coastal processes.

The application seeks to legalize the entire deck structure; however, applications can only include the existing parts of the shoreline structure located within the property boundaries, upland from the natural boundary of the sea. Any parts of the structure beyond the natural boundary require Crown foreshore tenure approval from the Province and a rezoning with Islands Trust.

Staff note that authorization by the Province in the form of a Crown tenure or permission are required for structures that extend beyond the current natural boundary. At the time of this report, Front Counter BC does not identify an active Crown tenure or permission, or application, for the existing deck. In addition to the provincial permissions, the applicant would be required to rezone the portion of the deck that extends into the foreshore.

Single Family Dwelling

As noted above, the subject property was created as part of a subdivision in 2007 and was not required to identify building sites that met LUB setback requirements. The subject property is steep beyond the 15 metres setback area and moving the dwelling to site it outside the required setback is not practical.

It does not appear that the proposed variance will negatively impact surrounding properties. The single family dwelling unit is in keeping with the size, form, and character of surrounding dwelling units on Gambier Island.

Consultation

In accordance with Section 499 of the *Local Government Act* (LGA) and Section 8 of the Gambier Island Development Procedures Bylaw No. 50, notification of this DVP application (Attachment 6) was distributed to neighbouring property owners and tenants within 100 metres. No correspondence was received prior to distribution of the Notice or at the time of preparing this report, but may be received before or during the LTC meeting on July 30, 2024. All correspondence received on or before the LTC meeting will form part of the public record and will be presented to the LTC as part of the application file materials. Correspondence may be sent to northinfo@islandstrust.bc.ca.

First Nations

The structures under application are not in close proximity to a documented archeological site, as indicated by the provincial Remote Access to Archaeological Data (RAAD) system. At the time the application file was opened, the Applicant was provided with information on the Islands Trust Cultural Protocol and BC provincial Chance Find Procedures that contain information about what actions must be undertaken if previously unrecorded archaeological material is encountered during development. In such a case, all work must cease and the provincial Archaeology Branch contacted immediately. A *Heritage Conservation Act* permit may be required before further development is undertaken.

Rationale for Recommendation

Variance Request for Setback of Existing Single Family Dwelling

The existing single family dwelling does not appear to be contrary to the overall intent of any of the OCP policies, staff is recommending approval of the variance request for the siting of the existing house.

Variance Request for Setback of Existing Deck

The large deck is not sited entirely on the subject property and would require additional approvals from the Province. Variances cannot be granted to uses that are not permitted. OCP polices are in place to protect environmentally sensitive ecosystems or areas through land use regulation, and identify setbacks for buildings and structures as a means to discourage development in these areas.

ALTERNATIVES

The LTC may consider the following alternatives to the staff recommendation:

1. Request further information

The LTC may request further information prior to making a decision. If selecting this alternative, the LTC should describe the specific information needed and the rationale for this request. Recommended wording for the resolution is as follows:

That the Gambier Island Local Trust Committee request that the applicant submit to the Islands Trust...

2. Deny the application

The LTC may deny the application. If this alternative is selected, the LTC should state the reasons for denial. Note, if the decision is to deny a development permit application, the decision MUST be accompanied by reasons. Recommended wording for the resolution is as follows:

That the Gambier Island Local Trust Committee deny application GM-DVP-2023.4 for the following reasons [insert reasons, e.g. the proposed variance to permit a seawall within the setback to the natural boundary of the sea is contrary to Official Community Plan marine foreshore protection objectives].

Submitted By:	Marlis McCargar, Island Planner	June 24, 2024
Concurrence:	Renée Jamurat, RPP MCIP, Regional Planning Manager	June 26, 2024

ATTACHMENTS


1. Site Context
2. Site Survey
3. Applicant Rationale Letter
4. Draft DVP
5. Site Photographs
6. Statutory Public Notice
7. Covenant No. BA328502
8. Covenant No. BA328505

ATTACHMENT #1 – SITE CONTEXT

LOCATION

Legal Description	LOT 8 DISTRICT LOT 2519 GROUP 1 NEW WESTMINSTER DISTRICT PLAN BCP26648
PID	026-869-888
Civic Address	n/a

LAND USE

Current Land Use	Residential
Surrounding Land Use	West: Oceanfront shoreline North, South, and West: Residential / vacant land
	

HISTORICAL ACTIVITY

File No.	Purpose
GM-SUB-2005.1	File closed. Applicant withdrew.
GM-RZ-2006.1	Rezoned a portion of parent lot from SR to S2.
GM-SUB-2006.3	Subdivision to create 27 parcels
GM-DVP-2010.3	Variance on setback from the sea to permit siting of a single family dwelling. DVP denied.

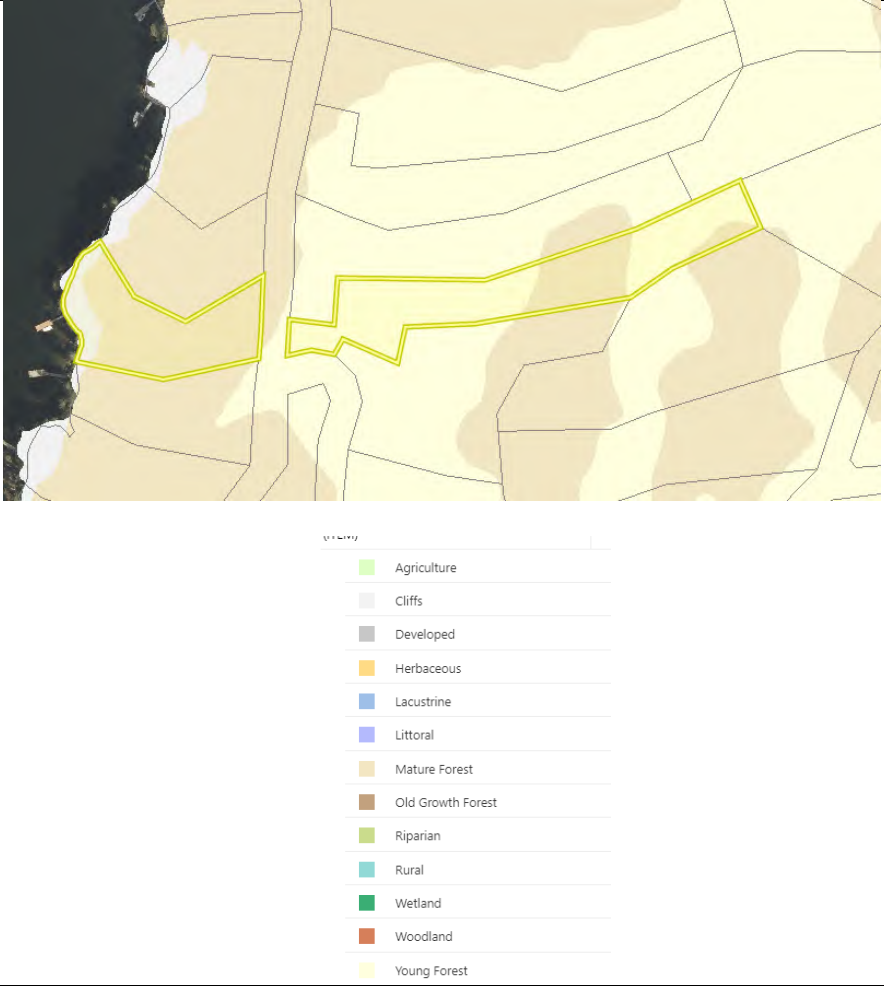
POLICY/REGULATORY

Official Community Plan Designations	Settlement Residential (SR) DPA 3
Land Use Bylaw	<p>3.3 Siting and Setback Regulations</p> <p>3.3(1) No building or structure shall be sited within 15 metres of the natural boundary of the sea, lake, wetland or watercourse, or constructed with the underside of any floor system or the top of any pad supporting any space or room that is used for dwelling purposes, business or the storage of goods less than 1.5 metres above the natural boundary of the sea, lake or watercourse unless otherwise provided for in this Bylaw.</p>

	<p>3.4 Siting and Setback Exceptions</p> <p>3.4(6) Boat houses, stairs, or walkways required for access to the foreshore or a permitted ramp associated with a dock may be sited within 15 metres of the natural boundary of the sea.</p> <p>5.1 Settlement Residential (SR)</p> <p>5.1 (9) Siting and Size</p> <p>The minimum setback for any building or structure:</p> <ul style="list-style-type: none"> a) 7.5 metres from any front or rear lot line; b) 3 metres from any interior side lot line; c) 4.5 metres from any exterior side lot line
Other Regulations	<p>Provincial interests in the foreshore:</p> <p>Structures sited below the natural boundary (in the foreshore) require provincial authorization for structures on Crown land.</p> <p><i>“To erect protective works beyond the present natural boundary needs the consent of the Crown.”</i></p>
Covenants	<p>BA328459 – Easement</p> <p>BA328467 – Easement</p> <p>BA328495 – Vancouver Coastal Health Authority Covenant</p> <p>BA328500 – 219 Covenant with GM LTC prohibiting further subdivision</p> <p>BA328502 – Covenant with Province</p> <p>BA328505 – Covenant with Province</p> <p>BA328507 – Building Scheme</p>
Bylaw Enforcement	<p>GM-BE-2019.4 - structures within the setback from the natural boundary of the sea</p>

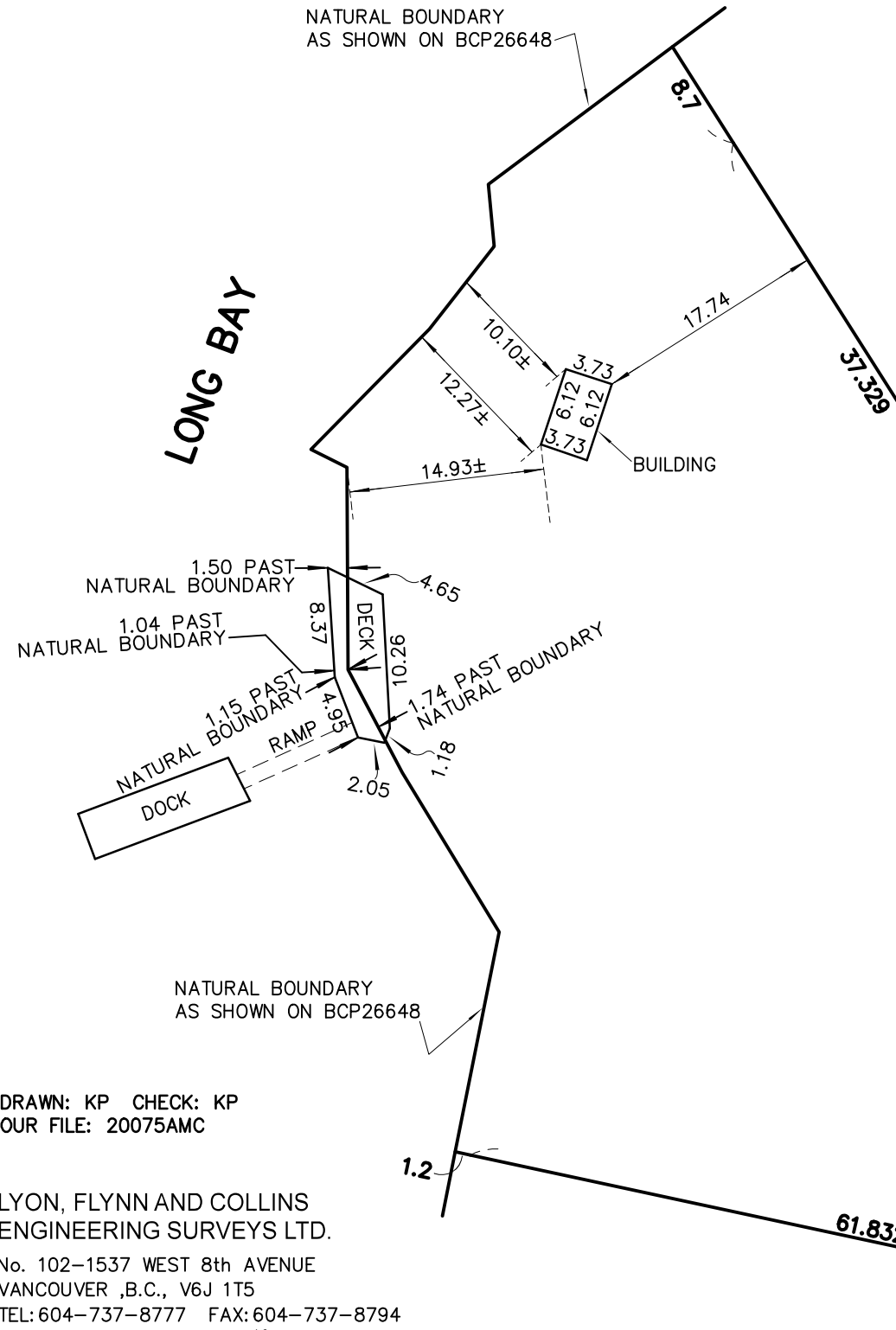
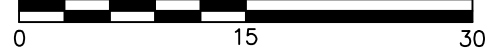
SITE INFLUENCES

Islands Conservancy	<p>n/a – This application does not directly affect an ITC-owned property or conservation covenant; nor does it directly affect a property adjacent to an ITC-owned property or conservation covenant. It also does not pertain to terrestrial or intertidal Crown Land located within 100m of an ITC-owned property or conservation covenant.</p>
Species at Risk	<p>No Species at Risk data identified.</p>
Sensitive Ecosystems	<p>Mature forest and young forest ecosystem</p>

	
Hazard Areas	None identified.
Archaeological Sites	<p>Upon review of the Remote Access to Archaeological Data (RAAD) information, the subject property is not within 100 metres of a known archaeological site.</p> <p>Notwithstanding the foregoing, and by copy of this report, the owners and applicant should be aware that there is still a chance that the lot may contain previously unrecorded archaeological material that is protected under the <i>Heritage Conservation Act</i>. If such material is encountered during development, all work should cease and the BC Archaeology Branch should be contacted immediately as a <i>Heritage Conservation Act</i> permit may be needed before further development is undertaken. This may involve the need to hire a qualified archaeologist to monitor the work.</p>
Climate Change Adaptation and Mitigation	In consideration of the existing development's close proximity to the natural boundary of the sea, there is strong likelihood of ongoing impacts by sea level rise or other climate change induced hazards (i.e., storm surges).
Shoreline Classification	Rock Shoreline - Sea Cliff
Shoreline Data in TAPIS	None mapped.

**B.C. LAND SURVEYOR'S CERTIFICATE OF LOCATION
FOR BUILDING ON LOT 8 DISTRICT LOT 2519 AND 2705
GROUP 1 NEW WESTMINSTER DISTRICT PLAN BCP26648**

SCALE 1:500 ALL DIMENSIONS IN METRES



PID: 026-869-888
ADDRESS: LOT 8 PLAN BCP26648 (NO LEGAL ADDRESS)
GAMBIER ISLAND, B.C

ACCESS BY WATER ONLY

Based on Land Title & Survey Authority Records and Field Survey. Unregistered interests have not been included or considered.

This document shows the relative location of the surveyed structures and features with respect to the boundaries of the parcel described above. This document shall not be used to define property lines or property corners.

Lyon, Flynn & Collins accept no responsibility for and hereby disclaim all obligations and liabilities for damages including, but not limited to, direct, indirect, special, and consequential damages arising out of or in connection with any direct or indirect use or reliance upon the Plan beyond its intended use.

Lot is subject to easements BCP26649, BCP26650 and BCP26652.

The field work was completed April 21, 2020.

DRAWN: KP CHECK: KP
OUR FILE: 20075AMC

LYON, FLYNN AND COLLINS
ENGINEERING SURVEYS LTD.

No. 102-1537 WEST 8th AVENUE
VANCOUVER, B.C., V6J 1T5
TEL: 604-737-8777 FAX: 604-737-8794
email: lyon@telus.net www.lfcsurvey.com

© LYON, FLYNN AND COLLINS 2020

Certified Correct:

April 28, 2020. B.C.L.S.

This document is not valid unless originally signed and sealed.

Application for variance

This is my application for a variance for a building and a deck on Gambier Island, Sunset Estates, Lot #8.

Purpose of application:

I would like to apply to be able to keep the structures as constructed on our lot.

1. CABIN

I bought the lot in December 2016, and have since built a 3.0 x 6.0 meter cabin as a vacation house for my family. We built this structure on the largest available flat area on the lot close to the water, and as close as possible to the beginning of the vertical cliff behind the building. We thought we were following the bylaw regulations, based on a survey obtained by the previous owners. The consequence is that the south-west face of the building is located 10.10 meters from the natural boundary, violating the bylaw 3.3.

In building this structure, we were very careful not to disturb the ecosystem of that area. No excavating or pouring of concrete walls or base were done. Building farther from the natural boundary was not possible; this would have required excavating into the rock.

Our initial plan was to build a 2.4 x 3.0 feet cabin, which could have been farther to the natural boundary. However, as our family grew to one and then two children, we realized we needed more space to accommodate them.

The house is all wood, to blend into nature.

2. DECK

This structure was already on the lot when we bought it. We did not check if a permit has been issued for this structure. It is installed against the vertical cliff, with the minimum width required to be usable. It is close to the dock for mooring boats. It is encroaching into the natural boundary by maximum 1.74 meter.

We would like to keep this existing structure: it is far from neighbours, and safe for children to play close to the water.

PROPOSED



Islands Trust

**GAMBIER ISLAND LOCAL TRUST COMMITTEE
DEVELOPMENT VARIANCE PERMIT NO. GM-DVP-2023.4**

TO: Emilie Joos

1. This Development Variance Permit applies to the land described below:

HEA PID: 026-869-888

LOT 8 DISTRICT LOT 2519 GROUP 1 NEW WESTMINSTER DISTRICT PLAN BCP26648

2. Pursuant to Section 498 of the *Local Government Act*, the *Gambier Island Land Use Bylaw No. 86, 2004* is varied as follows:

1. PART 3 GENERAL REGULATIONS, Section 3.3 Siting and Setback Regulations, Subsection 3.3(1) “No building or structure shall be sited within 15 metres of the natural boundary of the sea, lake, wetland or watercourse, or constructed with the underside of any floor system or the top of any pad supporting any space or room that is used for dwelling purposes, business or the storage of goods less than 1.5 metres above the natural boundary of the sea, lake or watercourse unless otherwise provided for in this Bylaw.”; is varied:

- To reduce the setback for the existing dwelling from 15 metres to 10.10 metres.

3. The proposed development shall be consistent with “building” as labelled on **Schedule “A” – Site Survey** attached to and forming part of this permit. This permit is not a Building Permit or a Siting and Use Permit, and does not remove any obligation on the part of the permittee to comply with all other requirements of the Gambier Island Land Use Bylaw No. 86, 2004 including use and density, and to obtain other appropriate approvals necessary for completion of the proposed development.

AUTHORIZING RESOLUTION PASSED BY THE GAMBIER ISLAND LOCAL TRUST COMMITTEE THIS XX DAY OF XX, 202X.

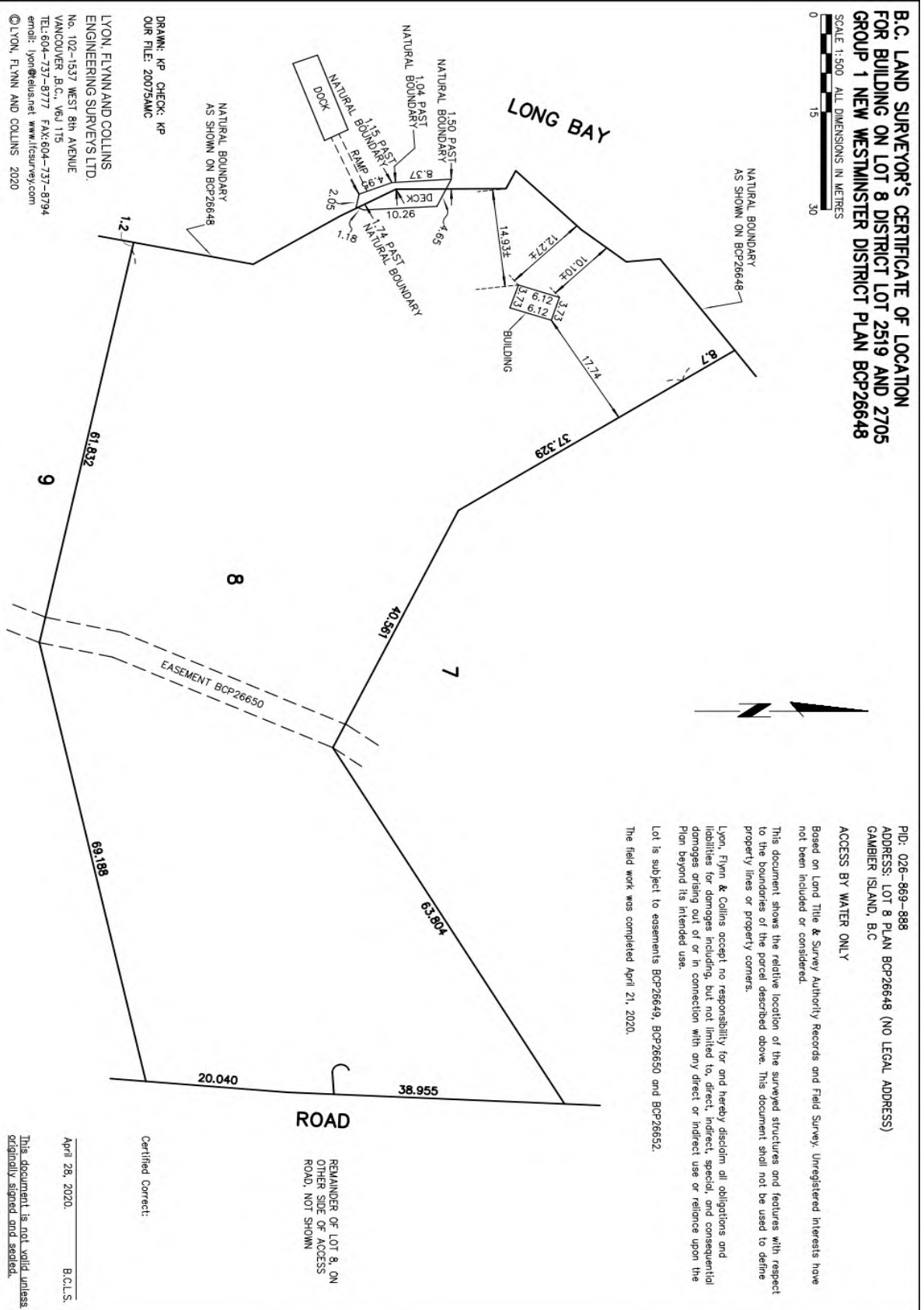
Deputy Secretary, Islands Trust

XX, XX, 202X

**IF THE DEVELOPMENT DESCRIBED HEREIN IS NOT COMMENCED BY THE XX DAY OF XX, 202X,
THIS PERMIT AUTOMATICALLY LAPSES.**

PROPOSED

Schedule "A" - Site Survey



ATTACHMENT #05 – SITE PHOTOS, JULY 2019



Photo 1: View from water.



Photo 2: View from water.

**NOTICE
GM-DVP-2023.4
GAMBIER ISLAND LOCAL TRUST COMMITTEE**

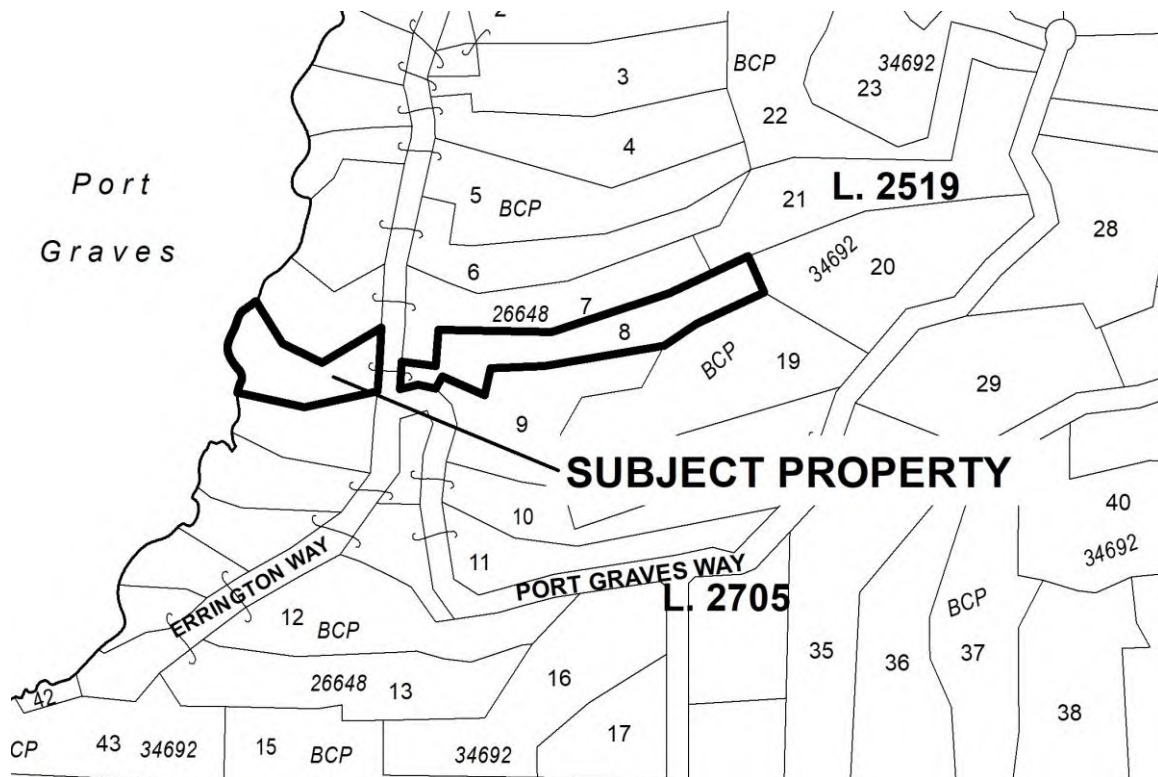
NOTICE is hereby given pursuant to Section 499 of the *Local Government Act* that the Gambier Island Local Trust Committee will be considering a resolution allowing for the issuance of a Development Variance Permit. The proposed permit would vary the Gambier Island Land Use Bylaw No. 86, 2004 by:

- Reducing the minimum setback to the natural boundary of the sea from 15 metres to 10.10 metres to allow siting of an existing dwelling.

The property is legally described as:

LOT 8 DISTRICT LOT 2519 GROUP 1 NEW WESTMINSTER DISTRICT PLAN BCP26648
(PID 026-869-888)

The general location of the subject property is shown on the following sketch:



A copy of the proposed permit may be inspected at the Islands Trust Office, 700 North Road, Gabriola Island, BC V0R 1X3 between the hours of 8:30 a.m. to 4:00 p.m. Monday to Friday inclusive, excluding statutory holidays, commencing **July 16, 2024** and continuing up to and including **July 29, 2024** and is also available on the Islands Trust website here: <https://islandstrust.bc.ca/island-planning/gambier/current-applications/>

Enquiries or comments should be directed to Marlis McCargar, Island Planner at (250) 247-2210, for Toll Free Access, request a transfer via Enquiry BC: In Vancouver (604) 660-2421 and elsewhere in BC 1-800-663-7867; or by fax (250) 405-5155; or by email to: northinfo@islandstrust.bc.ca before 4:30 pm, **July 29, 2024**.

The Gambier Island Local Trust Committee may consider a resolution allowing for the issuance of the permit during the business meeting starting at **11:00 am, July 30, 2024, in-person at Gambier Community Centre, 721 Andy's Bay Road, Gambier Island.**

All applications are available for review by the public with prior appointment. Written comments made in response to this notice will also be available for public review.

PROPOSED



Islands Trust

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3. The proposed development shall be consistent with “building” as labelled on **Schedule “A” – Site Survey** attached to and forming part of this permit. This permit is not a Building Permit or a Siting and Use Permit, and does not remove any obligation on the part of the permittee to comply with all other requirements of the Gambier Island Land Use Bylaw No. 86, 2004 including use and density, and to obtain other appropriate approvals necessary for completion of the proposed development.

AUTHORIZING RESOLUTION PASSED BY THE GAMBIER ISLAND LOCAL TRUST COMMITTEE THIS XX DAY OF XX, 202X.

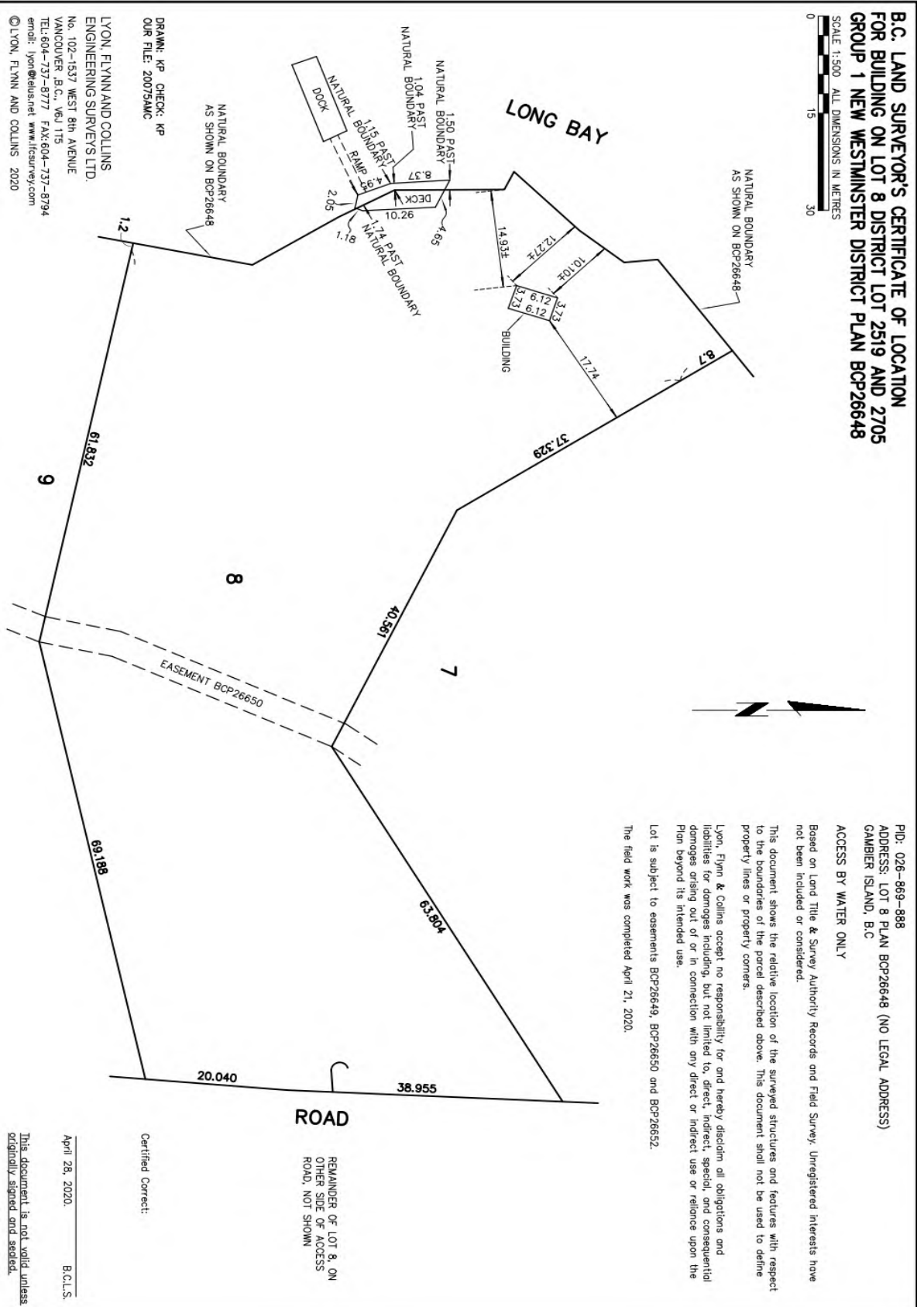
Deputy Secretary, Islands Trust

XX, XX, 202X

**IF THE DEVELOPMENT DESCRIBED HEREIN IS NOT COMMENCED BY THE XX DAY OF XX, 202X,
THIS PERMIT AUTOMATICALLY LAPSES.**

PROPOSED

Schedule "A" – Site Survey



BA328502

19 OCT 2006 10 30

BA328503

LAND TITLE ACT
FORM C

(Section 233)

Province of British Columbia

GENERAL INSTRUMENT - PART 1

(This area for Land Title Office use)

Page 1 of 15 pages

1
FREE

1. APPLICATION: (Name, address, phone number and signature of applicant, applicant's solicitor or agent)
John A. Davis Law Corporation, Barrister and Solicitor
182 Memorial Avenue, Box 306
Parksville, B.C. V9P 2G5
Telephone: (250) 248-4148
S. Clark

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	CHARGE
Section 219 Covenant Priority Agreement over Mortgage/Assign of Rents No. BW520867/BW520868 & Mortgage/Assign. of Rents BW520869 and BW520870	Entire Document Page 7	Transferee Transferee	20 06/10/19 10:34:25 03 LM 738344 \$65.20

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

- (a) Filed Standard Charge Terms D.F. No.
- (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 or 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):

as to 25/100 Int as to 75/100 Int 1.
WATEEN DEVELOPMENTS LTD. (Inc. No. BC0707609) and **HOPE POINT INVESTMENTS INC.**
(Inc. No. BC0707479), and **HOPE POINT MORTGAGE CO. INC.** and **VENTURELAND
MANAGEMENT LTD.** and **CHRISTOPHER WATERS**

6. TRANSFEREE(S): (including postal address(es) and postal code(s)*)

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH
COLUMBIA**, as represented by the Minister of Transportation, having its offices at Parliament
Buildings, Victoria, British Columbia, V8V 1X5

7. ADDITIONAL OR MODIFIED TERMS:*

N/A

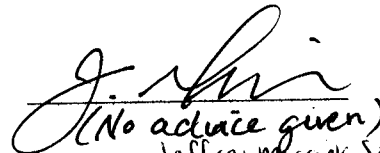
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CHARGE \$65.20

DYE & DURHAM CLIENT No. 11061
SURVEY DEPT.

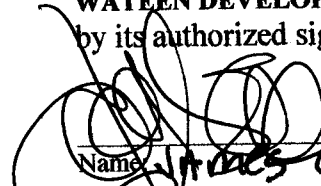
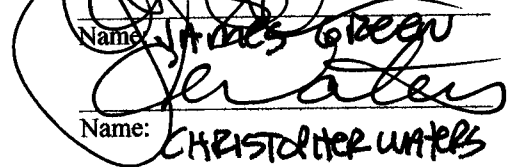
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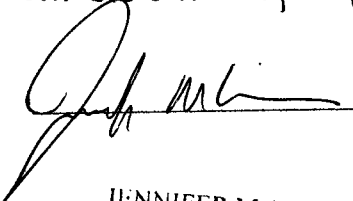
8. EXECUTION(S): This instrument creates, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if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

OFFICER SIGNATURE(S)	EXECUTION DATE			PARTY(IES) SIGNATURE(S)
	Y	M	D	


 (No advice given)
 Jeffrey Merrick, Solicitor
 #2600-595 Burrard St., Van., BC V7X 1L3


06 09 22

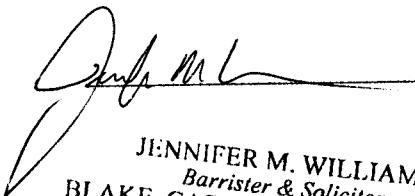
WATEEN DEVELOPMENTS LTD.
 by its authorized signatory(ies):

 Name: JAMES GREEN

 Name: CHRISTOPHER WATERS



06 09 22


JENNIFER M. WILLIAMS
 Barrister & Solicitor
 BLAKE, CASSELS & GRAYDON LLP
 Suite 2600, Three Bentall Centre
 595 Burrard St., P.O. Box 49314
 Vancouver, B.C. V7X 1L3
 (604) 631-3367

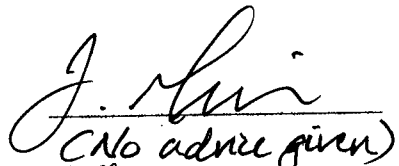
HOPE POINT INVESTMENTS INC.
 by its authorized signatory(ies):

 Name: JEFFREY MERRICK
 Name:



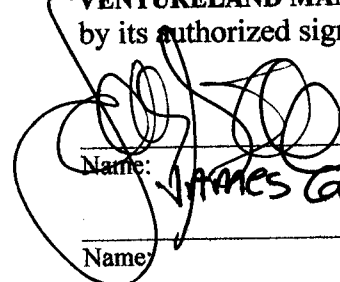
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JENNIFER M. WILLIAMS
 Barrister & Solicitor
 BLAKE, CASSELS & GRAYDON LLP
 Suite 2600, Three Bentall Centre
 595 Burrard St., P.O. Box 49314
 Vancouver, B.C. V7X 1L3
 (604) 631-3367

HOPE POINT MORTGAGE CO.
 INC. by its authorized signatory(ies):

 Name: JEFFREY MERRICK
 Name:


 (No advice given)
 Jeffrey Merrick, Solicitor
 #2600-595 Burrard St.
 Van BC V7X 1L3

06 09 22

VENTURELAND MANAGEMENT LTD
 by its authorized signatory(ies):

 Name: JAMES GREEN
 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

* If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.

LAND TITLE ACT

FORM D

Executions continued

OFFICER SIGNATURE(S)

EXECUTION DATE

PARTY(IES) SIGNATURE(S)

J. Merrick
No advice given

06 09 22

C Waters
CHRISTOPHER WATERS

JEFFREY MERRICK
Barrister & Solicitor
BLAKE, CASSELS & GRAYDON LLP
Suite 2600, Three Bentall Centre
595 Burrard St., P.O. Box 49314
Vancouver, B.C. V7X 1L3
(604) 631-3386

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

* If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.

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**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)

- _____
Lot 1, District Lot 2519, Group 1, New Westminster District,
Plan BCP 26648
- _____
Lot 2, District Lot 2519, Group 1, New Westminster District,
Plan BCP 26648
- _____
Lot 3, District Lot 2519, Group 1, New Westminster District,
Plan BCP 26648
- _____
Lot 4, District Lot 2519, Group 1, New Westminster District,
Plan BCP 26648
- _____
Lot 5, District Lot 2519, Group 1, New Westminster District,
Plan BCP 26648
- _____
Lot 6, District Lot 2519, Group 1, New Westminster District,
Plan BCP 26648
- _____
Lot 7, District Lot 2705 and 2519, Group 1, New Westminster District,
Plan BCP 26648
- _____
Lot 8, District Lot 2705 and 2519, Group 1, New Westminster District,
Plan BCP 26648
- _____
Lot 9, District Lot 2705 and 2519, Group 1, New Westminster District,
Plan BCP 26648
- _____
Lot 10, District Lot 2705, Group 1, New Westminster District,
Plan BCP 26648
- _____
Lot 11, District Lot 1654 and 2705, Group 1, New Westminster
District, Plan BCP 26648
- _____
Lot 12, District Lot 2705, Group 1, New Westminster District,
Plan BCP 26648
- _____
Lot 13, District Lot 2705, Group 1, New Westminster District,
Plan BCP 26648
- _____
Lot 14, District Lot 2705, Group 1, New Westminster District,
Plan BCP 26648

TERMS OF INSTRUMENT - PART 2

RESTRICTIVE COVENANT

DEFINITIONS:

- a. The "**Transferor**" means **WATEEN DEVELOPMENTS LTD.** and **HOPE POINT INVESTMENTS INC.**
- b. The "**Transferees**" mean the Transferees as set out in Item 6 on Page 1 (Form C) of the attached General Instrument - Part 1.
- c. The "**Lands**" mean the Lots as set out in Item 2 on Page 1 (Form C) of the attached General Instrument - Part 1.

WHEREAS:

- A. The Transferor is the registered owner of the Lands.
- B. The Transferees have requested that the Transferor enter into a covenant over the Lands, pursuant to Section 219 of the *Land Title Act*, in the terms hereinafter set forth.
- C. Section 219 of the *Land Title Act* provides that there may be annexed to any land a condition or covenant that the land is to be used in a particular manner or that land is not to be subdivided except in accordance with the covenant.

WITNESS THAT, in consideration of the sum of One Dollar (\$1.00) and other valuable consideration now paid by the Transferees to the Transferor (the receipt and sufficiency whereof is hereby acknowledged), the Transferor hereby agrees to grant a covenant over the Lands, pursuant to Section 219 of the *Land Title Act*, to the Transferees on the following terms:

1. The Transferors covenant and agree with the Transferees that no building or structure, or any part of a building or structure, including any fixed equipment, mobile home or modular home, shall be constructed, reconstructed, moved, extended or located on the Lands unless the Transferors comply with the recommendations set out in the report of C.N. Ryzuk & Associates Ltd. dated May 15, 2006, and attached as Schedule A hereto.
2. The Transferors will indemnify and save harmless the Transferees and their servants and agents against all losses, damages, costs and expenses, including fees of solicitors and other professional advisors, arising out of any breach, violation or non-performance of any term, condition, covenant, or other provision of this Agreement.
3. No term, condition, covenant, or other provision of this Agreement will be considered to have been waived by the Transferees unless the waiver is expressed in writing by the Transferees.

4. Any waiver by the Transferees of any term, condition, covenant, or other provision of this Agreement or any waiver by the Transferees of any breach, violation, or non-performance of any term, condition, covenant, or other provision of this Agreement does not constitute and will not be construed as a waiver of any further or other term, condition, covenant, or other provision of this Agreement or any further or other breach, violation, or non-performance of any term, condition, covenant, or other provision of this Agreement.
5. The terms, conditions, covenants, and other provisions of this Agreement will extend to, be binding upon, and enure to the benefit of the parties to this Agreement and their respective successors and assigns.
6. In this Agreement, unless the context otherwise requires, the singular includes the plural and vice versa.
7. This Agreement will be interpreted according to the laws of the Province of British Columbia.
8. Where there is a reference to an enactment in this Agreement, the reference will include any subsequent enactment of the Province of British Columbia of like effect and all enactments referred to are enactments of the Province of British Columbia.
9. If any part of this Agreement is found to be illegal or unenforceable, that part will be considered separate and severable and the remaining parts will not be affected thereby and will be enforceable to the fullest extent permitted by law.
10. All obligations on and benefits accruing to the persons comprised in the Transferees or the Transferors apply only in respect of such benefits or obligations which arise during the period in which any such person is registered as owner of any portion of the Lands.
11. This Agreement runs with the Land and will be registered as a charge against the title to the Land under Section 219 of the *Land Title Act*.
12. Nothing contained or implied in this Agreement shall impair, limit, prejudice, or affect the Transferees' rights and powers in the exercise of their functions pursuant to any public or private statutes or any other enactment including the Transferees' bylaws, orders, policies, and regulations and all such powers and rights may be fully and effectively exercised in relation to the Lands as if this Agreement had not been executed and delivered by the Transferors.
13. The Transferors will do or cause to be done all things and execute or cause to be executed all documents and give such further and other assurances which may be reasonably necessary to give proper effect to the intent of this Agreement.
14. This Agreement will not be modified or discharged except in accordance with the provisions of Section 219(9) of the *Land Title Act*.
15. This is the Instrument creating the condition or covenant entered into under Section 219 of the *Land Title Act* by the registered owner referred to herein and shown on the print of plan BCP 2004



Approving Officer HOWARD HOUSTON
Ministry of Transportation

CONSENT

WHEREAS by an instrument registered in the Land Title Office at New Westminster, British Columbia, on the 15th day of November, 2004, under number BW520867 and BW520868, HOPE POINT MORTGAGE CO. INC. (the "Prior Chargee") was granted a Mortgage and Assignment of Rents (the "Prior Charge"), in respect of the Lands described in the attached Section 219 Covenant (the "Subsequent Charge").

AND WHEREAS the Prior Chargee consents to and agrees that the Subsequent Charge shall have priority over the Prior Charge.

THEREFORE in consideration of \$1.00 paid by the Transferee to the Prior Chargee (the receipt of which is hereby acknowledged) the Prior Chargee hereby approves of, joins in, consents to and grants to the Transferees (the "Subsequent Chargee") priority over the interest of the Prior Chargee in the Lands and postpones the right, title and interest of the Prior Chargee in the Lands to the Subsequent Chargee as if the Prior Charge had been registered immediately after the registration of the Subsequent Charge and notwithstanding the respective date and time of execution and registration of the charges or the respective dates of advancement of moneys under them.

IN WITNESS WHEREOF this Consent has been executed on one or more pages of the General Instrument.

CONSENT

WHEREAS by an instrument registered in the Land Title Office at New Westminster, British Columbia, on the 15th day of November, 2004, under number BW520869 and BW520870, VENTURELAND MANAGEMENT LTD. and CHRISTOPHER WATERS (the "Prior Chargee") was granted a Mortgage and Assignment of Rents (the "Prior Charge"), in respect of the Lands described in the attached Section 219 Covenant (the "Subsequent Charge").

AND WHEREAS the Prior Chargee consents to and agrees that the Subsequent Charge shall have priority over the Prior Charge.

THEREFORE in consideration of \$1.00 paid by the Transferee to the Prior Chargee to the Chargeholder (the receipt of which is hereby acknowledged) the Prior Chargee hereby approves of, joins in, consents to and grants to the Transferees (the "Subsequent Chargee") priority over the interest of the Prior Chargee in the Lands and postpones the right, title and interest of the Prior Chargee in the Lands to the Subsequent Chargee as if the Prior Charge had been registered immediately after the registration of the Subsequent Charge and notwithstanding the respective date and time of execution and registration of the charges or the respective dates of advancement of moneys under them.

IN WITNESS WHEREOF this Consent has been executed on one or more pages of the General Instrument.

SCHEDULE A ~~A~~

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C.N. RYZUK & ASSOCIATES LTD.
Geotechnical/Materials Engineering

28 Crease Avenue Victoria, B.C. V8Z 1S3 Tel: (250) 475-3131 Fax: (250) 475-3611

May 15, 2006
File No: 8-4299-2

Ventureland Management Ltd.
Suite 507 – 5525 West Boulevard
Vancouver, B.C.
V6M 3W6

Attention: Mr. J. Green

Dear Sir,

Re: Geotechnical Report for Proposed Long Bay Subdivision
Long Bay (Port Graves) – Gambier Island, B.C.
(Parts of District Lots 2519 and 2705, Gambier Island)

As requested, we have carried out a geotechnical assessment of the referenced site in order to identify safe building sites on 14 proposed subdivision lots. This assessment has been completed in support of a subdivision application to the Ministry of Transportation (MOT) for issuance of a Preliminary Layout Approval (PLA) for this bare-land subdivision. The following letter summarizes our observations and assessments as they pertain to this matter and is subject to the attached Statement of Terms of Engagement. We also carried out detailed assessments of the shoreline areas of selected lots, to prepare recommendations for setbacks from the natural boundary of the site; this is reported on separately.

Our assessment included a detailed field reconnaissance of the site carried out by foot and boat on September 27, 2005, with supplementary site assessments on March 28 and April 19, 2006. The field work was carried out by the writer accompanied by you and/or Mr. R. Gustavson of Re/Max Realty. We also examined planimetric and topographic site plans and environmental mapping provided by Ventureland Management Ltd., as well as geology maps.

The site is located on the east side of Long Bay (or Port Graves), in the southeastern part of Gambier Island about 10 km northwest of Horseshoe Bay, and lies within the Sunshine Coast Regional District (see dwg. 8-4299-2-1, Site Vicinity Plan). The overall property has a frontage of approximately 1150 m on Long Bay. It is approximately 810 m long on its eastern boundary, with a width increasing from about 815 m at the northern end to 1260 m at the southern end. It is bounded on the north, south and east by other large undeveloped parcels. It is proposed to divide this property into 14 2.01 ha lots, plus a large remainder area in the eastern part of the site and associated road allowances. Each lot would have a frontage on the shoreline as well as road

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C.N. RYZUK & ASSOCIATES LTD.

May 15, 2006

Ventureland Management Ltd.
Page 2

access to common dock and moorage facilities. At the time of our site visits, development of infrastructure including access roads, driveways, docks and wells was underway. The proposed layout of the subdivision is shown on the attached Location Plan, dwg. 8-4299-2-2.

The site is situated on a west-northwest-facing slope and ridge overlooking Long Bay and extending down to the shoreline. According to planimetric mapping provided by Ventureland and available government topographic mapping, elevations along the ridge crest range between about 240 m at the northern end of the property and 140 m near the southern end. Slopes are quite variable over this large site, and are discussed in more detail below in the context of the individual proposed lots or groups of lots. One main creek system, Masset Creek, crosses the southern portion of the part of the property to be subdivided, as shown on the location plan. As well, several tributaries of Fircom Creek located in the "remainder" area east of the ridge have been identified by the environmental consultant.

In this letter, the 14 proposed residential lots will be discussed in the following four groups: Lots 1 to 6, Lots 7 to 9, Lots 10 to 13, and Lot 14. Most of the lots have some relatively flat areas containing one or more safe building sites, as well as steeper areas where a rockfall or slope stability hazard may exist. In some cases, the preferred building site may lie within one of these steeper areas, but since the choice of building site will ultimately lie with the buyer of each lot, it was not considered justified at this stage in the development to precisely delineate all safe building sites on each lot. Similarly, as it is unlikely that any building would be proposed east of the main access road through the development, with the exception of Lot 14 which lies entirely to the south of this road, it was not considered justified to examine the eastern portion of the site during our field assessment. Accordingly, we have defined large Restricted Building Areas (RBA's) encompassing the steeper areas and the areas not examined, where residential construction should not be permitted without a more detailed geotechnical assessment. Safe building sites may exist within these RBA's, particularly if house foundations are supported on solid bedrock, and depending upon any rockfall hazard related to bluffs above, but this can only be assessed by more detailed inspection, if a proposed house site is desired in this area. The boundaries of the RBA's have been defined as straight lines between easily identifiable points such as existing roads and driveways, surveyed creek covenants, and major survey hubs, as well as a series of geotechnical reference points (survey ribbons) identified as points GEO1 to GEO22 on the Location Plan (note that not all numbers in this sequence were used).

It should be noted that the RBA's have been defined so as to include all areas of questionable stability not already eliminated as potential building sites due to other environmental or regulatory limitations. For example, steep areas along the shoreline or adjacent to creek systems have not been included within an RBA where they already lie entirely within the required setback from the natural boundary of the site along the shoreline or within a defined and surveyed creek covenant area. With regard to the setback from the shoreline, a distance of 15 m has been assumed. Where consideration is given to reduction of this setback, further site specific geotechnical assessment should be carried out.

C.N. Ryzuk & Associates Ltd.

Continued ...

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C.N. RYZUK & ASSOCIATES LTD.

May 15, 2006

Ventureland Management Ltd.
Page 3

Lots 1 to 6 are located at the northern end of the proposed development and are characterized by a gently to moderately sloping and rolling bench area of variable width directly west of the main road through the development and a steep (about 25 to 30 degrees overall) but irregular bedrock-controlled slope from the edge of the bench down to the shoreline. The bench area is considered stable and safe to build on, while the area to the west (along the shoreline) has been included in an RBA due to the steep slopes and a possible rockfall hazard. The upper boundary of this RBA is defined as a series of straight lines between geotechnical reference points, beginning along the road about midway between the northern and southern boundaries of Lot 1 and extending through points GEO22, GEO21, GEO19, GEO3, GEO4, GEO5, GEO6, GEO7, GEO8, GEO9, and back up to the road near the middle of Lot 6. The northern edge of Lot 1 and the southern part of Lot 6 are steep even at the road, and are included in the RBA. The portions of these lots east of the road were not examined and are part of a large RBA, although the wells and proposed septic sites are located there. Driveways on Lots 2 and 6 extend through the RBA to the shoreline to access dock facilities.

Lots 7 to 9 are located in the central part of the development, north of the mouth of Masset Creek. These lots are steep both near the shoreline and at the location of the main road, but there is a more gently sloping bench about 30 to 35 m wide located well below the road, where we consider that safe building sites are located. The upper limit of this area is defined by the driveway that accesses lots 7 to 11, and the lower limit is defined by a line connecting reference points GEO10, GEO 11 and GEO12, and RBA's are located above and below these lines (see Location Plan). The northern part of Lot 7 is part of the same steep slope that occupies the southern part of Lot 6, and accordingly the RBA extends right from the shoreline up to the road. As with Lots 1 to 6, the portions of Lots 7 to 9 east of the road were not examined and are part of a large RBA, although proposed septic sites are located there. The wells for these lots are located just below the road right-of-way.

There is an attractive potential building site on the lower part of Lot 8, beside Lot 7. The site consists of a bedrock bench, with a moderate bedrock slope above, which steepens further up the slope. Broken rock scattered on the ground near the back of the bench suggests that there is a potential rockfall hazard here, and accordingly the site is included within an RBA. However, it may be possible to mitigate this hazard by means such as stabilizing or scaling the slope above or provision of a protective berm or wall near the back of the building site to stop any rockfall debris from reaching the site.

Lots 10 to 13 lie south of the mouth of Masset Creek No. 2 and north of the common dock facilities where the main access road begins. Although portions of some of these lots are north of Masset Creek, the probable building sites all lie south of the creek and relatively close to the shoreline (subject to the required setback from the shoreline or natural boundary of the site as discussed above). The portion of Lot 10 located below the road and above the lower driveway is steep, and has all been included in an RBA or a creek covenant, as has the southern portion of Lot 11 between the road and the shoreline. The northern boundary of the RBA on Lot 11 is defined by geotechnical reference ribbons GEO 13 and GEO 14 and the point where the southern

C.N. Ryzuk & Associates Ltd.

Continued ...

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C.N. RYZUK & ASSOCIATES LTD.

May 15, 2006

Ventureland Management Ltd.
Page 4


edge of the creek covenant meets the downslope edge of the road allowance. All of Lots 12 and 13 between the road and shoreline are considered safe building sites. As before, the portions of these lots located above (east of) the road, which include the wells and proposed septic field sites, were not examined during our field assessments and therefore have been included in an RBA.

Lot 14 lies entirely south of the main access road. Almost all of this lot is steep, and has been included in an RBA, with the exception of a small area on a bench directly east of the road allowance and south of Lot 13, which is accessed by a driveway beginning in Lot 11 and passing through Lots 12 and 13 (see Location Plan). The well and septic site are located well above the building site in the RBA.

Considering the above, it is judged that there is a probability of less than 10 percent in 50 years of a geological hazard adversely affecting residences constructed in the portions of the proposed subdivision lots lying outside the designated RBA's. Many other similar building sites may exist in the RBA's, however lot-specific geotechnical hazard assessments should be carried out for any construction proposed within these areas.

We hope that the preceding letter is suitable for your purposes at this time. If we can provide further information or clarification in this regard, please contact us. Thank you for the opportunity to have been of service to you.

Yours very truly,
C.N. Ryzuk & Associates Ltd.


Bruce R. Dagg, P.Eng.
Geotechnical Engineer

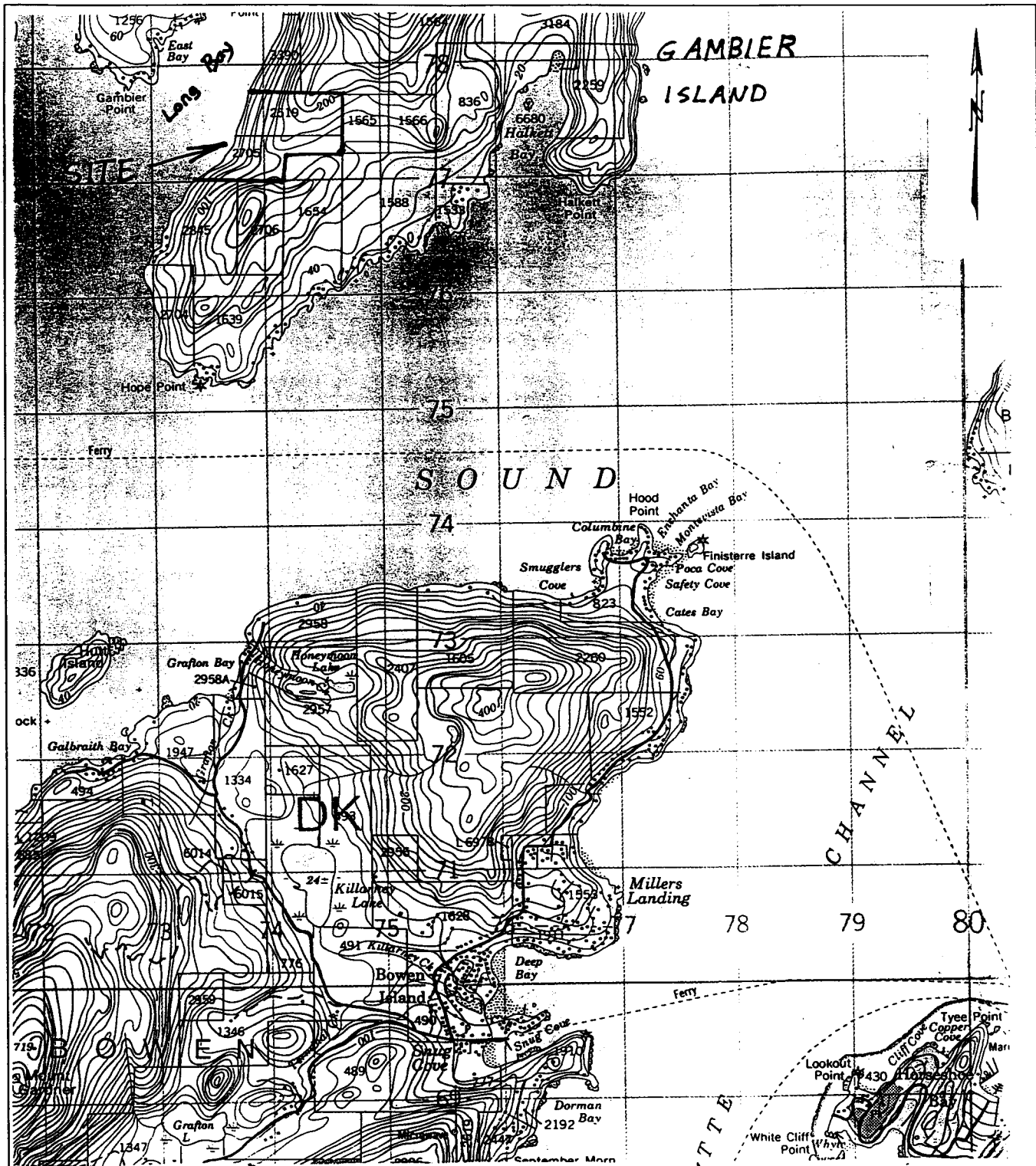


Attachments


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C.N. Ryzuk & Associates Ltd.

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Ref.: Government of Canada N.T.S. Map 92G/6 (North Vancouver), 1983.
 Contour Interval: 20 m.

	Ventureland Management Ltd.	DRAWN BRD
	SITE VICINITY PLAN	DATE May 2006
	Proposed Long Bay Subdivision	APPROVED
	Long Bay	SCALE 1:50,000
	Gambier Island, BC	DRAWING No. 8-4299-2-1
C.N. RYZUK & ASSOCIATES LTD. Geotechnical Engineering		

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STATEMENT OF TERMS OF ENGAGEMENT

GENERAL

C.N. Ryzuk & Associates Ltd. (The Consultant) shall render the Services, as specified in the attached Scope of Services, to the Client for this Project in accordance with the following terms of engagement. The Services, and any other associated documents, records or data, shall be carried out and/or prepared in accordance with generally accepted engineering practices in the location where the Services were performed. No other warranty, expressed or implied is made. The Consultant may, at its discretion and at any stage, engage subconsultants to perform all or any part of the Services.

COMPENSATION

All charges will be payable in Canadian Dollars. Invoices will be due and payable by the Client on receipt of the invoice without hold back. Interest on overdue accounts is 24% per annum.

TERMINATION

Either party may terminate this engagement without cause upon thirty (30) days' notice in writing. On termination by either party under this paragraph, the Client shall forthwith pay to the Consultant its Charges for the Services performed, including all expenses and other charges incurred by the Consultant for this Project.

If either party breaches this engagement, the non-defaulting party may terminate this engagement after giving seven (7) days' notice to remedy the breach. On termination by the Consultant under this paragraph, the Client shall forthwith pay to the Consultant its Charges for the Services performed to the date of termination, including all fees and charges for this Project.

ENVIRONMENTAL

The Consultant's field investigation, laboratory testing and engineering recommendations will not address or evaluate pollution or contamination of soil or groundwater. The Consultant will cooperate with the Client's environmental consultant during the field work phase of the investigation.

PROFESSIONAL RESPONSIBILITY

In performing the Services, the Consultant will provide and exercise the standard of care, skill and diligence required by customarily accepted professional practices and procedures normally provided in the performance of the Services contemplated in this engagement at the time when and the location in which the Services were performed.

LIMITATION OF LIABILITY

The Consultant shall not be responsible for:

- a) The failure of a contractor, retained by the Client, to perform the work required for the Project in accordance with the applicable contract documents;
- b) The design of or defects in equipment supplied or provided by the Client for incorporation into the Project;
- c) Any cross-contamination resulting from subsurface investigations;
- d) Any damage to subsurface structures and utilities which were identified and located by the Client;
- e) Any Project decisions made by the Client if the decisions were made without the advice of the Consultant or contrary to or inconsistent with the Consultant's advice;
- f) Any consequential loss, injury or damages suffered by the Client, including but not limited to loss of use, earnings and business interruption;
- g) The unauthorized distribution of any confidential document or report prepared by or on behalf of the consultant for the exclusive use of the Client

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The total amount of all claims the Client may have against the Consultant or any present or former partner, executive officer, director, stockholder or employee thereof under this engagement, including but not limited to claims for negligence, negligent misrepresentation and breach of contract, shall be strictly limited to the amount of any professional liability insurance the Consultant may have available for such claims.

No claim may be brought against the Consultant in contract or tort more than two (2) years after the Services were completed or terminated under this engagement.

DOCUMENTS AND REPORTING

All of the documents prepared by the Consultant or on behalf of the Consultant in connection with the Project are instruments of service for the execution of the Project. The Consultant retains the property and copyright in these documents, whether the Project is executed or not. These documents may not be used on any other project without the prior written agreement of the Consultant.

The documents have been prepared specifically for the Project, and are applicable only in the case where there has been no physical alteration to, or deviation from any of the information provided to the Consultant by the Client or agents of the Client. The Client may, in light of such alterations or deviations, request that the Consultant revise and review these documents.

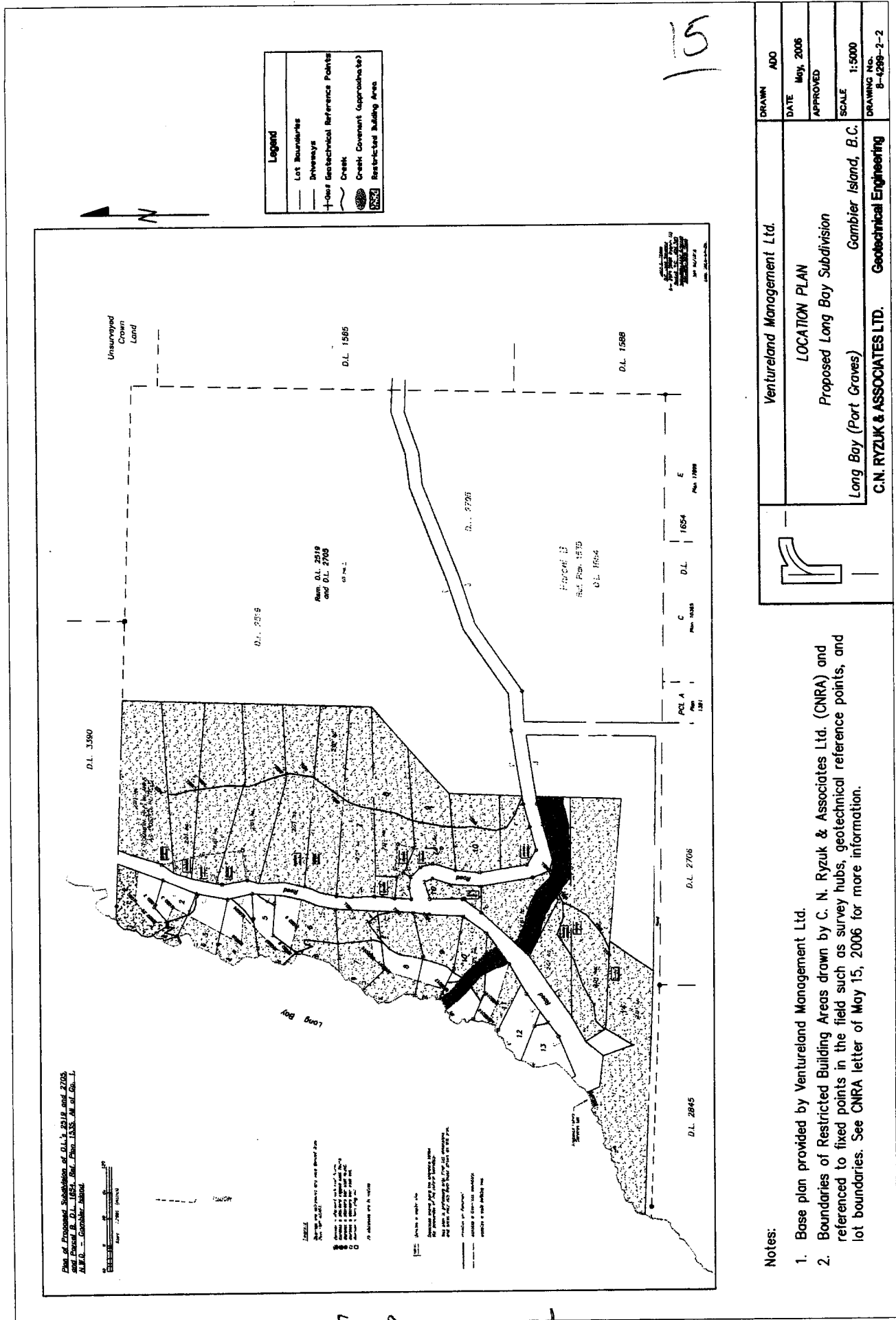
The identification and classification as to the extent, properties or type of soils or other materials at the Project site has been based upon investigation and interpretation consistent with the accepted standard of care in the engineering consulting practice in the location where the Services were performed. Due to the nature of geotechnical engineering, there is an inherent risk that some conditions will not be detected at the Project site, and that actual subsurface conditions may vary considerably from investigation points. The Client must be aware of, and accept this risk, as must any other party making use of any documents prepared by the Consultant regarding the Project.

Any conclusions and recommendations provided within any document prepared by the Consultant for the Client has been based on the investigative information undertaken by the Consultant, and any additional information provided to the Consultant by the Client or agents of the Client. The Consultant accepts no responsibility for any associated deficiency or inaccuracy as the result of a misstatement or receipt of fraudulent information.

JOBSITE SAFETY AND CONTROL

The Client acknowledges that control of the jobsite lies solely with the Client, his agents or contractors. The presence of the Consultant's personnel on the site does not relieve the Client, his agents or contractors from their responsibilities for site safety. Accordingly, the Client must endeavor to inform the Consultant of all hazardous or otherwise dangerous conditions at the Project site of which the Client is aware.

The client must acknowledge that during the course of a geotechnical investigation, it is possible that a previously unknown hazard may be discovered. IN this event, the Client recognizes that such a hazard may result in the necessity to undertake procedures which ensure the safety and protection of personnel and/or the environment. The Client shall be responsible for payment of any additional expenses incurred as a result of such discoveries, and recognizes that under certain circumstances, discovery of hazardous conditions or elements requires that regulatory agencies must be informed. The Client shall not bring about any action or dispute against the Consultant as a result of such notification.



ENDS of Document

BA328505

19 OCT 2006 10 31

BA328506

File # 4070

0 #
FREE CHG.

**LAND TITLE ACT
FORM C**

(Section 233)

Province of British Columbia

GENERAL INSTRUMENT - PART 1

(This area for Land Title Office use)

Page 1 of 10 pages

1. APPLICATION: (Name, address, phone number and signature of applicant, applicant's solicitor or agent)
John A. Davis Law Corporation, Barrister and Solicitor
182 Memorial Avenue, Box 306
Parksville, B.C. V9P 2G5
Telephone: (250) 248-4148
S. Clark

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

SEE SCHEDULE

20 06/10/19 10:34:16 03 LM 738344
CHARGE \$65.20

3. NATURE OF INTEREST:
DESCRIPTION

DOCUMENT REFERENCE
(page and paragraph)

PERSON ENTITLED TO INTEREST

Section 219 Covenant
Priority Agreement over

Entire Document

Transferee

Mortgage/Assign of Rents
No. BW520867/BW520868
& Mortgage/Assign. of Rents
BW520869 and BW520870

Page 7 & 8

Transferee

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

- (a) Filed Standard Charge Terms D.F. No.
- (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 or 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.

20 06/10/19 10:31:48 03 LM 738340
CHARGE \$65.20

5. TRANSFEROR(S):

as to 25/100 Int.

as to 75/100 Int.

WATEEN DEVELOPMENTS LTD. (Inc. No. BC0707609) and **HOPE POINT INVESTMENTS INC.**
(Inc. No. BC0707479), and **HOPE POINT MORTGAGE CO. INC.** and **VENTURELAND
MANAGEMENT LTD.** and **CHRISTOPHER WATERS**

6. TRANSFEREE(S): (including postal address(es) and postal code(s)*)

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH
COLUMBIA**, as represented by the Minister of Transportation, having its offices at Parliament
Buildings, Victoria, British Columbia, V8V 1X5

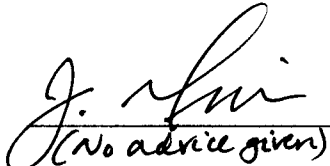
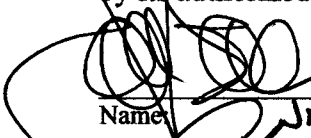
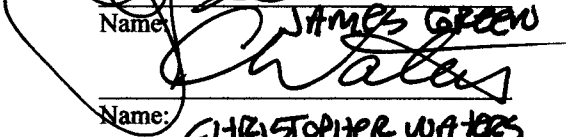
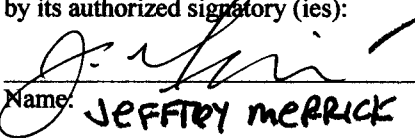
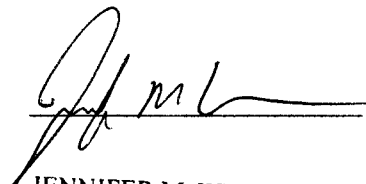

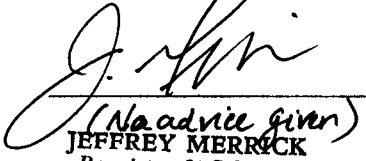
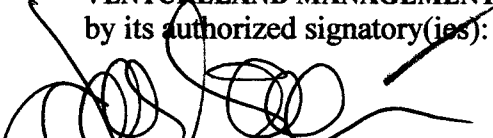
7. ADDITIONAL OR MODIFIED TERMS:*

N/A

W & DURHAM CLIENT No. 11061
SURVEY DEPT.

33/

8. EXECUTION(S): This instrument creates, 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 SIGNATURE(S)	EXECUTION DATE	PARTY(IES) SIGNATURE(S)
	Y M D	
 (No advice given) JEFFREY MERRICK <i>Barrister & Solicitor</i> BLAKE, CASSELS & GRAYDON LLP Suite 2600, Three Bentall Centre 595 Burrard St., P.O. Box 49314 Vancouver, B.C. V7X 1L3 (604) 631-3386	06 09 06	WATEEN DEVELOPMENTS LTD. by its authorized signatory(ies):  Name: JAMES GREEN  Name: CHRISTOPHER WATERS
JENNIFER M. WILLIAMS <i>Barrister & Solicitor</i> BLAKE, CASSELS & GRAYDON LLP Suite 2600, Three Bentall Centre 595 Burrard St., P.O. Box 49314 Vancouver, B.C. V7X 1L3 (604) 631-3367	06 09 06	HOPE POINT INVESTMENTS INC. by its authorized signatory (ies):  Name: JEFFREY MERRICK Name:
 JENNIFER M. WILLIAMS <i>Barrister & Solicitor</i> BLAKE, CASSELS & GRAYDON LLP Suite 2600, Three Bentall Centre 595 Burrard St., P.O. Box 49314 Vancouver, B.C. V7X 1L3 (604) 631-3367	06 09 06	HOPE POINT MORTGAGE CO. INC. by its authorized signatory(ies):  Name: JEFFREY MERRICK Name:
 (No advice given) JEFFREY MERRICK <i>Barrister & Solicitor</i> BLAKE, CASSELS & GRAYDON LLP Suite 2600, Three Bentall Centre 595 Burrard St., P.O. Box 49314 Vancouver, B.C. V7X 1L3 (604) 631-3386	06 09 06	VENTURELAND MANAGEMENT LTD. by its authorized signatory(ies):  Name: JAMES GREEN 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

* If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.

LAND TITLE ACT


FORM D

Executions continued

OFFICER SIGNATURE(S)

EXECUTION DATE

PARTY(IES) SIGNATURE(S)


No advice given

06 09 06


CHRISTOPHER WATERS

JEFFREY MERRICK
Barrister & Solicitor
BLAKE, CASSELS & GRAYDON LLP
Suite 2600, Three Bentall Centre
595 Burrard St., P.O. Box 49314
Vancouver, B.C. V7X 1L3
(604) 631-3386

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

* If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.

4

**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)

- _____ Lot 1, District Lot 2519, Group 1, New Westminster District,
Plan BCP 20648
- _____ Lot 2, District Lot 2519, Group 1, New Westminster District,
Plan BCP 20648
- _____ Lot 3, District Lot 2519, Group 1, New Westminster District,
Plan BCP 20648
- _____ Lot 4, District Lot 2519, Group 1, New Westminster District,
Plan BCP 20648
- _____ Lot 5, District Lot 2519, Group 1, New Westminster District,
Plan BCP 20648
- _____ Lot 6, District Lot 2519, Group 1, New Westminster District,
Plan BCP 20648
- _____ Lot 7, District Lot 2705 and 2519, Group 1, New Westminster District,
Plan BCP 20648
- _____ Lot 8, District Lot 2705 and 2519, Group 1, New Westminster District,
Plan BCP 20648
- _____ Lot 9, District Lot 2705 and 2519, Group 1, New Westminster District,
Plan BCP 20648
- _____ Lot 10, District Lot 2705, Group 1, New Westminster District,
Plan BCP 20648
- _____ Lot 11, District Lot 1654 and 2705, Group 1, New Westminster
District, Plan BCP 20648
- _____ Lot 12, District Lot 2705, Group 1, New Westminster District,
Plan BCP 20648
- _____ Lot 13, District Lot 2705, Group 1, New Westminster District,
Plan BCP 20648
- _____ Lot 14, District Lot 2705, Group 1, New Westminster District,
Plan BCP 20648

TERMS OF INSTRUMENT - PART 2

RESTRICTIVE COVENANT**DEFINITIONS:**

- a. The "**Transferor**" means **WATEEN DEVELOPMENTS LTD.** and **HOPE POINT INVESTMENTS INC.**
- b. The "**Transferees**" mean the Transferees as set out in Item 6 on Page 1 (Form C) of the attached General Instrument - Part 1.
- c. The "**Lands**" mean the Lots as set out in Item 2 on Page 1 (Form C) of the attached General Instrument - Part 1.

WHEREAS:


- A. The Transferees have informed the Transferor that the Lands are environmentally sensitive and may be subject to periodic flooding, but nevertheless the Transferor desires to place, construct and/or occupy and use buildings upon the Lands.
- B. The Transferees have requested that the Transferor enter into a covenant over the Lands, pursuant to Section 219 of the *Land Title Act*, in the terms hereinafter set forth.
- C. Section 219 of the *Land Title Act* provides that there may be annexed to any land a condition or covenant that the land or any specified portion thereof, is not to be built upon or is not to be used in a particular manner.

WITNESS THAT, in consideration of the sum of One Dollar (\$1.00) and other valuable consideration now paid by the Transferees to the Transferor (the receipt and sufficiency whereof is hereby acknowledged), the Transferor hereby agrees to grant a covenant over the Lands, pursuant to Section 219 of the *Land Title Act*, to the Transferees on the following terms:

1. (a) With respect to Lots 1 through 14 ("lots"):
 - (i) Hereafter, no building shall be constructed, or mobile home located, on any lot within the distance from the natural boundary of the sea identified for that lot in the Geotechnical Report prepared by C.N. Ryzuk & Associates Ltd., dated May 14, 2006 2006, a copy of which is attached as Schedule A hereto.
 - (ii) Hereafter, no area used for habitation, business or storage of goods damageable by flood waters shall be located within any building at an elevation such that the underside of the floor system thereof is less than one point five (1.5) meters above the natural boundary of the sea.

- (b) The required elevation may be achieved by structural elevation of the said habitable, business, or storage area, or by adequately compacted landfill on which any building is going to be constructed, or by a combination of both structural elevation and landfill. No area below the required elevation shall be used for the installation of furnaces or other fixed equipment susceptible to damage by floodwaters. Where landfill is used to raise the natural ground elevation, the toe of the landfill slope shall be no closer to the natural boundary than the setback requirement given in Condition 1(a) above. The face of the landfill slope shall be adequately protected against erosion from flood flows.
2. The Transferor acknowledges that the Transferees do not represent to the Transferor or any other person that any building constructed or mobile home located in accordance with Condition 1 herein will not be damaged by flooding or erosion, and the Transferor covenants and agrees not to claim damages from the Transferees, or hold the Transferees responsible for damages caused by flooding or erosion to the land or to any building, improvement, or other structure built, constructed, or placed upon the Lands and to any contents thereof.
 3. The Transferor will indemnify and save harmless the Transferees and their servants and agents against all losses, damages, costs and expenses, including fees of solicitors and other professional advisors, arising out of any breach, violation or non-performance of any term, condition, covenant, or other provision of this Agreement.
 4. No term, condition, covenant, or other provision of this Agreement will be considered to have been waived by the Transferees unless the waiver is expressed in writing by the Transferees.
 5. Any waiver by the Transferees of any term, condition, covenant, or other provision of this Agreement or any waiver by the Transferees of any breach, violation, or non-performance of any term, condition, covenant, or other provision of this Agreement does not constitute and will not be construed as a waiver of any further or other term, condition, covenant, or other provision of this Agreement or any further or other breach, violation, or non-performance of any term, condition, covenant, or other provision of this Agreement.
 6. The terms, conditions, covenants, and other provisions of this Agreement will extend to, be binding upon, and enure to the benefit of the parties to this Agreement and their respective successors and assigns.
 7. In this Agreement, unless the context otherwise requires, the singular includes the plural and vice versa.
 8. This Agreement will be interpreted according to the laws of the Province of British Columbia.
 9. Where there is a reference to an enactment in this Agreement, the reference will include any subsequent enactment of the Province of British Columbia of like effect and all enactments referred to are enactments of the Province of British Columbia.
 10. If any part of this Agreement is found to be illegal or unenforceable, that part will be considered separate and severable and the remaining parts will not be affected thereby and will be enforceable to the fullest extent permitted by law.

11. All obligations on and benefits accruing to the persons comprised in the Transferees or the Transferor apply only in respect of such benefits or obligations which arise during the period in which any such person is registered as owner of any portion of the Lands.
12. This Agreement runs with the Lands and will be registered as a charge against the title to the Lands under Section 219 of the *Land Title Act*.
13. Nothing contained or implied in this Agreement shall impair, limit, prejudice, or affect the Transferees' rights and powers in the exercise of their functions pursuant to any public or private statutes or any other enactment including the Transferees' bylaws, orders, policies, and regulations and all such powers and rights may be fully and effectively exercised in relation to the Lands as if this Agreement had not been executed and delivered by the Transferor.
14. The Transferor will do or cause to be done all things and execute or cause to be executed all documents and give such further and other assurances which may be reasonably necessary to give proper effect to the intent of this Agreement.
15. This Agreement will not be modified or discharged except in accordance with the provisions of Section 219(9) of the *Land Title Act*.
16. This is the Instrument creating the condition or covenant entered into under Section 219 of the *Land Title Act* by the registered owner referred to herein.


Howard Hunter
Approving Officer
Ministry of Transportation

CONSENT

WHEREAS by an instrument registered in the Land Title Office at New Westminster, British Columbia, on the 15th day of November, 2004, under number BW520867 and BW520868, HOPE POINT MORTGAGE CO. INC. (the "Prior Charge") was granted a Mortgage and Assignment of Rents (the "Prior Charge"), in respect of the Lands described in the attached Section 219 Covenant (the "Subsequent Charge").

AND WHEREAS the Prior Chargee consents to and agrees that the Subsequent Charge shall have priority over the Prior Charge.

THEREFORE in consideration of \$1.00 paid by the Transferee to the Prior Chargee (the receipt of which is hereby acknowledged) the Prior Chargee hereby approves of, joins in, consents to and grants to the Transferees (the "Subsequent Charge") priority over the interest of the Prior Chargee in the Lands and postpones the right, title and interest of the Prior Chargee in the Lands to the Subsequent Chargee as if the Prior Charge had been registered immediately after the registration of the Subsequent Charge and notwithstanding the respective date and time of execution and registration of the charges or the respective dates of advancement of moneys under them.

IN WITNESS WHEREOF this Consent has been executed on one or more pages of the General Instrument.

CONSENT

WHEREAS by an instrument registered in the Land Title Office at New Westminster, British Columbia, on the 15th day of November, 2004, under number BW520869 and BW520870, VENTURELAND MANAGEMENT LTD. and CHRISTOPHER WATERS (the "Prior Chargee") was granted a Mortgage and Assignment of Rents (the "Prior Charge"), in respect of the Lands described in the attached Section 219 Covenant (the "Subsequent Charge").

AND WHEREAS the Prior Chargee consents to and agrees that the Subsequent Charge shall have priority over the Prior Charge.

THEREFORE in consideration of \$1.00 paid by the Transferee to the Prior Chargee to the Chargeholder (the receipt of which is hereby acknowledged) the Prior Chargee hereby approves of, joins in, consents to and grants to the Transferees (the "Subsequent Chargee") priority over the interest of the Prior Chargee in the Lands and postpones the right, title and interest of the Prior Chargee in the Lands to the Subsequent Chargee as if the Prior Charge had been registered immediately after the registration of the Subsequent Charge and notwithstanding the respective date and time of execution and registration of the charges or the respective dates of advancement of moneys under them.

IN WITNESS WHEREOF this Consent has been executed on one or more pages of the General Instrument.

Schedule A

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C.N. RYZUK & ASSOCIATES LTD.
Geotechnical/Materials Engineering

28 Crease Avenue Victoria, B.C. V8Z 1S3 Tel: (250) 475-3131 Fax: (250) 475-3611

May 14, 2006
File No: 8-4299-2Ventureland Management Ltd.
Suite 507 – 5525 West Boulevard
Vancouver, B.C.
V6M 3W6

Attention: Mr. J. Green

Dear Sir,

Re: Recommended Geotechnical Setbacks from Natural Boundary of Site
Proposed Long Bay Subdivision, Long Bay – Gambier Island, B.C.
(Parts of District Lots 2519 and 2705, Gambier Island)

As requested, we have carried out a geotechnical assessment of the foreshore area at the referenced site in order to develop recommendations for setbacks from the shoreline (natural boundary of the site) in terms of residential construction. The field work for this assessment was carried out on September 27, 2005 and March 28 and April 19, 2006, coincident with a geotechnical assessment of the entire subdivision which is reported on elsewhere. The field work was carried out by foot, vehicle and boat by the writer accompanied by you and/or Mr. R. Gustavson of Re/Max Realty. The following letter summarizes our observations and assessments as they pertain to this matter.

The site location, geologic and topographic setting, and general layout of the proposed subdivision are described in detail in our geotechnical report of May 15, 2006 and will only be discussed briefly here. The development consists of 14 waterfront lots extending along an approximately 1.15 km frontage on Long Bay (Port Graves) on the south side of Gambier Island about 10 km northwest of Horseshoe Bay. In general, the foreshore consists of intact bedrock bluffs rising between a few and several tens of metres above the high water mark to prospective building sites, with intermittent benches in some areas. No materials such as sand or clay, which might be subject to significant toe erosion by waves, were observed in the area. Accordingly, and despite the presence of minor rockfall in some areas, we expect that safe building sites exist behind a setback line established at between 7.5 and 15 m back of the natural boundary of the site, subject to the constraints presented in our report of May 15, 2006. From a geotechnical engineering perspective we recommend minimum setbacks as listed in the following table for each lot:

10

C.N. RYZUK & ASSOCIATES LTD.

May 14, 2006

Ventureland Management Ltd.
Page 2

Lot No.	Setback (m)	Lot No.	Setback (m)	Lot No.	Setback (m)
1	15	6	15	11	7.5
2	15	7	15	12	7.5
3	15	8	7.5	13	7.5
4	15	9	7.5	14	15
5	7.5	10	7.5		

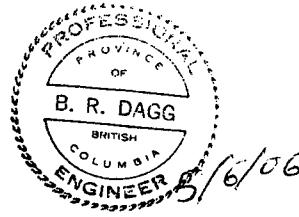
From a geotechnical perspective, we expect that proposed building sites on the 14 lots located at least as far back of the natural boundary of the site as indicated above could be safely used for the intended purpose (construction of single family residences) with a probability of less than 10 percent of the sites being impacted by foreshore slope instability in 50 years. However, other geotechnical hazards exist on many of these lots, as outlined in our geotechnical report of May 15, 2006, which further limit the locations of safe building sites on each lot, as may provincial and/or other government restrictions.

We hope that the preceding letter is suitable for your purposes at this time. If we can provide further information or clarification in this regard, please contact us. Thank you for the opportunity to have been of service to you.

Yours very truly,
C.N. Ryzuk & Associates Ltd.



Bruce R. Dagg, P.Eng.
Geotechnical Engineer



END of Document