



IN CAMERA BOARD REPORT

TO: Chair and Directors

File No: 8650-03

SUBJECT: Acquisition of Land – Abandoned CP Rail Corridor from Sicamous to Armstrong

DESCRIPTION: Report from Charles Hamilton, Chief Administrative Officer, dated April 20, 2017.
Authorization to execute Conditional Purchase and Sale Contract.

RECOMMENDATION #1: *THAT: the Board approve, as tenants in common with the Regional District of North Okanagan (RDNO), each with a 50% interest, the acquisition of the abandoned CP Rail Corridor known as:*

a) the former Okanagan subdivision from Mile 0.3 to Mile 1.2, Mile 1.8 to 23.5 and Mile 25.5 to 30.76

from Canadian Pacific Railway Company for the sum of \$6.5 million, with the CSR D's share to be \$2.17 million, subject to the terms and conditions of the Contract of Purchase and Sale as set out in Attachment I to this report.

RECOMMENDATION #2: *THAT: provided the CSR D Board approves the transaction contemplated herein, the Board authorizes the release from In Camera the Board's resolution regarding same, along with this staff report and attachment.*

RECOMMENDATION #3: *THAT: the Board authorize payment of the CSR D's share of the deposit amount of \$50,000, with the source of funding to come from the \$250,000 that the Board previously approved for this project from the Sicamous/Area 'E' Economic Opportunity Fund (EOF);*

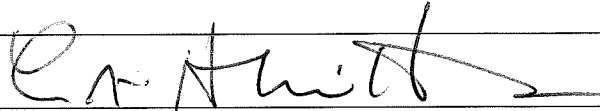
RECOMMENDATION #4: *THAT: the CSR D Board give three readings to the Rail Corridor Trail Service Bylaw No. 5755 and the Rail Trail Corridor Loan Authorization Bylaw No. 5756 at today's regular Board meeting, with said bylaws to be circulated and added to the April 20, 2017 Late Item Agenda.*

RECOMMENDATION #5: *THAT: the Board direct staff to initiate the Alternative Approval Process in accordance with subsections 342(1)(a), 342(4), and 345(1)(a) of the Local Government Act.*

RECOMMENDATION #6: *THAT: the Board direct staff to develop -- in consultation with RDNO -- a public information package to communicate the benefits of the project and to explain the cost to taxpayers in the Participating Areas.*

APPROVED for Board Consideration:

Meeting Date: April 20, 2017



Charles Hamilton, CAO

SHORT SUMMARY:

The abandoned CP Rail Corridor between Sicamous and Armstrong is a transportation corridor that represents enormous opportunity for the CSRD and the surrounding region. CSRD and RDNO staff have negotiated a Contract of Purchase and Sale (Attachment I) with Canadian Pacific Railway Company for purchase of the abandoned CP Rail Corridor known as the former Okanagan subdivision from Mile 0.3 to Mile 1.2, Mile 1.8 to 23.5 and Mile 25.5 to 30.76 (“the Lands”). The abandoned rail line is a continuous, uninterrupted corridor from the District of Sicamous to the City of Armstrong.

Keeping the corridor in public ownership for use as a public right of way will provide for recreational opportunities in the near term, particularly pedestrian and bicycle transportation, as well as opportunities to meet the future transportation and economic needs of the region. The purchase price is \$6.5 million for the approximate 43 km corridor, excluding approximately 7 km already acquired by the Spltasin First Nation. The \$6.5 million purchase price will be divided equally between the Provincial government grant, the RDNO and the CSRD. The CSRD’s portion amounts to \$2.17 million.

Based on previous resolutions of the Board, the CSRD proposes to finance its share of the purchase price as follows: (1) a \$250,000 contribution from the Sicamous/Area ‘E’ Economic Opportunity Fund (EOF); (2) a \$100,000 contribution from the Revelstoke/Area ‘B’ EOF Fund, and (3) the balance of \$1,838,384, which includes the MFA top-up, will be financed through long term borrowing.

VOTING: Unweighted LGA Part 14 Weighted Stakeholder
 Corporate (Unweighted) Corporate (Weighted)

BACKGROUND:

The abandoned CP Rail Corridor is a transportation corridor that represents enormous opportunity for the CSRD and surrounding region. At a special In Camera meeting held on May 21, 2015, the CSRD Board approved a Memorandum of Understanding (MOU) between the Spltasin First Nation (“Spltasin”), the Regional District of North Okanagan (RDNO), and the Columbia Shuswap Regional District (CSRD). The MOU set out the intentions of the parties to work together

collaboratively to acquire the abandoned CP Rail Corridor as a multimodal corridor. Subsequent to the signing of the MOU, the following significant activities have taken place:

1. In June 2015, negotiations commenced between the Regional Districts, Splat-sin and CP Rail for the purchase of the abandoned CP Rail Corridor between Sicamous and Armstrong.
2. At the April 14, 2016 In Camera meeting, the CSRD Board endorsed in principle an Inter-Jurisdictional Development Team approach that would serve as a general framework to guide the Regional Districts and Splat-sin with the planning, funding, and development of a continuous recreation trail/transportation corridor.
3. At the same meeting, it was decided that the two Regional Districts would form the negotiating team for acquiring the remainder of the rail corridor, and the purchase price would be split equally between the CSRD and the RDNO, net of any senior government funding. This decision was made because the Splat-sin First Nation had already acquired 7 km of the abandoned rail corridor and that was deemed to be their contribution toward the larger initiative.
4. At an In Camera meeting on August 18, 2016, the CSRD Board approved in principle the following customized cost apportionment formula among the service area participants:
 - City of Salmon Arm – 35%
 - District of Sicamous – 30%
 - Electoral Area 'E' – 15%
 - Electoral Area 'D' – 3%
 - Electoral Area 'C' – 12%
 - Electoral Area 'F' – 5%
5. In August 2016, the Regional Districts presented CP Rail with a proposed Contract of Purchase of Sale for the remainder of the abandoned CP Rail corridor. Since that date, various counter proposals have been exchanged between the Regional Districts and CP Rail.
6. At the In Camera meeting on March 23, 2017, the CSRD Board approved a Contribution Agreement with the Government of British Columbia for the sum of \$2.17 million to be applied by the Regional Districts to the purchase of the abandoned CP Rail Corridor.
7. A media event was held in Sicamous, BC on Friday, March 31, 2017 to announce the \$2.17 million of Provincial Government funding in respect of the project.
8. Since the Board last dealt with this matter on March 23, 2017, negotiations continued with CP Rail surrounding issues and concerns about environmental liability after the closing date of the purchase. CP Rail has agreed to amend the agreement to attach draft reliance letters; these letters will allow the Regional District to rely on certain property reports as a fair and

reasonable baseline for the environmental condition of the Lands. The environmental condition of the Lands and the associated liability that the Regional Districts are prepared to accept as part of the purchase is discussed in more detail later in this report.

POLICY:

There is no directly applicable Board policy; however, the Board has passed several resolutions at In Camera meetings since May 2015, signalling its support to move forward in conjunction with Splatsin and the RDNO with the purchase of the abandoned CP Rail Corridor between Sicamous and Armstrong.

KEY ISSUES/CONCEPTS:***Transaction under Consideration***

The Canadian Pacific Railway Company (CP Rail), the vendor, is a federally regulated railway. CP Rail owns the land known as the former Okanagan Subdivision, from Mile 0.3 to Mile 1.2, Mile 1.8 to 23.5 and Mile 25.5 to 30.76. The vendor has undertaken steps under Division V of the Canada Transportation Act to formally discontinue railway operations on the Property. RDNO and the CSRD have negotiated an agreement with CP Rail and have agreed, as tenants in common, each with a 50% interest, to purchase the property from CP Rail in accordance with the terms and conditions set out in the attached Contract of Purchase and Sale. The contract provides for the Regional Districts to purchase the corridor in return for the purchase price of \$6.5 million, with a closing date of December 15, 2017.

Vision

Acquiring the abandoned rail corridor from CP Rail is a popular idea, which has considerable political support at the local and provincial levels. The benefits revolve around the long term tourism and transportation potential of the corridor. There is also the perceived benefit of retaining the rail line as a continuous corridor rather than having the rail line sold off in a series of smaller segments.

Given that there is no definitive vision for the future use of the corridor, negotiations surrounding the purchase of the corridor have been focused on acquiring the corridor as a strategic investment rather than determining future uses for the property and how the project will be funded. It is believed that this component of the process, including the development of capital improvement plans, should be led by the elected officials in consultation with the broader community and key stakeholders. If the Board elects to proceed with the purchase of the rail corridor, it will be necessary to develop a capital improvement plan (CIP). At present, there is no capital plan associated with the rail corridor or how to pay for future improvements.

In addition to short and long-term financial considerations, another important consideration for the acquisition of an abandoned rail corridor concerns its future use. It is recognized that there are a multitude of potential opportunities and benefits presented by abandoned rail lines. It is also recognized that, once fragmented, it would be very difficult, costly or impossible to reassemble the impacted corridor. At this time, there is no definitive vision on how the corridor will be developed and used in the future. Considerable interest has been expressed within the community to develop the abandoned right of way as a continuous greenway that will link human and natural communities, urban and rural areas, and serve as linear park and trail.

While there appears to be fairly strong support for this vision, the Board should recognize that there will be competing and divergent visions on how the corridor should be used in the future – notably: transportation, utility, agriculture, recreation, and conservation. Some elected officials have even suggested that there may be a future transportation option for the property as a short commuter rail line.

Timing

If the RDNO and the CSRD Board both approve the Contract of Purchase and Sale, a 90 day due diligence period will begin. During this period, the Regional Districts will have the ability to seek electoral approval and gather whatever information might be necessary to confirm that they wish to proceed with the purchase. The key conditions that must be satisfied or waived within due diligence period are as follows:

1. The purchasers being satisfied with respect to their due diligence investigations with respect to the Lands (i.e., environmental matters), the assumed contracts and the permitted encumbrances (i.e., review of both registered and unregistered charges affecting the Lands);
2. The purchasers securing financing and an agreement amongst the participating members on participation and a cost recovery mechanism, including securing a commitment of a capital contribution of one third of the purchase price from the Province;
3. Receipt and review of the property reports (CP Rail's environmental reports); and
4. Electors' approval for establishing a service and incurring the liability.

The Province's financial commitment has been obtained, and the \$2.17 million contribution is being held in our solicitor's trust account. The other conditions must be satisfied or waived within 90 days after execution of the agreement, which will provide approximately three months. This is a relatively tight timeframe particularly with respect to the assent issues; therefore, this portion of

the process will need to progress quickly. CP Rail has agreed that it will not unreasonably refuse a 60 day extension of the waiver period, if that becomes necessary.

Purchase and Sale Agreement

As noted above, upon entering into the conditional agreement, the Regional Districts will have 90 days in which to conduct due diligence and satisfy the other conditions precedence. The due diligence period is the time during which the Regional Districts can review matters affecting title to and ownership of the Lands, as well as review and evaluate easements, leases, and other encumbrances against the property.

It is also during this period that the Regional District will review the existing environmental reports and undertake further assessment work if deemed appropriate. Should the Regional Districts discover any problems or issues regarding the condition of the corridor that cannot be resolved with CP Rail, they will have the ability to terminate the contract.

Liability

Upon assuming ownership of the abandoned rail corridor, the Regional Districts will have certain legal responsibilities as the property owner. The CSRD has notified its insurer, the Municipal Insurance Association of British Columbia (MIABC) of the pending transaction. It is anticipated that claims arising from public use of the corridor would be covered under the CSRD's and RDNO's insurance with the MIABC. CSRD staff will work with RDNO staff and the MIABC on risk management strategies and policies designed to minimize the possibility of claims for damages that may arise once the Regional Districts own the corridor.

Easements, Agreements, and Leases

During the due diligence period, the Regional Districts will evaluate easements, leases, and other encumbrances against the Lands. Due to the number of titles, encumbrances, and assumed contracts, there will be a considerable amount of legal work required to review those documents to confirm that they do not adversely impact the planned use of the Lands as a trail corridor.

Funding

The purchase price is \$6.5 million for the approximate 43 km corridor, excluding the approximate 7 km already acquired by the Splatins First nation. The \$6.5 million purchase price will be divided equally between the Provincial government grant, the RDNO and the CSRD. The CSRD's portion amounts to \$2.17 million.

The purchase of the CSRD's 50% share of the corridor is proposed to be funded as follows:

1. a \$250,000 contribution from the Sicamous/Area 'E' Economic Opportunity Fund (EOF);

2. a \$100,000 contribution from the Revelstoke/Area 'B' EOF Fund, and
3. the balance of \$1,838,384 million, which includes the MFA top-up, will be paid for through long term borrowing.

As noted previously in this report, the CSRD Board approved in principle the following customized cost apportionment formula among the service area participants:

- City of Salmon Arm – 35%
- District of Sicamous – 30%
- Electoral Area 'E' – 15%
- Electoral Area 'D' – 3%
- Electoral Area 'C' – 12%
- Electoral Area 'F' – 5%

Utilizing the proposed cost apportionment formula, the share of annual repayment amount for each participating jurisdiction is shown in Table I below. Three repayment options are provided based on a 20 year, 25 year, and 30 year amortization period. The Table also shows the annual tax rate for each participating jurisdiction, as well as the cost to the taxpayer based on an average residential assessment.

TABLE I

CP Rail Corridor								Annual Repayment					
Preliminary Funding Exercise													
Reflecting geographic considerations													
Total purchase price	\$ 2,170,000												
Less Area E EOF Funds	\$ 250,000												
Less Area B EOF Funds	\$ 100,000												
Net purchase price to finance	\$ 1,820,000												
MFA debt proceeds (includes top up)	\$ 1,838,384												
MFA Indicative Market 25 Y rate	3.58%							116,340.00					
Scenario A (Salmon Arm, Sicamous, Areas C,D,E,F)								Mill Rate			Average Residential Tax		
	Gross Converted Assessments (2017 Revised Roll)	Proportionate Share of Tax Burden	Adjusted Proportionate Share of Tax Burden (benefiting areas)	Share of annual repayment (20 years)	Share of annual repayment (25 years)	Share of annual repayment (30 years)	20 Years	25 Years	30 Years	Average Residential Assessment	20 Years	25 Years	30 Years
City of Salmon Arm	362,023,365	41.96%	35.00%	46,507	40,719	36,592	0.0128	0.0112	0.0101	335,874	4,541	3,976	3,573
District of Sicamous	79,862,014	9.26%	30.00%	39,863	34,902	31,364	0.0499	0.0437	0.0393	258,302	13,570	11,881	10,677
Area E	50,307,529	5.83%	15.00%	19,932	17,451	15,682	0.0396	0.0347	0.0312	274,779	11,458	10,032	9,015
		57.04%	80.00%										
Area D	52,129,714	6.04%	3.00%	3,986	3,490	3,136	0.0076	0.0067	0.0060	258,969	2,084	1,825	1,640
Area C	237,671,017	27.54%	12.00%	15,945	13,961	12,546	0.0067	0.0059	0.0053	349,414	2,467	2,160	1,941
Area F	136,440,312	15.81%	5.00%	6,644	5,817	5,227	0.0049	0.0043	0.0038	286,637	1,469	1,286	1,156
		49.40%	20.00%										
	918,433,951			132,877	116,340	104,548	0.0145	0.0127	0.0114				

If the Board authorizes the transaction, staff will present to the Board a Service Establishment Bylaw and a Loan Authorization Bylaw for three readings. Approval of these bylaws will be subject to approval of the Inspector of Municipalities and assent of the electors, which – in accordance with the Board's previous direction – will be sought by alternative approval process pursuant to Section 345 of the *Local Government Act*.

With respect to the Loan Authorization Bylaw, the Board will need to make a decision on which amortization period to select because the bylaw requires that we state the maximum term for which debentures may be issued to secure the debt. The proposed Loan Authorization Bylaw prepared by staff reflects a 25 year amortization period; however, this can be amended by the Board if it so chooses.

Environmental Assessment and Considerations

As part of the negotiations, CP Rail undertook an environmental assessment of the Lands. During the assessment, contamination was identified in three small sections of the corridor. CP Rail has offered to provide BC Ministry of Environment (MoE) Instruments, in this case Certificates of Compliance (CoCs), for those small sections of the corridor where contamination was identified. The CoCs will provide a relatively high standard of due diligence for the sections to which they apply. Our concern, however, is that hidden environmental hazards may exist in the corridor outside of the "identified areas."

Much of the negotiation and discussion over the past several months has surrounded the apportionment of environmental risk in all of the circumstances. Through the negotiation process, several important limits on that liability have been secured as set out in the draft agreement, including:

1. Pursuant to section 3.2(5), CP Rail will be required to obtain certificates of compliance for identified areas from the Ministry of Environment and remediate to industrial land use standards for such portions of the property – this will be a continuing obligation on CP Rail, post-closing; and
2. Copies of previous environmental reports will be provided to the Regional Districts, along with "reliance letters" from CP Rail's consultants. These letters will allow the Regional Districts to rely on such reports in making the determination of whether the Lands are acceptable.

The condition removal period will allow the Regional Districts three months to have their environmental consultants obtain and review the environmental reports and provide advice regarding any further investigations, studies or tests which ought to be done to help mitigate or manage any risk of unidentified environmental issues, which the Regional Districts would assume under this contract.

SUMMARY:

Acquiring the abandoned rail corridor from CP Rail is a popular idea, which has considerable political support at the local and provincial level. The benefits revolve around the long term tourism and transportation potential of the corridor. There is also the perceived benefit of retaining the rail line as a continuous corridor rather than having the rail line sold off in a series of smaller segments.

CSRD and RDNO staff have negotiated a Contract of Purchase and Sale (Attachment I) with Canadian Pacific Railway Company for purchase of the abandoned CP Rail Corridor known as the former Okanagan subdivision from Mile 0.3 to Mile 1.2, Mile 1.8 to 23.5 and Mile 25.5 to 30.76. The purchase price is \$6.5 million for the approximate 43 km corridor, excluding the approximate 7 km already acquired by the Splotsin First nation. The \$6.5 million purchase price will be divided equally between the Provincial government grant, the RDNO and the CSRD. The CSRD's portion amounts to \$2.17 million.

IMPLEMENTATION:

If the CSRD Board approves the transaction, it is recommended that the following actions be set in motion:

1. Authorize release of Board resolutions and staff report from In Camera meeting;
2. Introduce for three reading Bylaw 5755 and Bylaw No. 5756 and then forward bylaw to the Ministry for approval by the Inspector of Municipalities.
3. Direct staff to initiate the Alternative Approval Process in consultation with RDNO;
4. Direct staff to develop a public information package to explain the costs and benefits of rail corridor initiative.

LIST NAME OF REPORT(S) / DOCUMENT(S):

<p>1. <i>Contract of Purchase and Sale - Okanagan Subdivision</i> between Canadian Pacific Railway Company, the Columbia Shuswap Regional District, and the Regional District of North Okanagan (Attachment I).</p>	<p>Attached to Board Report: <input checked="" type="checkbox"/></p>	<p>Available from Staff: <input type="checkbox"/></p>
<p>2. <i>Proposed Rail Corridor Trail Service Establishment Bylaw, No. 5755</i> (Attachment II).</p>	<p>Attached to Board Report <input checked="" type="checkbox"/>:</p>	<p>Available from Staff: <input type="checkbox"/></p>
<p>3. <i>Proposed Rail Corridor Trail Service Loan Authorization Bylaw No. 5755.</i> (Attachment III).</p>	<p>Attached to Board Report <input checked="" type="checkbox"/>:</p>	<p>Available from Staff: <input type="checkbox"/></p>

BOARD'S OPTIONS:

1. *Endorse the Recommendations;*
2. *Deny the Recommendations;*
3. *Defer.*
4. *Any other action deemed appropriate by the Board.*

COMMUNICATIONS:

Prepare an information package to inform the public about this initiative. The proposed communication materials will be in a *Frequently Asked Questions* format, wherein staff will endeavour to anticipate commonly asked questions that the public will likely have about this initiative.

ATTACHMENT I

OKANAGAN SUBDIVISION

Contract of Purchase and Sale

THIS AGREEMENT dated the 6th day of April, 2017

BETWEEN:

Canadian Pacific Railway Company
7550 Ogdendale Road South East
Calgary, Alberta
T2C 4X9
(the "Vendor")

AND:

Columbia Shuswap Regional District
Box 978
Salmon Arm, B.C.
V1E 4P1
and
Regional District of North Okanagan
9848 Aberdeen Road
Coldstream, B.C.
V1B 2K9
(together, the "Purchasers")

WHEREAS:

A. The Vendor is a federally regulated railway and its railway operations, rights-of-way and facilities are subject to the jurisdiction, decisions and orders of the Canada Transportation Agency and Transport Canada, and subject to federal legislation, including the *Canada Transportation Act* and the *Railway Safety Act* (Canada).

B. The Vendor owns the land known as the former Okanagan Subdivision, from Mile 0.3 to Mile 1.2, Mile 1.8 to 23.5 and Mile 25.5 to 30.76, defined herein as the "**Property**".

C. The Vendor has undertaken the steps under Division V of the Canada Transportation Act to formally discontinue railway operations on the Property.

D. The Purchasers have agreed, as tenants in common, each with a 50% interest, to purchase the Property from the Vendor and the Vendor has agreed to sell the Property to the Purchasers on the terms and conditions set out herein;

E. This Contract of Purchase and Sale is subject to satisfaction or waiver of the conditions precedent referred to and set out herein on or before the specified date;

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

1. Definitions

The Parties agree that the following terms shall have the following meanings in this Agreement:

- (1) "**Assumed Contracts**" means all leases, crossing agreements, licenses, contracts, agreements and commitments by or with third parties affecting or relating to the Property (whether or not registered against title to the Property or any parcel comprising the Property), which include, without limitation, the leases, crossing agreements licenses, agreements and contracts set forth in Schedule "C";
- (2) "**Business Day**" means any day which is not a Saturday, Sunday or statutory holiday in the Province of British Columbia;

- (3) "**Completion**" means completion of the transactions contemplated under this Agreement;
- (4) "**Closing Date**" means December 15, 2017;
- (5) "**Confidential Information**" means without limitation all form and manner of information or knowledge (including written, electronic or oral) regarding the business, affairs, assets, liabilities or undertaking of the Vendor, which the Purchaser receives, acquires, discovers, prepares, has prepared or otherwise obtains, whether from the Vendor or its employees, agents, contractors, customers or their employees or agents, whether directly or indirectly, and whether or not the Confidential Information is marked or indicated as confidential, or from the Purchaser's employees, agents or contractors in relation to due diligence investigations, negotiations or discussions related to the sale of the Property and includes, without limitation, all information relating to the sale of the Property. Confidential Information shall include but not be limited to all information and discussions in meetings, all data, forecasts, formulae, processes, reports, presentations, meeting notes, minutes of meetings, summaries, work papers, analyses, marketing information, operational information, trade secrets, designs or other materials developed, created, produced, provided to or received by the Purchasers.
- (6) "**Contaminants**" means any radioactive materials, asbestos, asbestos-containing materials, urea formaldehyde, hydrocarbons, underground or above-ground tanks, lead, pollutants, polychlorinated biphenyls ("PCBs"), PCB-containing equipment or materials, contaminants, deleterious substances, dangerous substances or goods, hazardous, corrosive or toxic substances, special waste, waste, pesticides, defoliants or any other solid, liquid, gas, vapour, odour, heat, sound, vibration, radiation or combination of any of them, the storage, manufacture, handling,

disposal, treatment, generation, use, transport, remediation or Release into the Environment of which is now or hereafter prohibited, controlled or regulated under Environmental Laws;

- (7) "**Environment**" includes the air (including all layers of the atmosphere), land (including soil, sediment deposited on land, fill, lands submerged under water, buildings, and improvements), water (including oceans, lakes, rivers, streams, groundwater, and surface water) and all other external conditions and influences under which humans, animals and plants live;
- (8) "**Environmental Laws**" means any and all Laws now or hereafter in force with respect in any way to the Environment, environmental assessment, health, occupational health and safety, protection of any form of plant or animal life or transportation of dangerous goods, including the principles of common law and equity;
- (9) "**Identified Areas**" means those portions of the Property identified in Schedule "E" of this Agreement;
- (10) "**Laws**" means all present and future laws (including those relating to the environment), statutes, by-laws, regulations, treaties, judgments and decrees and all official directives, rules, consents, approvals, authorizations, guidelines, orders and policies of any federal government or any provincial government, and any government agency, tribunal, commission or other authority exercising executive, legislative, judicial, regulatory, or administrative functions in respect of and pertaining to the subject matter of this Agreement, including the principles of common law and equity;
- (11) "**Losses**" means, in respect of any matter, all direct damages, liabilities, deficiencies, costs and expenses (including without limitation, all legal and other professional fees and disbursements

on a full indemnity basis, interest, penalties and amounts paid in settlement);

- (12) **"Parties"** means the Vendor and Purchasers and **"Party"** means one of the Vendor and Purchasers;
- (13) **"Permitted Encumbrances"** mean those charges included in Schedule "B" attached hereto and forming part of this Agreement;
- (14) **"Property"** means the lands listed in Schedule A of this Agreement, which are comprised of approximately 338.73 acres;
- (15) **"Property Reports"** means those reports, investigations, correspondence and other documents related to the Property listed in Schedule "D" of this Agreement;
- (16) **"Purchase Price"** means the sum of six million, five hundred thousand dollars (\$6,500,000);
- (17) **"Release"** with respect to any Contaminants, includes any release, spill, leak, pumping, pouring, emission, emptying, discharge, injection, escape, leaching, migration, disposal or dumping; and **"Released"** will have a corresponding meaning; and
- (18) **"Subject Waiver Date"** has the meaning set out in Section 4.1 of this Agreement.

1.2 Schedules

The Purchaser and the Vendor agree that the attached schedules will form part of this Agreement:

- (1) Schedule A - Plan and Listing of Property;

- (2) Schedule B - Permitted Encumbrances;
- (3) Schedule C - Assumed Contracts;
- (4) Schedule D - Property Reports;
- (5) Schedule E - Identified Areas; and
- (6) Schedule F - Draft Form of Reliance Letters.

2. Purchase and Sale

2.1 The Property

The Purchasers agree to purchase from the Vendor, and the Vendor agrees to sell to the Purchasers, on the terms and conditions contained in this Agreement, the Property, subject to the Permitted Encumbrances and assumption by the Purchaser of the Assumed Contracts.

2.2 The Purchase Price

The Purchase Price payable by the Purchasers to the Vendor for the Property shall be subject to the adjustments described in this Agreement and shall be exclusive of GST which, if payable, shall be paid by the Purchasers.

2.3 Payment of the Purchase Price

Subject to the adjustments described in this Agreement, the Purchase Price shall be payable by the Purchasers by payment of the balance of the Purchase Price by delivery on the Closing Date in accordance with paragraph 6.

2.4 Adjustments

All adjustments with respect to taxes and all other items normally adjusted between a vendor and purchaser on the sale of similar property, including the deposit, shall be made with respect to the Property to and including the Closing Date and those adjustments shall be compiled into a single set of adjustments for the Property.

2.5 Deposit – Payment

The Purchasers shall pay to the Vendor the sum of \$100,000.00 (the "Deposit") by way of bank draft or solicitor's trust cheque to the Vendor's solicitor upon the execution of this Agreement.

The Deposit shall be held in trust in an interest bearing account with a Schedule 1 bank.

2.6 Deposit

The Deposit plus any accrued interest thereon shall be paid as follows:

- (a) The Deposit plus any interest accrued thereon shall be returned to the Purchasers within three business days if the conditions set out in paragraph 4 herein are not waived or satisfied;
- (b) If the Purchasers shall default in such completion and, provided the Vendor is not otherwise in default hereunder, the Deposit plus any accrued interest thereon shall be paid to the Vendor as full payment on account of damages suffered by the Vendor of any such failure of the Purchasers to complete, such amount being a genuine mutually agreed pre-estimate of the total liquidated and unliquidated damages to be suffered by the Vendor in the event of such default, following which the Vendor will have no further recourse against the Purchasers and this Contract of Purchase and Sale will be at an end;

- (c) If the Vendor shall default in such completion of the sale and purchase, the Deposit, together with any accrued interest thereon, shall be refunded immediately, in full, to the Purchasers;
- (d) If the sale and purchase is completed in accordance with the terms hereof, the Deposit, and any accrued interest thereon shall be credited to the Purchase Price and paid to the Vendor.

3. Representations and Warranties

3.1 Vendor's Representations and Warranties

The Vendor represents and warrants to the Purchasers that:

- (a) the Vendor has the power and authority to enter into this Agreement and to carry out the transactions contemplated by this Agreement, all of which have been duly and validly authorized by all requisite proceedings, and that this Agreement constitutes a legal, valid, and binding obligation of the Vendor in accordance with its terms;
- (b) to the knowledge of the Vendor's Director of Real Estate, after due inquiry, the Vendor is not aware of any existing or contemplated litigation, cause of action or action being brought against the Vendor by any party in connection with the Property;
- (c) the Vendor is not a non-resident of Canada within the meaning of the Income Tax Act (Canada); and
- (d) on the Closing Date, the Vendor shall have legal and beneficial title to the Property subject to the Permitted Encumbrances.

The representations and warranties contained herein shall survive the Closing Date and shall continue in full force and effect for the benefit of the Purchasers after the Closing Date for a period of twelve (12) months.

3.2 Property Matters

- (1) The Purchasers hereby waive any right to be provided with site profiles as provided for under the *Environmental Management Act* with respect to the Property.
- (2) It is understood and agreed by the Purchasers that any reports or information, including reports as to the physical condition, including the environmental condition of the Property or adjacent lands, provided to the Purchasers, prior to or after the date of this Agreement, including the Property Reports, are for information purposes only and that the Vendor will not, and does not, warrant the accuracy or completeness thereof, and the Purchasers have not and shall not rely on any such report or information provided by the Vendor but will rely on their own judgment, testing and investigation concerning the physical condition, including environmental condition of the Property and adjacent lands in completing the purchase contemplated by this Agreement.
- (3) The Vendor has advised the Purchasers and the Purchasers acknowledge that the Property have been used for railway and/or industrial purposes, and that they have had the opportunity for the inspection and testing thereof prior to the Subject Waiver Date. The Purchasers agree that the Vendor has made no representation or warranty of any kind as to the condition, environmental or otherwise, of the Property; as to the fitness or suitability of the Property for the uses intended by the Purchasers; or as to existing or potential environmental liabilities in relation to the Property, latent (whether known or not) or otherwise. The Purchasers agree that they are responsible for satisfying themselves as to the condition and the fitness of the Property for their intended use by the Purchasers including without limitation the inspection and testing thereof to their satisfaction. The Purchasers agree that it shall be conclusively deemed to be

satisfied with the condition of the entire Property and to have accepted the transfer of the Property on an "as is" basis and subject to any matters identified in the Property Reports, and to have relied entirely on their own judgment, inspection and testing in connection with the Property. For certainty, this Section 3.2(3) does not derogate from the Vendor's agreement in Section 3.2(5) hereof.

- (4) From and after the Closing Date, the Purchasers shall, and hereby do, assume all responsibility, liabilities and obligations relating to the condition, environmental or otherwise, of the Property, whether arising before or after the Closing Date, including but not limited to those matters identified in the Property Reports and any liability for clean-up of any Contaminants or other substance at any time in, on or under the Property or in ground or surface water in, on or under the Property, or for clean-up in, on or under any other lands of any substance migrating from or originating from the Property. The Purchasers agree the foregoing assumption on the part of the Purchasers shall include, without limiting the generality thereof, the assumption of all such liabilities and obligations, past, present or future:
- (i) imposed by statute, regulation, the exercise of discretion (as permitted by statute or regulation), lawful authority, regulatory order, common law or equity, in any manner whatsoever;
 - (ii) arising from or in relation to the reclamation or remediation of the Property or any part thereof; and/or
 - (iii) arising from or in relation to the taking of any action in any way related to the quality of soil, surface water, groundwater, air or organisms.

The Purchasers' assumption of liabilities and obligations herein shall apply, without limitation, notwithstanding that any of the liabilities and obligations may have been caused or contributed to by the negligence of the Vendor or its shareholders or affiliates, or any of their respective directors, officers, employees or agents. For certainty, this Section 3.2(4) does not derogate from the Vendor's agreement in Section 3.2(5) hereof.

- (5) The Vendor has agreed with the Purchasers that it will, commencing after the execution of this Agreement by both parties, at its sole cost and expense, use reasonable commercial efforts to obtain one or more Certificates of Compliance ("CoCs") for the Identified Areas from the B.C. Ministry of Environment based on:
- (i) Compliance with numerical standards for industrial land use; or
 - (ii) Compliance with risk-based standards in view of use of the Property for railway and/or industrial purposes and the reasonably anticipated future industrial uses;

The Vendor agrees that copies of any and all environmental investigation and remediation reports relating to the Property obtained by the Vendor after the date hereof in complying with this Section 3.2(5) shall be provided to the Purchasers.

In the event that the Vendor has not obtained any of the CoCs prior to the Closing Date, the Purchasers agree to execute and deliver to the Vendor, on or before the Closing Date, a licence agreement in a form provided by the Vendor and to be mutually agreed by the parties over such portions of the Property as is reasonably necessary to obtain those CoCs. (the "CP Licence")

The Vendor and the Purchasers agree that this Agreement constitutes an agreement among responsible persons respecting liability for remediation under Part 4 of the *Environmental Management Act*, and may be disclosed to a director under that Act, to a court, and to any person asserting that either the Vendor or the Purchasers may be responsible for remediation of contamination of the Property or of contamination caused by substances migrating from the Property.

- (6) From and after the Closing Date, the Purchasers release and discharge the Vendor and its shareholders and affiliates, and each of their respective directors, officers, employees and agents from and against any and all actions, claims, demands, liabilities, Losses, damages and expenses whatsoever, direct or indirect, incurred or suffered by the Purchasers, including but not limited to those matters identified in the Property Reports and those made or imposed or arising at any time by or from any third party or any lawful authority, in relation to any or all of the following:
 - (i) all liabilities and obligations assumed by the Purchasers pursuant to Section 3.2 (4) hereof;
 - (ii) the condition, including the environmental condition, of the Property (including any improvements thereto);
 - (iii) the reclamation or remediation of the Property (including any improvements thereto) due to the state or condition thereof; and
 - (iv) the reclamation or remediation of any other lands or improvements arising from any substance migrating from or originating from the Property,

notwithstanding that any of the foregoing may have been caused or contributed to by the negligence of the Vendor or its shareholders or affiliates, or any of their respective directors, officers, employees or agents. For certainty, this Section 3.2 (6) does not derogate from the Vendor's agreement set out in Section 3.2 (5) hereof.

(7) From and after the Closing Date, the Purchasers shall indemnify and save harmless the Vendor and its shareholders and affiliates, and each of their respective directors, officers, employees and agents from and against any and all actions, claims, demands, liabilities, Losses, damages and expenses whatsoever, direct or indirect, incurred or suffered by the Vendor or by the Purchasers, including but not limited to those matters identified in the Property Reports, those made or imposed or arising at any time by or from any third party or any lawful authority, in relation to any or all of the following:

- (i) all liabilities and obligations assumed by the Purchasers pursuant to Section 3.2 (4) hereof; and
- (ii) the condition, including the environmental condition of the Property (including any improvements thereto);
- (iii) the reclamation or remediation of the Property (including any improvements thereto) due to the state or condition thereof; and
- (iv) the reclamation or remediation of any other lands or improvements arising from any Contaminant or other substance migrating from or originating from the Property,

notwithstanding that any of the foregoing may have been caused or contributed to by the negligence of the Vendor or its

shareholders or affiliates, or each of their respective directors, officers, employees or agents. For certainty, this Section 3.2 (7) does not derogate from the Vendor's agreement in Section 3.2(5) hereof.

- (8) Until the completion of the sale contemplated by this Agreement, and unless otherwise required by applicable Laws, the Purchasers shall hold, and shall take all reasonable steps to cause its directors, officers, employees, consultants, contractors and agents to hold, in strict confidence, all information and material received from the Vendor or otherwise obtained with respect to the Property, including the Property Reports, any of the Purchasers' inspections, surveys, tests or studies, and not disclose any such information except on a "need to know" basis or as otherwise approved by CP. The Purchasers shall forthwith return all information and material received from CP, together with all copies of all other information and material otherwise obtained with respect to the Property if any part of the purchase and sale contemplated herein is not completed.
- (9) The Purchasers acknowledge that there are or may be existing fibre optic, power, gas and other utility works on or under the Property and all or a portion of such works may be the subject matter of unregistered rights and interests granted in favour of such carriers, utilities and public authorities (including the Permitted Encumbrances). The Purchasers acknowledge and agree that any reports or information, including reports respecting the works present upon the Property, are provided to the Purchasers only for the purposes contemplated by this Agreement and that the Vendor will not, and does not, warrant the accuracy or completeness thereof. The Purchasers agree that the Vendor has not and will not make any agreement, representation or warranty of any kind as to whether the Property will be subject to

any unregistered encroachments, improvements or rights of any kind or nature whatsoever.

- (10) The Purchasers agree that none of the Vendor nor its shareholders or affiliates, nor any of their respective directors, officers, employees or agents, will have any liability as to the ownership of any improvements, materials, equipment or facilities installed or constructed upon the Property by any public or private utility (including, without limitation, for telephone, telecommunications, cablevision or electrical distribution purposes).
- (11) Each of the Columbia Shuswap Regional District and the Regional District of North Okanagan hereby covenant and agree that their obligations under this Section 3.2 are joint and several.
- (12) All of Sections 3.2 (2) through 3.2(11) shall survive the closing of this transaction.

3.3 Property Reports

The Vendor, upon execution and delivery of this Agreement by the Purchasers, will provide to the Purchasers the Property Reports listed in Schedule "D" hereof. The Vendor agrees that it will obtain letters of reliance in favour of the Purchasers from Teranis Consulting Ltd. in respect of the following two reports

- (a) CP Okanagan Subdivision, Limited Detailed Stage 2 Site Investigation, Teranis Consulting Ltd., March 2017; and
- (b) Okanagan Subdivision - Investigation Summary Report, Teranis Consulting Ltd., March 2017

(the "Reliance Letters") which letters will be substantially in the draft form of the letters attached as Schedule "F" hereto.

3.4 Purchasers' Representations and Warranties

The Purchasers hereby represent and warrant as representations and warranties that will be true as of the Closing Date as follows:

- (1) The Purchasers are local governments under the Local Government Act and are duly incorporated and existing under the laws of British Columbia and duly qualified to purchase and own the Property, and the Purchasers have full power, authority and capacity to enter into this Agreement and carry out the transactions contemplated herein;
- (2) There is no action or proceeding pending or to the Purchasers' knowledge threatened against the Purchasers before any court, arbitration panel, administrative tribunal or agency, which if decided adversely to the Purchasers might materially affect the Purchasers' ability to perform its obligations hereunder; and
- (3) Neither the Purchasers entering into this agreement nor the performance of its terms will result in the breach of or constitute a default under any term or provision of any indenture, mortgage, deed or trust or other agreement to which the Purchasers is bound or subject.

The representations, agreements and warranties contained in this Section 3.4 shall survive the Closing Date and shall continue in full force and effect for the benefit of the Purchasers and the Vendors, respectively after the Closing Date for a period of twelve (12) months.

4. Conditions Precedent

4.1 Purchasers' Conditions Precedent

The obligation of the Purchasers to complete the purchase of the Property on the Closing Date is subject to the following conditions precedent being satisfied or waived on or before the date that is 90 days after the execution of this Agreement by both parties (the "Subject Waiver Date"):

- (1) The Purchasers being satisfied, in their sole and absolute discretion, with the results of their due diligence investigations with respect to the Property, the Assumed Contracts and the Permitted Encumbrances;
- (2) The Purchasers shall have secured financing and an agreement amongst participating members on participation and cost recovery mechanisms, including securing a commitment of a capital contribution of a minimum of 1/3 of the Purchase Price from senior levels of government;
- (3) the Purchasers shall have received, reviewed and approved the Property Reports referred to in Section 3.3 herein;
- (4) The Purchasers shall have received approval if required by law, from the electors of each of the Columbia Shuswap Regional District, from the Regional District of North Okanagan and from the Province for incurring the liability to pay the Purchase Price hereunder.

In consideration of \$10.00 non-refundable to be paid by the Purchasers to the Vendor and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the Vendor, the Vendor agrees not to revoke its acceptance of the Purchasers' offer contained herein while this Agreement remains subject to any of the foregoing conditions

precedent. The parties agree that this agreement will become an unconditional contract for the sale and purchase of the Property forthwith upon satisfaction or waiver of the foregoing conditions precedent.

The Purchasers may, at their joint election by written notice to the Vendor given prior to the Subject Waiver Date, extend the Subject Waiver Date for a further period of up to sixty (60) days.

4.2 Waiver

All of the conditions precedent set forth in paragraph 4.1 are for the Purchasers' sole benefit and each may be waived unilaterally by the Purchasers at the Purchasers' election. If the Purchasers do not give the Vendor notice of the satisfaction or waiver of all of such conditions precedent within the time therein provided, then the Purchasers' obligation to purchase the Property will be at an end.

4.3 Permitted Encumbrances and Track Materials

The Vendor hereby assigns to the Purchaser all of its right, title and interest under and by virtue of the Permitted Encumbrances with effect as of the Closing Date. The Purchaser hereby assumes all of the Vendor's obligations under the Permitted Encumbrances accruing after midnight on the Closing Date. The Purchaser will indemnify and save harmless the Vendor from and against all obligations accruing under the Permitted Encumbrances after the Closing Date. The Vendor covenants not to amend the terms of any Permitted Encumbrances without the prior written consent of the Purchaser. The Vendor shall execute and deliver such assignments of the Permitted Encumbrances as the Purchaser may reasonably request.

The parties agree that all remaining improvements and fixtures on the Property shall be transferred to and become the property of the Purchasers on the Closing Date.

5. Risk/Possession

5.1 The Passing of Risk

After the Closing Date, the Property shall be at the risk of the Purchasers.

5.2 Possession

The Vendor shall deliver possession of the Property to the Purchasers on the Closing Date and upon completion of the sale and purchase of the Property.

6. Closing Procedure

6.1 The Closing

The closing of the purchase and sale will be on the Closing Date.

6.2 Vendor's Documents

On or prior to the Closing Date, the Vendor shall deliver to the Purchasers the following:

- (1) duly executed registrable Form A - Freehold Transfers (the "Transfer") to transfer the Vendor's interest in the Property to the Purchasers, subject to the Permitted Encumbrances;
- (2) the Vendor's Statement of Adjustments;
- (3) an assignment and assumption of the Permitted Encumbrances and the Assumed Contracts;
- (4) the CP Licence if required pursuant to Section 3.2(5);
- (5) the Reliance Letters described in Section 3.3;

- (6) such notice and direction as the Purchaser may reasonably require to be given to other parties under the Assumed Contracts and the Permitted Encumbrances;
- (7) such other documents and assurances as may be reasonably required by the Purchasers to give full effect to the intent and meaning of this Agreement.

The Purchasers, on or before the Closing Date, will deliver to the Vendor executed copies of the documents listed above, as applicable.

6.3 Payment in Trust

On or before the Closing Date the Purchasers will pay to the Purchasers' solicitors the amount due to the Vendor under paragraph 2.3, as adjusted under paragraph 2.4.

6.4 Registration

Forthwith following the payment in paragraph 6.3 and after receipt by the Purchasers' solicitors of the documents and items referred to in paragraph 6.2, the Purchasers will cause the Purchasers' solicitors to file the Transfers in the appropriate land title office for registration.

6.5 Closing

Forthwith following the filing referred to in paragraph 6.4 and upon the Purchasers' solicitors being satisfied as to the Purchasers' title to the Property after conducting a post filing for registration check of the property index disclosing only the following:

- (1) the existing title number to the Property;
- (2) the Permitted Encumbrances; and
- (3) pending number assigned to the Transfer;

the Purchasers will cause the Purchasers' solicitors to deliver to the Vendor's solicitor the amount due to the Vendor under paragraph 2.3, as adjusted under paragraph 2.4.

6.6 Concurrent Requirements

It is a condition of this Agreement that all requirements of this paragraph 6 are concurrent requirements and it is specifically agreed that nothing will be completed on the Closing Date until everything required to be paid, executed and delivered on the Closing Date has been so paid, executed and delivered and until the Purchasers' solicitors have satisfied themselves as to the Purchasers' titles under paragraph 6.5.

7. Miscellaneous

7.1 Time

Time shall be of the essence of this agreement and the transactions contemplated in this Agreement notwithstanding the extension of any of the dates under this Agreement.

7.2 Tender

Any tender of documents or money may be made upon the party being tendered or upon its solicitors.

7.3 Notice

Any notice required or permitted to be given under this Agreement shall be sufficiently given if delivered personally or if sent by prepaid registered mail to the party at its address as shown on the first page of this Agreement, provided that any party shall be entitled to designate another address by giving notice of it to the other party in accordance with the terms of this Agreement. Any notice so mailed shall be deemed to have been received, except during a period of interruption of normal postal

service (in which case such notice shall only be effective if actually delivered), on the fourth business day following the date of mailing.

7.4 Further Assurances

Each of the parties shall act reasonably and cooperate with the other to fulfill the intent of this Agreement and to that end, at the expense of the other party, execute and deliver all such further documents and do such further acts and things as the other party may reasonably request from time to time to give full effect to this Agreement.

7.5 Assignment

Neither the Purchasers nor the Vendor may assign their rights under this Agreement.

7.6 Merger

The provisions of this Agreement shall merge in the transfer of the Property on the Closing Date except as otherwise stated herein.

7.7 Payment of Fees

Each party shall pay its own legal fees. The Purchasers shall be responsible for all registration fees payable in connection with registration of the transfer of land referred to in paragraph 6.2(1).

7.8 Goods and Services Tax

The Purchase Price does not include federal goods and services tax ("GST"). On the Closing Date, the Purchasers will pay to the Vendor, as agent for Her Majesty the Queen in right of Canada, in addition to the Purchase Price, the amount of GST eligible in respect of the transactions contemplated in this Agreement or, if the Purchasers are exempt from or registered for GST purposes on the Closing Date, the Purchasers may self-assess the GST and account directly to Revenue Canada, Excise

therefore if the Purchasers provides the Vendor with a certificate signed by an officer of the Purchasers confirming the Purchasers' registration number and the Purchasers' registered or exempt status.

7.9 Binding Effect

This Agreement shall enure to the benefit of and be binding upon the parties, their respective heirs, executors, administrators, and other legal representatives and, to the extent permitted in this Agreement, their respective successors and assigns.

7.10 Extended Meanings

Words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders.

7.11 Headings

The headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

7.12 Applicable Law

This Agreement shall be interpreted in accordance with the laws of British Columbia.

7.13 Currency

All dollar amounts referred to in this Agreement are Canadian dollars

7.14 Confidentiality

The Purchaser and the Vendor agree as follows:

- (a) The Purchasers and Vendor agree that their discussions and negotiations in relation to the sale of the Property will be Confidential Information;
- (b) The Purchasers and Vendor agree to coordinate the initial public announcements respecting the sale of the Property including the Purchasers and Vendor providing the other with a reasonable opportunity to review and provide comments on the materials to be announced or disclosed;
- (c) Until the completion of the sale of the Property to the Purchasers, the Purchasers shall hold, and shall take all reasonable steps to cause its council, employees, consultants, contractors and agents to hold, in strict confidence, all Confidential Information received from the Vendor or otherwise obtained with respect to the Property, including any of the Purchasers' inspections, surveys, tests or studies, and not to disclose any such information except on a "need to know" basis or as otherwise approved by the Vendor or as required by law to disclose such matters;
- (d) The Purchasers shall return all Confidential Information received from the Vendor, together with copies of all other information and material otherwise obtained with respect to the Property, if any of the Purchaser's conditions precedent set forth in paragraph 4.1 is not satisfied or waived or the sale of the Property to the Purchasers is otherwise not completed. All documents, memoranda, notes, other writings and evidence whatsoever prepared by the Purchasers based on the Confidential Information, and any record of Confidential Information that cannot, for whatever reason, be returned to the Vendor, shall be destroyed by the Purchasers; and
- (e) The Vendor acknowledges that the Purchasers are subject to the *Freedom of Information and Protection of Privacy Act* (the "**Act**")

and the Vendor agrees that following the execution of this Agreement by both the Purchasers and the Vendor, the Purchasers may publicly disclose, and permit the public disclosure of, all or any part of this Agreement. If there is any conflict between this paragraph 7.14 and the duties of the Purchasers pursuant to the Act, the latter will govern to the extent of such conflict.

7.15 No Real Estate Agent

No real estate agent or other agent has assisted the Purchaser or the Vendor, nor is any entitled to any commission or other remuneration in any way, in connection with this Agreement or the sale and purchase of the Property between the Purchaser and the Vendor.

7.16 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter of the Agreement and contains all of the representations, warranties, covenants and agreements of the respective parties, and may not be amended or modified except by an instrument in writing executed by all parties. This Agreement supersedes all prior agreements, memoranda, and negotiations between the parties.

IN WITNESS WHEREOF the parties have executed this Agreement.

**CANADIAN PACIFIC RAILWAY
COMPANY**

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

**COLUMBIA SHUSWAP REGIONAL
DISTRICT**

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

**REGIONAL DISTRICT OF NORTH
OKANAGAN**

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

SCHEDULE A

Plan and Listing of Property

OKANAGAN SUBDIVISION SURPLUS LAND - Approximately Mile 0.32 to 30.76		
Title No.	PID Number	Legal Description
BB3028367	013-256-661	District Lot 6032 Kamloops Division Yale District
KC30126	013-838-407	That Part of the Northwest ¼ of Section 36 shown on Plan R170 said to contain 3.04 Acres more or less; Township 21 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC30125	013-838-385	That Part of the Southwest ¼ of Section 36 shown on Plan R170 said to contain 6.09 Acres more or less; Township 21 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC30123	013-838-229	That Part of the Southwest ¼ of Section 25 shown on Plan R170 said to contain 7.40 Acres more or less; Township 21 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC30122	013-838-113	That Part of the Northwest ¼ of Section 24 shown on Plan R170 said to contain 6.86 Acres more or less; Township 21 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC30121	013-838-067	That Part of the Northeast ¼ of Section 23 shown on Plan R170 said to contain 0.28 Acre more or less; Township 21 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC30080	013-830-571	That Part of the South ½ of Section 23 shown on Plan A402; Township 21 Range 8 West of the 6 th Meridian Kamloops Division Yale District
266138	025-637-177	All that portion of the South West ¼ of Section 23 Township 21 Range 8 West of the 6 th Meridian Kamloops Division Yale District which lies between 2 lines, both of which are parallel to and on the North Western side of the centre line of the Right of Way of the Shuswap and Okanagan Railway, one parallel line being 50 feet perpendicularly distant North Westerly from the said centre line, and the other parallel line being 100 feet perpendicularly distant North Westerly from the said centre lines, as the said centre line is shown upon a plan of survey across the said land and lands adjoining the same, approved and confirmed at Ottawa on the 1 st day of March 1926, and of record in the Department of the Interior under No. 34382, and which is a true copy of Part of the original plan deposited under No. A402 the said portion extending from the East boundary of the said quarter section to a line drawn at right angles to the said centre line through a point in the same distant 936 feet measured North Easterly along the said centre line from the South boundary of the said quarter section, containing by admeasurement 1.50 Acres more or less.
KC30077	013-830-520	That Part of the Northwest ¼ of Section 14 shown on Plan A402; Township 21 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC30078	013-830-538	That Part of the East ½ of Section 15 shown on Plan A402; Township 21 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC30079	013-830-562	That Part of the Southwest ¼ of Section 15 shown on Plan A402; Township 21 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC30076	013-823-353	That Part 0.17 Acres more or less of that Part North East ¼ Section 10 shown on Plan R170 Township 21 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC30075	013-823-345	That Part 6.69 Acres more or less of that Part North West ¼ Section 10 shown on Plan R170 Township 21 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC30074	013-823-337	That Part 6.54 Acres more or less of that Part South West ¼ Section 10 shown on Plan R170 Township 21 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC30071	013-823-302	That Part 3.13 Acres more or less of that Part North West ¼ Section 3 Shown on Plan R170 Township 21 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC30073	013-823-329	That Part 4.27 Acres more or less of that Part North East ¼ Section 4 shown on Plan R170 Township 21 Range 8 West of the 6 th Meridian Kamloops Division

OKANAGAN SUBDIVISION SURPLUS LAND - Approximately Mile 0.32 to 30.76		
Title No.	PID Number	Legal Description
		Yale District
KC30072	013-823-311	That Part 6.65 Acres more or less of that Part South East ¼ Section 4 shown on Plan R170 Township 21 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC30070	013-823-299	That Part 6.17 Acres more or less of that Part North East ¼ Section 33 shown on Plan R170 Township 20 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC30069	013-823-281	That Part 6.34 Acres more or less of that Part South East ¼ Section 33 shown on Plan R170 Township 20 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC30068	013-823-272	That Part 4.77 Acres more or less of that Part North East ¼ Section 28 shown on Plan R170 Township 20 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC30067	013-823-264	That Part 3.24 Acres more or less of that Part South East ¼ Section 28 shown on Plan R170 Township 20 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KT6438	025-232-291	District Lot 6420 Kamloops Division Yale District shown on Plan KAP70092
KC90479	015-078-752	Part 7.19 Acres more or less of the North East ¼ Section 21 shown on Plan R170 Township 20 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC90478	015-078-744	Part 6.91 Acres more or less of the South East ¼ Section 21 shown on Plan R170 Township 20 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC90477	015-078-736	Part 3.89 Acres more or less of the North East ¼ Section 16 shown on Plan R170 Township 20 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC90476	015-078-728	Part 3.29 Acres more or less of the North West ¼ Section 16 shown on Plan R170 Township 20 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC90475	015-078-710	Part 7.37 Acres more or less of the South West ¼ Section 16 shown on Plan R170 Township 20 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC90474	015-078-701	Part 0.37 Acres more or less of the South East ¼ Section 17 shown on Plan R170 Township 20 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC90473	015-078-680	Part 6.68 Acres more or less of the North East ¼ Section 8 shown on Plan R170 Township 20 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC90472	015-078-663	Part 5.34 Acres more or less of the South East ¼ Section 8 shown on Plan R170 Township 20 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC90471	015-078-647	Part 2.40 Acres more or less of the South West ¼ Section 8 Shown on Plan R170 Township 20 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC90470	015-078-558	Part 6.77 Acres more or less of the North West ¼ Section 5 shown on Plan R170 Township 20 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC90469	015-078-469	Part 3.03 Acres more or less of the South West ¼ Section 5 shown on Plan R170 Township 20 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC90468	015-078-418	Part 4.79 Acres more or less of the South East ¼ Section 6 shown on Plan R170 Township 20 Range 8 West of the 6 th Meridian Kamloops Division Yale District
KC90467	015-078-353	Part 7.3 Acres more or less of the North East ¼ Section 31 shown on Plan R170 Township 19 Range 8 West of the 6 th Meridian Kamloops Division Yale District
LB537902	011-771-763	That Part 6.51 Acres more or less of the South East ¼ Section 14 shown on Plan R170 Township 19 Range 9 West of the 6 th Meridian Kamloops Division Yale District
LB537903	011-771-780	That Part 0.35 Acres more or less of the North East ¼ Section 14 shown on Plan R170 Township 19 Range 9 West of the 6 th Meridian Kamloops Division Yale District
LB537904	011-771-828	That Part 6.5 Acres more or less of the North West ¼ Section 13 shown on Plan R170 Township 19 Range 9 West of the 6 th Meridian Kamloops Division Yale District
LB537905	011-771-861	That Part 6.62 Acres more or less of the South West ¼ Section 24 shown on Plan R170 Township 19 Range 9 West of the 6 th Meridian Kamloops Division Yale

OKANAGAN SUBDIVISION SURPLUS LAND - Approximately Mile 0.32 to 30.76		
Title No.	PID Number	Legal Description
		District
LB537906	011-771-887	That Part 0.24 Acres more or less of the South East ¼ Section 24 shown on Plan R170 Township 19 Range 9 West of the 6 th Meridian Kamloops Division Yale District
LB537907	011-771-895	That Part 6.82 Acres more or less of the North East ¼ Section 24 shown on Plan R170 Township 19 Range 9 West of the 6 th Meridian Kamloops Division Yale District
LB537908	011-771-917	That Part 6.18 Acres more or less of the South East ¼ Section 25 shown on Plan R170 Township 19 Range 9 West of the 6 th Meridian Kamloops Division Yale District
LB537909	011-771-984	That Part 0.68 Acres more or less of the South West ¼ Section 30 shown on Plan R170 Township 19 Range 9 West of the 6 th Meridian Kamloops Division Yale District
LB537910	011-772-018	That Part 6.88 Acres more or less of the North West ¼ Section 30 shown on Plan R170 Township 19 Range 8 West of the 6 th Meridian Kamloops Division Yale District
LB537911	011-772-026	That Part 3.37 Acres more or less of the South West ¼ Section 31 shown on Plan R170 Township 19 Range 8 West of the 6 th Meridian Kamloops Division Yale District
LB537912	011-772-034	That Part 1.99 Acres more or less of the South East ¼ Section 31 shown on Plan R170 Township 19 Range 8 West of the 6 th Meridian Kamloops Division Yale District
LB537913	011-772-069	That Part District Lot 234 shown on Plan A402 Kamloops (formerly Osoyoos) Division Yale District
KT93819	025-488-228	Lot 1 Section 11 Township 19 Range 9 West of the 6 th Meridian Kamloops Division Yale District Plan KAP71770
266133	011-769-343	That Part District Lot 226 shown on Plan A402 Kamloops (formerly Osoyoos) Division Yale District
	011-769-513	The South East ¼ Section 21 Township 38 Kamloops (formerly Osoyoos) Division Yale District shown on Plan A402
	011-769-530	The West of ½ Section 35 shown on Plan R170 Township 18 Range 9 West of the 6 th Meridian Kamloops Division Yale District
	011-769-548	The North East ¼ Section 34 shown on Plan R170 Township 18 Range 9 West of the 6 th Meridian Kamloops Division Yale District
	011-769-556	The West ½ Section 2 shown on Plan R170 Township 19 Range 9 West of the 6 th Meridian Kamloops Division Yale District
	011-769-564	The South ½ Section 11 shown on Plan R170 Township 19 Range 9 West of the 6 th Meridian Kamloops Division Yale District
BB3028149	012-955-931	That Part of District Lot 150 shown on Plan A402; Kamloops (formerly Osoyoos) Division Yale District except Plan 29134
KV26736	025-603-736	That Part Lot A District Lot 150 Kamloops Division Yale District Plan 211 as shown on Plan A402 except Plan 29129
CA5060684	004-378-661	Lot A District Lot 150 Kamloops (formerly Osoyoos) Division Yale District Plan 29182
KC3940	012-826-804	That Part Lot 1 shown on Plan A402 District Lot 149 Osoyoos Division Yale District Townsite of Belvidere
KC3941	012-826-812	That Part Lot 2 shown on Plan A402 District Lot 149 Osoyoos Division Yale District Townsite of Belvidere
KC3942	012-826-821	That Part Lot 3 shown on Plan A402 District Lot 149 Osoyoos Division Yale District Townsite of Belvidere
KC3943	012-826-847	That Part Lot 4 shown on Plan A402 District Lot 149 Osoyoos Division Yale District Townsite of Belvidere
KC3944	012-826-855	That Part Lot 5 shown on Plan A402 District Lot 149 Osoyoos Division Yale District Townsite of Belvidere
KC3953	012-826-979	That Part Lot 7 District Lot 149 Kamloops (formerly Osoyoos) Division Yale District Townsite of Belvidere as shown on Plan A402
KC3954	012-826-987	That Part Lot 8 shown on Plan A402 District Lot 149 Osoyoos Division Yale District Townsite of Belvidere

OKANAGAN SUBDIVISION SURPLUS LAND - Approximately Mile 0.32 to 30.76		
Title No.	PID Number	Legal Description
KC3955	012-826-995	That Part Lot 14 shown on Plan A402 District Lot 149 Osoyoos Division Yale District Townsite of Belvidere
KC3956	012-827-011	That Part Lot 15 shown on Plan A402 District Lot 149 Osoyoos Division Yale District Townsite of Belvidere
KC3957	012-827-029	That Part Lot 16 shown on Plan A402 District Lot 149 Osoyoos Division Yale District Townsite of Belvidere
KC3958	012-827-045	Lot 9 District Lot 149 Osoyoos Division Yale District Townsite of Belvidere
KC3959	012-827-061	Lot 10 District Lot 149 Osoyoos Division Yale District Townsite of Belvidere
KC3960	012-827-070	Lot 11 District Lot 149 Osoyoos Division Yale District Townsite of Belvidere
KC3961	012-827-088	Lot 12 District Lot 149 Osoyoos Division Yale District Townsite of Belvidere
KC3962	012-827-100	Lot 13 District Lot 149 Osoyoos Division Yale District Townsite of Belvidere
KC3968	012-827-215	That Part Lot 17 shown on Plan A402 District Lot 149 Osoyoos Division Yale District Townsite of Belvidere
KC3969	012-827-231	That Part Lot 18 shown on Plan A402 District Lot 149 Osoyoos Division Yale District Townsite of Belvidere
KC3970	012-827-258	That Part Lot 19 shown on Plan A402 District Lot 149 Osoyoos Division Yale District Townsite of Belvidere
KC3971	012-827-266	That Part Lot 20 shown on Plan A402 District Lot 149 Osoyoos Division Yale District Townsite of Belvidere
LB535199	011-769-025	That Part of the South West ¼ of the Section 35 shown on Plan A402 Township 35 Kamloops (formerly Osoyoos) Division Yale District
LB535196	011-768-941	That Part of the West ½ of Section 26 shown on Plan A190 Township 35 Kamloops (formerly Osoyoos) Division Yale District
LB535198	011-769-009	That Part of the West ½ of the Section 23 shown on Plan A402 Township 35 Kamloops (formerly Osoyoos) Division Yale District
LB535197	011-768-975	That Part of District Lot 90 shown on Plan A190 Kamloops (formerly Osoyoos) Division Yale District
CA5060688	006-854-516	That Part of the North East ¼ of Section 15 shown on Plan A403; Township 35 Kamloops (formerly Osoyoos) Division Yale District
CA5060686	006-854-478	That Part of the South ½ of Section 15 shown on Plan A403; Township 35 Kamloops (formerly Osoyoos) Division Yale District
CA5060685	006-854-435	That Part of the North West ¼ of Section 10 shown on Plan A403; Township 35 Kamloops (formerly Osoyoos) Division Yale District
CA5060689	006-854-591	That Part of District Lot 987 shown on Plan A403; Kamloops Division Yale District
CA5060687	006-854-389	That Part of the South ½ of Section 9 shown on Plan A403; Township 35 Kamloops (formerly Osoyoos) Division Yale District
KR38055	006-854-338	That Part of the North West ¼ of Section 4 shown on Plan A403; Township 35 Kamloops (formerly Osoyoos) Division Yale District
		That Part of the North ½ of Section 5 shown on Plan A 403 Township 35 Kamloops (formerly Osoyoos) Division Yale District in Plan EPP61068

SCHEDULE B

Permitted Encumbrances

PERMITTED ENCUMBRANCES:

- (a) The subsisting conditions, provisos, restrictions, exceptions and reservations contained in the original grant, or in any other grant or disposition from the Crown or imposed or implied by statute.
- (b) Local improvement assessments or taxes, sewer and water rates.
- (c) Any unregistered licences, easements, statutory rights of way or other agreements of use or occupancy in favour of utilities and public authorities.
- (d) Statutory exceptions to titles.
- (e) The Assumed Contracts provided in Schedule "C" and all encumbrances arising from such agreements.
- (f) Permitted encumbrances on titles:
 - (i) PID: 013-838-407
 - (A) Statutory Right of Way LA38652 in favour of British Columbia Hydro and Power Authority, inter alia;
 - (ii) PID: 013-838-229
 - (A) Statutory Right of Way LA38653 in favour of British Columbia Hydro and Power Authority; and
 - (B) Statutory Right of Way LA38654 in favour of British Columbia Hydro and Power Authority and Telus Communications Inc.;
 - (iii) PID: 013-838-067
 - (A) This Certificate of Title may be affected by the *Agricultural Land Commission Act*, see Agricultural Land Reserve Plan No.M11420;

- (iv) PID: 025-232-291
 - (A) Undersurface Rights KT6439 in favour of the Crown in Right of British Columbia Section 50 *Land Act*; and
 - (B) Possibility of Reverter KT6440 in favour of the Crown in Right of British Columbia;
- (v) PID: 015-078-736
 - (A) Statutory Right of Way LA38657 in favour of British Columbia Hydro and Power Authority and Telus Communications Inc.; and
 - (B) Statutory Right of Way LA38658 in favour of British Columbia Hydro and Power Authority and Telus Communications Inc.;
- (vi) PID: 015-078-710
 - (A) This Certificate of Title may be affected by the *Agricultural Land Commission Act*, see Agricultural Land Reserve Plan No.M1112 (Part);
- (vii) PID: 015-078-680
 - (A) Statutory Right of Way LA38659 in favour of British Columbia Hydro and Power Authority;
- (viii) PID: 015-078-663
 - (A) Statutory Right of Way LA38660 in favour of British Columbia Hydro and Power Authority and Telus Communications Inc., inter alia;
- (ix) PID: 015-078-647
 - (A) Statutory Right of Way LA38660 in favour of British Columbia Hydro and Power Authority and Telus Communications Inc., inter alia;
- (x) PID: 015-078-558

- (A) Statutory Right of Way LA38661 in favour of British Columbia Hydro and Power Authority and Telus Communications Inc.;
- (xi) PID: 011-771-763
 - (A) Statutory Right of Way LA38670 in favour of British Columbia Hydro and Power Authority and Telus Communications Inc., inter alia;
- (xii) PID: 011-771-828
 - (A) Statutory Right of Way LA38668 in favour of British Columbia Hydro and Power Authority, inter alia;
- (xiii) PID: 011-771-887
 - (A) Statutory Right of Way KT100636 in favour of Regional District of North Okanagan, inter alia;
- (xiv) PID: 011-771-895
 - (A) Statutory Right of Way LA38667 in favour of British Columbia Hydro and Power Authority, inter alia;
- (xv) PID: 011-771-917
 - (A) Statutory Right of Way LA38665 in favour of British Columbia Hydro and Power Authority, inter alia; and
 - (B) Statutory Right of Way LA38666 in favour of British Columbia Hydro and Power Authority, inter alia;
- (xvi) PID: 011-772-018
 - (A) Statutory Right of Way LA38664 in favour of British Columbia Hydro and Power Authority, inter alia;

- (xvii) PID: 011-772-026
 - (A) Statutory Right of Way LA38662 in favour of British Columbia Hydro and Power Authority, inter alia;
- (xviii) PID: 011-772-034
 - (A) Statutory Right of Way LA38663 in favour of British Columbia Hydro and Power Authority and Telus Communications Inc., inter alia;
- (xix) PID: 011-772-069
 - (A) Statutory Right of Way LA38663 in favour of British Columbia Hydro and Power Authority and Telus Communications Inc., inter alia;
- (xx) PIDs: 011-769-343, 011-769-513, 011-769-530, 011-769-548, 011-769-556, 011-769-564
 - (A) This Certificate of Title may be affected by the *Agricultural Land Commission Act*, see Agricultural Land Reserve Plan No.M1112;
 - (B) Statutory Right of Way LA38669 in favour of British Columbia Hydro and Power Authority;
 - (C) Statutory Right of Way LA38671 in favour of British Columbia Hydro and Power Authority;
 - (D) Statutory Right of Way LA38672 in favour of British Columbia Hydro and Power Authority;
 - (E) Statutory Right of Way LA38673 in favour of British Columbia Hydro and Power Authority;
 - (F) Statutory Right of Way LA38674 in favour of British Columbia Hydro and Power Authority; and
 - (G) Statutory Right of Way LA38675 in favour of British Columbia Hydro and Power Authority;

- (xxi) PID: 012-955-931
 - (A) Statutory Right of Way LA38676 in favour of British Columbia Hydro and Power Authority; and
 - (B) Statutory Right of Way LA38677 in favour of British Columbia Hydro and power Authority;

- (xxii) PID: 011-768-941
 - (A) Charge 19284E in favour of the Commissioners of the Fortune Creek Drainage Dyking District of Armstrong, inter alia; and
 - (B) Statutory Right of Way LA38681 in favour of British Columbia Hydro and Power Authority and Telus Communications Inc., inter alia;

- (xxiii) PID: 011-769-009
 - (A) Charge 19284E in favour of the Commissioners of the Fortune Creek Drainage Dyking District of Armstrong, inter alia;
 - (B) Statutory Right of Way LA38681 in favour of British Columbia Hydro and Power Authority and Telus Communications Inc., inter alia; and
 - (C) Statutory Right of Way LA38682 in favour of British Columbia Hydro and Power Authority and Telus Communications Inc., inter alia;

- (xxiv) PID: 011-768-975
 - (A) Charge 19284E in favour of the Commissioners of the Fortune Creek Drainage Dyking District of Armstrong, inter alia;
 - (B) Statutory Right of Way KT100635 in favour of Larkin Waterworks District, inter alia; and
 - (C) Statutory Right of Way LA38679 in favour of British Columbia Hydro and Power Authority, inter alia;

(xxv) PID: 006-854-516

- (A) Charge 19284E in favour of the Commissions of the Fortune Creek Drainage Dyking District of Armstrong, inter alia;

(xxvi) PID: 006-854-478

- (A) Charge 19284E in favour of the Commissions of the Fortune Creek Drainage Dyking District of Armstrong, inter alia;
- (C) Statutory Right of Way LA38683 in favour of British Columbia Hydro and Power Authority, inter alia; and
- (C) Statutory Right of Way LA38685 in favour of British Columbia Hydro and Power Authority and Telus Communications Inc., inter alia;

(xxvii) PID: 006-854-435

- (A) Charge 19284E in favour of the Commissions of the Fortune Creek Drainage Dyking District of Armstrong, inter alia; and
- (B) Statutory Right of Way LA38683 in favour of British Columbia Hydro and Power Authority, inter alia;

(xxviii) PID: 006-854-591

- (A) Charge 19284E in favour of the Commissions of the Fortune Creek Drainage Dyking District of Armstrong, inter alia; and
- (B) Statutory Right of Way LA38684 in favour of British Columbia Hydro and Power Authority;

(xxix) PID: 006-854-389

- (A) Charge 19284E in favour of the Commissions of the Fortune Creek Drainage Dyking District of Armstrong, inter alia;
- (B) Statutory Right of Way LA38686 in favour of British Columbia Hydro and Power Authority;

- (C) Statutory Right of Way LA38687 in favour of British Columbia Hydro and Power Authority;
- (D) Statutory Right of Way LA38688 in favour of British Columbia Hydro and Power Authority; and
- (E) Statutory Right of Way LA38689 in favour of British Columbia Hydro and Power Authority;

(xxx) PID: 006-854-338

- (A) Statutory Right of Way KR28968 in favour of City of Armstrong, inter alia;
- (B) Statutory Right of Way LA38690 in favour of British Columbia Hydro and Power Authority;
- (C) Statutory Right of Way LA38691 in favour of British Columbia Hydro and Power Authority;
- (D) Statutory Right of Way LA38692 in favour of British Columbia Hydro and Power Authority;
- (E) Statutory Right of Way LA38693 in favour of British Columbia Hydro and Power Authority; and
- (F) Statutory Right of Way LA38694 in favour of British Columbia Hydro and Power Authority.

(xxxi) - NO PID AVAILABLE - That Part of the North ½ of Section 5 shown on Plan A 403 Township 35 Kamloops (formerly Osoyoos) Division Yale District in Plan EPP61068

- (A) Statutory Right of Way KR28968 in favour of City of Armstrong, inter alia;
- (B) Statutory Right of Way LA38656 in favour of British Columbia Hydro and Power Authority;

- (C) Statutory Right of Way LA38695 in favour of British Columbia Hydro and Power Authority;
- (D) Statutory Right of Way LA38696 in favour of British Columbia Hydro and Power Authority;
- (E) Statutory Right of Way LA38697 in favour of British Columbia Hydro and Power Authority and Telus Communications Inc.;
- (F) Statutory Right of Way LA38698 in favour of British Columbia Hydro and Power Authority. and Telus Communications Inc; and
- (G) Statutory Right of Way LB346804 in favour of the Crown in Right of the Province of British Columbia

SCHEDULE C

Assumed Contracts

- (a) Tenancies, leases, easements, restrictions, rights of way, track siding agreements, crossing agreements, pipe/wire utilities crossing agreements and other similar rights in real property or any interest therein as listed below (and in the case of crossing agreements and pipeline utilities crossing agreements, any other valid crossing agreements not noted below):

(i) **Leases**

Details of current leases and licenses are to be provided by the Vendor to the Purchasers following execution of this Agreement.

(ii) **Utility Agreements**

Usage type	Lease-Out	Tenant/Licensee	Contract type	Mileage From	Mileage To	Annual Rent (CAD)	Rental start date	Rental end date
Utility	XOKAN00035W01	TELUS/ 2002 ENTERPRISE WAY KELOWNA BC V1Y 9S9	Wire Crossing	0.35	0.35	10.00	23/01/1991	In Perpetuity
Utility	XOKAN00060P01	DISTRICT OF SICAMOUS/ P.O. Box 219 SICAMOUS BC V0E 2V0	Pipe Crossing	0.60	0.60	-	01/09/2014	8/31/2015, now year to year
Utility	XOKA00070P201	DISTRICT OF SICAMOUS/ P.O. Box 219 SICAMOUS BC V0E 2V0	Pipe Crossing	0.70	0.70	10.00	01/02/1972	1/31/1973, now year to year
Utility	XOKAN00070W01	DISTRICT OF SICAMOUS/ P.O. Box 219 SICAMOUS BC V0E 2V0	Wire Crossing	0.70	0.70	10.00	01/02/1972	No End Date
Utility	XOKAN00092W01	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Crossing	0.92	0.92	12.00	19/09/1972	9/18/1973, now year to year

Usage type	Lease-Out	Tenant/Licensee	Contract type	Mileage From	Mileage To	Annual Rent (CAD)	Rental start date	Rental end date
Utility	XOKAN00111P01	ORTON DAN & BARB/ 2055 BENNETT ROAD KELOWNA BC V1V 2C2	Pipe Crossing	1.11	1.11	10.00	03/08/1978	8/2/1979, now year to year
Utility	XOKA00113P101	JAMES MORGAN & LISA CROSS/ 18 ABERDEEN WAY STONY PLAIN AB T	Pipe Crossing	1.13	1.13	-	01/03/2005	Year to year
Utility	XOKAN00204P01	KITCHEN GR & MM/ SITE 21, R.R.#1, COMPARTMENT 28 SICAMOUS B	Pipe Crossing	2.04	2.04	10.00	19/10/1989	10/18/1990, now year to year
Utility	XOKAN00205W01	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Crossing	2.05	2.05	10.00	28/07/1993	In Perpetuity
Utility	XOKAN00210P01	JOHN STEVENSON EILERS/ 25466 CRESCENT LANE LOS ALTOS HILLS	Pipe Crossing	2.10	2.10	10.00	10/09/1974	9/9/1975, now year to year
Utility	XOKAN00223W01	BC HYDRO PROPERTIES/ 333 DUNSMUIR STREET, 12TH FLOOR VANCOU	Wire Crossing	2.23	2.23	-	01/11/2013	In Perpetuity
Utility	XOKAN00252P01	572412 BC LTD./ 9851 SPALLUMCHEEN ROAD SICAMOUS BC V0E 2V3	Pipe Crossing	2.52	2.52	-	06/02/2007	2/5/2008, now year to year
Utility	XOKAN00662P01	GILLESPIE DONALD LYLE/ P.O. Box 834 REVELSTOKE BC V0E 2S0	Pipe Crossing	6.62	6.62	10.00	17/05/1973	5/16/1974, now year to year
Utility	XOKAN01081W01	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Crossing	10.81	10.81	10.00	16/11/1989	In Perpetuity
Utility	XOKAN01200W01	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Crossing	12.00	12.00	1.00	01/06/1961	In Perpetuity
Utility	XOKAN01237W01	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Crossing	12.37	12.37	10.00	10/05/1979	5/9/1980, now year to year
Easements	XOKAN01252W01	BC HYDRO PROPERTIES/ 333 DUNSMUIR STREET, 12TH FLOOR VANCOU	Wire Crossing	12.52	12.52	100.00	01/08/1996	In Perpetuity

Usage type	Lease-Out	Tenant/Licensee	Contract type	Mileage From	Mileage To	Annual Rent (CAD)	Rental start date	Rental end date
Utility	XOKAN01258W01	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Crossing	12.58	12.58	10.00	10/05/1979	5/9/1980, now year to year
Utility	XOKAN01297W01	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Crossing	12.97	12.97	10.00	08/06/1990	In Perpetuity
Utility	XOKAN01317W01	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Crossing	13.17	13.17	10.00	08/06/1990	In Perpetuity
Utility	XOKAN01318W01	BC HYDRO PROPERTIES/ 333 DUNSMUIR STREET, 12TH FLOOR VANCOU	Wire Crossing	13.18	13.18	-	01/12/2010	In Perpetuity
Utility	XOKAN01514W01	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Crossing	15.14	15.14	10.00	01/11/1994	In Perpetuity
Utility	XOKAN01611P01	Sherri and Jules DeCorby/ Box 266 Grindrod BC V0E 1Y0	Pipe Crossing	16.11	16.11	10.00	08/12/1976	12/7/1977, now year to year
Utility	XOKAN01650P01	Sherri and Jules DeCorby/ Box 266 Grindrod BC V0E 1Y0	Pipe Crossing	16.50	16.50	10.00	01/02/1970	1/31/1971, now year to year
Utility	XOKAN01659P01	FORTISBC ENERGY INC./ 16705 FRASER HIGHWAY SURREY BC V3S 2X	Pipe Crossing	16.59	16.59	20.00	01/01/1998	12/31/1998, now year to year
Utility	XOKAN01677W01	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Crossing	16.77	16.77	10.00	28/05/1973	5/27/1974, now year to year
Utility	XOKAN01714P01	FORTISBC ENERGY INC./ 16705 FRASER HIGHWAY SURREY BC V3S 2X	Pipe Crossing	17.14	17.14	20.00	01/01/1998	12/31/1998, now year to year
Utility	XOKAN01724W01	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Crossing	17.24	17.24	10.00	10/12/1975	12/9/1976, now year to year
Easements	XOKAN01739P01	REG.DIS.NORTH OKANAGAN/ 9848 ABERDEEN ROAD VERNON BC V1B 2K	Easement	17.39	17.39	100.00	26/08/1997	8/25/1998, now year to year
Utility	XOKAN01755W01	TELUS	Wire Crossing	17.55	17.55	10.00	01/08/1991	In Perpetuity
Utility	XOKAN01758P01	FORTISBC ENERGY INC./ 16705 FRASER HIGHWAY SURREY BC V3S 2X	Pipe Crossing	17.58	17.58	10.00	01/01/1998	12/31/1998, now year to year

Usage type	Lease-Out	Tenant/Licensee	Contract type	Mileage From	Mileage To	Annual Rent (CAD)	Rental start date	Rental end date
Utility	XOKAN01758W01	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Crossing	17.58	17.58	100.00	01/07/1996	In Perpetuity
Utility	XOKAN01765W01	BC HYDRO/ 1401 Kalamalka Lake Road VERNON BC	Wire Crossing	17.65	17.65	100.00	01/01/1999	In Perpetuity
Utility	XOKAN01793W01	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Crossing	17.93	17.93	10.00	01/05/1977	4/30/1978, now year to year
Utility	XOKAN01818P01	FORTISBC ENERGY INC./ 16705 FRASER HIGHWAY SURREY BC V3S 2X	Pipe Crossing	18.18	18.18	10.00	01/01/1998	12/31/1998, now year to year
Utility	XOKA01900W201	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Crossing	19.00	19.00	10.00	25/11/1977	11/24/1978, now year to year
Utility	XOKAN01923P01	SPRINGBEND FARMS/ SITE 19A, COMP. 6, R.R. #1 ENDERBY BC V0E	Pipe Crossing	19.23	19.23	10.00	16/01/1980	1/15/1981, now year to year
Utility	XOKAN01950W01	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Crossing	19.50	19.50	10.00	09/12/1974	12/8/1975, now year to year
Utility	XOKAN01951P01	FORTISBC ENERGY INC./ 16705 FRASER HIGHWAY SURREY BC V3S 2X	Pipe Crossing	19.51	19.51	20.00	01/01/1998	12/31/1998, now year to year
Utility	XOKAN01993P02	CLIFFVIEW FARMS LTD/ RR #1 ENDERBY BC V0E 1V0	Pipe Crossing	19.93	19.93	-	01/06/2003	5/31/2004, now year to year
Utility	XOKAN02060P01	NORTH ENDERBY TIMBER LTD/ P.O. Box 420 ENDERBY BC V0E 1V0	Pipe Crossing	20.60	20.60	100.00	25/05/1998	5/24/1999, now year to year
Utility	XOKAN02066P01	NORTH ENDERBY TIMBER LTD/ P.O. Box 420 ENDERBY BC V0E 1V0	Pipe Crossing	20.66	20.66	10.00	22/08/1985	8/21/1986, now year to year
Utility	XOKAN02125W01	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Crossing	21.25	21.25	10.00	06/01/1972	1/5/1973, now year to year
Utility	XOKAN02149P01	CITY OF ENDERBY/ P.O. Box 400 ENDERBY BC V0E 1V0	Pipe Crossing	21.49	21.49	10.00	26/03/1982	3/25/1983, now year to year

Usage type	Lease-Out	Tenant/Licensee	Contract type	Mileage From	Mileage To	Annual Rent (CAD)	Rental start date	Rental end date
Utility	XOKAN02178P01	SPRINGBEND FARMS/ SITE 19A, COMP. 6, R.R. #1 ENDERBY BC V0E	Pipe Crossing	21.78	21.78	10.00	31/10/1973	10/30/1974, now year to year
Utility	XOKAN02230P01	CITY OF ENDERBY/ P.O. Box 400 ENDERBY BC V0E 1V0	Pipe Crossing	22.30	22.30	5.00	01/07/1957	In Perpetuity
Utility	XOKAN02269P01	CITY OF ENDERBY/ P.O. Box 400 ENDERBY BC V0E 1V0	Pipe Crossing	22.69	22.69	50.00	01/12/1994	11/30/1995, now year to year
Utility	XOKAN02270P01	CITY OF ENDERBY/ P.O. Box 400 ENDERBY BC V0E 1V0	Pipe Crossing	22.70	22.70	10.00	01/12/1969	11/30/1970, now year to year
Utility	XOKA02283P101	CITY OF ENDERBY/ P.O. Box 400 ENDERBY BC V0E 1V0	Pipe Crossing	22.83	22.83	-	01/01/1907	In Perpetuity
Utility	XOKAN02283P01	CITY OF ENDERBY/ P.O. Box 400 ENDERBY BC V0E 1V0	Pipe Permit	22.83	22.83	-	01/01/1907	In Perpetuity
Permits	XOKAN02283W01	TELUS COMMUNICATIONS INC/ 1 - 15079 - 64 AVE SURREY BC V3S	Wire Permit	22.83	22.83	-	22/07/2009	Permit to install only - where is the Agreement for occupation of these wires?
Utility	XOKAN02290P01	CITY OF ENDERBY/ P.O. Box 400 ENDERBY BC V0E 1V0	Pipe Crossing	22.90	22.90	10.00	19/03/1975	3/18/1976, now year to year
Utility	XOKAN02295P01	THE CORPORATION OF THE CITY OF ENDERBY/ ENDERBY BC	Pipe Crossing	22.95	22.95	-	01/11/1905	In Perpetuity
Utility	XOKA02300P201	CITY OF ENDERBY/ P.O. Box 400 ENDERBY BC V0E 1V0	Pipe Crossing	23.00	23.00	10.00	11/04/1966	4/10/1967, now year to year
Utility	XOKA02300P301	CITY OF ENDERBY/ P.O. Box 400 ENDERBY BC V0E 1V0	Pipe Crossing	23.00	23.00	-	01/09/1905	In Perpetuity
Utility	XOKA02300P401	THE CORPORATION OF THE CITY OF ENDERBY/ ENDERBY BC	Pipe Crossing	23.00	23.00	-	01/01/1907	In Perpetuity
Utility	XOKAN02300P01	CITY OF ENDERBY/ P.O. Box 400 ENDERBY BC V0E 1V0	Pipe Crossing	23.00	23.00	10.00	19/03/1975	3/18/1974, now year to year
Utility	XOKAN02305P01	W WRIGHT/ ENDERBY BC	Pipe Crossing	23.05	23.05	-	01/10/1907	In Perpetuity
Utility	MOKAN0231001	FORTISBC ENERGY INC./ 16705 FRASER HIGHWAY SURREY BC V3S 2X	Pipe Crossing	23.10	23.10	5.00	01/12/1959	11/30/1960, now year to year
Utility	XOKAN02310P01	CITY OF ENDERBY/ P.O. Box 400 ENDERBY BC V0E 1V0	Pipe Crossing	23.10	23.10	10.00	09/05/1977	5/8/1978, now year to year

Usage type	Lease-Out	Tenant/Licensee	Contract type	Mileage From	Mileage To	Annual Rent (CAD)	Rental start date	Rental end date
Utility	XOKAN02317W01	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Crossing	23.17	23.17	10.00	03/08/1979	8/2/1980, now year to year
Utility	XOKAN02318P01	CITY OF ENDERBY/ P.O. Box 400 ENDERBY BC V0E 1V0	Pipe Crossing	23.18	23.18	5.00	01/08/1957	In Perpetuity
Utility	XOKAN02335P01	CITY OF ENDERBY/ P.O. Box 400 ENDERBY BC V0E 1V0	Pipe Crossing	23.35	23.35	10.00	01/08/1970	7/31/1971, now year to year
Utility	XOKA02675W201	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Crossing	26.75	26.75	10.00	08/01/1990	1/7/1991, now year to year
Utility	XOKAN02675W01	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Crossing	26.75	26.75	10.00	05/09/1974	9/4/1975, now year to year
Utility	XOKAN02852P01	GEORGE HEGGIE/ ENDERBY BC	Pipe Crossing	28.52	28.52	-	01/09/1910	In Perpetuity
Utility	XOKAN02865W01	PROVINCE OF BRITISH COLUMBIA/ 4B-940 BLANSHARD STREET VICTO	Parallelism	28.65	28.67	-	28/11/2006	11/27/2007, now year to year
Utility	XOKAN02866W01	TELUS/ 2002 ENTERPRISE WAY KELOWNA BC V1Y 9S9	Wire Crossing	28.66	28.66	-	18/10/2012	Permit to install only - where is the Agreement for occupation of these wires?
Utility	XOKAN02872W01	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Crossing	28.72	28.72	10.00	23/11/1972	11/22/1973, now year to year
Utility	XOKAN02888W01	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Crossing	28.88	28.88	50.00	13/09/1977	9/12/1978, now year to year
Utility	XOKAN02890W01	BC HYDRO/ 1401 Kalamalka Lake Road VERNON BC	Wire Crossing	28.90	28.90	22.00	01/10/1984	In Perpetuity
Utility	XOKAN02948W01	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Crossing	29.48	29.48	10.00	21/10/1980	10/22/1981, now year to year
Utility	XOKAN03048P01	J PHILLIPS/ ARMSTRONG BC	Pipe Crossing	30.48	30.48	-	01/08/1911	In Perpetuity
Utility	XOKAN03055P01	FORTISBC ENERGY INC./ 16705 FRASER HIGHWAY SURREY BC V3S 2X	Pipe Crossing	30.55	30.55	20.00	01/01/1998	12/31/1998, now year to year

Usage type	Lease-Out	Tenant/Licensee	Contract type	Mileage From	Mileage To	Annual Rent (CAD)	Rental start date	Rental end date
Utility	XOKAN03076P01	THE CORPORATION OF THE MUNICIPALITY OF SPALLUMCHEEN	Pipe Crossing	30.76	30.76	-	01/11/1911	In Perpetuity
Permits	XOKAN03076W01	TELUS COMMUNICATIONS INC/ 1 - 15079-64 Avenue SURREY BC V3S	Wire Permit	30.76	30.76	-	14/10/1998	No End Date

(iii) **Siding Agreements**

Usage type	Lease-Out	Tenant	Contract type	Mileage From	Mileage To	Annual Rent (CAD)	Rental start date	Rental end date
Rail Siding/Track Storage	SOKAN01746A01	RITCHIE SMITH FEEDS INC/ 33777 ENERPRISE AVE ABBOTSFORD BC	Siding (Pvt-Own)	17.46	17.46	-	01/10/1992	No End Date
Rail Siding/Track Storage	SOKAN02310A01	AGRIUM/ 13131 LAKE FRASER DR SE CALGARY AB T2J 7E8	Siding (Pvt-Own)	23.10	23.10	-	01/11/1976	No End Date

SCHEDULE D

Property Reports

Property Reports

- Spill Severity Assessment After a Train Derailment, Mara, South of Mara Lake, Sicamous, BC, Golder Associates Ltd., February 25, 1997;
- Phase 1 Environmental Site Assessment, Okanagan Subdivision Mile 0.0 to 46.3, prepared by Clifton Associated Ltd, dated June 1998;
- Spill Severity Assessment After a Train Derailment, Mara, South of Mara Lake, Sicamous, BC, Golder Associates Ltd., July 20, 1998;
- Underground Storage Tank Removal Enderby Rail Yard Mill Avenue, Enderby, BC, prepared by Morrow Environmental Consultants, dated December 1, 1998
- Line Phase 1 Environmental Site Assessment Miles 0.30-16.4 Okanagan Subdivision, prepared by Dillon Consulting Limited, dated December 2009;
- Line Phase 1 Environmental Site Assessment Miles 16.40-31.63 Okanagan Subdivision, prepared by Dillon consulting Limited, dated December 2009;
- Notification of Migration, Issued by Imperial Oil Limited and O'Connor Associates Environmental Ltd. Issued to CP, January 10, 2012;
- O'Connor Associates Environmental Inc. email and Letter with Figure 1 of Proposed Monitoring Well Location Plan, related to request to investigate CPR Property, Adjacent to 401 Vernon Street, Enderby, BC, dated February 28, 2012; and
- Parsons Associates Environmental Inc. email and Letter related to request to investigate CPR Property, Adjacent to 401 Vernon Street, Enderby, BC, dated February 28, 2012;
- CP Okanagan Subdivision, Limited Detailed Stage 2 Site Investigation, Teranis Consulting Ltd., March 2017; and
- Okanagan Subdivision - Investigation Summary Report, Teranis Consulting Ltd., March 2017;

SCHEDULE E

Identified Areas

As outlined in Teranis' report titled: "Okanagan Subdivision – Investigation Summary Report, Teranis Consulting Ltd., March 2017", three areas (Area 1, Area 2 and Area 3) were identified, herein referenced as "Identified Areas". Legal property descriptions to be confirmed during the environmental work contemplated under Section 3.2(5) of this agreement.

These three areas can be described as:

"Area 1" – Comprised of four sections of former rail bed situated within the former CP Okanagan Subdivision rail corridor where soil samples were assessed to contain arsenic concentrations exceeding the regional background arsenic concentrations in soil and the BC Contaminated Sites Regulation soil criterion for industrial land use. More specifically, these four sections were reported as: an estimated 930 metres linear length located between approximately Mile 2.4 and 3.0, an estimated 545 metres linear length located between approximately Mile 6.2 and 6.6, an estimated 340 metres linear length located between approximately Mile 6.9 and 7.1, and an estimated 330 metres linear length located between approximately Mile 8.4 and 8.6, and with these locations illustrated on Figures 2 and 4 (Teranis Investigation Summary Report, March 2017). These four sections which are along Mara Lake appear to coincide within PIDs: 013-838-113, 013-823-302, 013-823-329, 013-823-311, 013-823-281 and 013-823-272

"Area 2" – Comprised of one section of former rail corridor where soil and groundwater samples were assessed to contain petroleum hydrocarbon concentrations exceeding the BC Contaminated Sites Regulation applicable criteria for soil and groundwater criteria for industrial land use. More specifically, this section was reported as situated at approximately Mile 17.25 within Grindrod. This area is illustrated on Figures 13 and 15 (Teranis Investigation Summary Report, March 2017), and appears to coincide with PIDs: 011-771-861, 011-771-895, and 011-771-887

"Area 3" – Comprised of one section of former rail corridor where groundwater samples were assessed to contain benzo (a) pyrene concentrations exceeding the BC Contaminated Sites Regulation applicable criteria for groundwater for industrial land use. More specifically, this section was reported as situated at approximately Mile 22.93 within Enderby. This area is illustrated on Figure 16 (Teranis Investigation Summary Report, March 2017), and appears to coincide with PID: 004-378-661

SCHEDULE F

Draft Form of Reliance Letters

(see attached)



teranis

Sent by Email Only

March 27, 2017
File: TR16047.01 and TR16047.02

Charles A. Hamilton
Chief Administrative Officer
Columbia Shuswap Regional District
555 Harbourfront Drive NE,
Salmon Arm, BC
V1E 4P1

Dear Mr. Hamilton:

Re: CP Okanagan Subdivision – Environmental Site Investigations

Teranis Consulting Ltd. (Teranis) was retained by Canadian Pacific (CP) to conduct a Stage 2 Preliminary Site Investigation (PSI) and a Supplemental Stage 2 PSI of select areas of the Okanagan Subdivision, specifically Mile 0.3 to 1.2, Mile 1.8 to 23.5 and Mile 25.5 to 31.33 (hereafter also referred to as the subject property).

Teranis has completed the following site investigations and reports on the subject property:

- CP Okanagan Subdivision Stage 2 Preliminary Site Investigation (PSI), prepared by Teranis Consulting Ltd., dated March 2017;
- Okanagan Subdivision – Investigation Summary Report, prepared by Teranis Consulting Ltd., dated March 21 2017.

The undersigned confirms that the Columbia Shuswap Regional District may rely on information contained within the above noted reports in context with the scope of work and limitations presented within each report.

Should you have any questions or require any additional information, please do not hesitate to contact the undersigned.

Sincerely,

TERANIS CONSULTING LTD.

Ian Collings, B.Sc., MRSC, C.Chem, P.Chem. Principal and Senior Chemist Tel: (604) 681 2888 Fax: (604) 681 2891 ian.collings@teranis.ca	Lance Hunt, B.Sc., P.Chem. Project Manager and Environmental Scientist Tel: (604) 681 2888 Fax: (604) 681 2891 lance.hunt@teranis.ca
---	--



teranis

Sent by Email Only

March 27, 2017
File: TR16047.01 and TR16047.02

David Sewell
Chief Administrative Officer
Regional District of North Okanagan
9848 Aberdeen Road,
Coldstream, BC
V1B 2K9

Dear Mr. Sewell:

Re: CP Okanagan Subdivision – Environmental Site Investigations

Teranis Consulting Ltd. (Teranis) was retained by Canadian Pacific (CP) to conduct a Stage 2 Preliminary Site Investigation (PSI) and a Supplemental Stage 2 PSI of select areas of the Okanagan Subdivision, specifically Mile 0.3 to 1.2, Mile 1.8 to 23.5 and Mile 25.5 to 31.33 (hereafter also referred to as the subject property).

Teranis has completed the following site investigations and reports on the subject property:

- CP Okanagan Subdivision Stage 2 Preliminary Site Investigation (PSI), prepared by Teranis Consulting Ltd., dated March 2017;
- Okanagan Subdivision – Investigation Summary Report, prepared by Teranis Consulting Ltd., dated March 21 2017.

The undersigned confirms that the Regional District of North Okanagan may rely on information contained within the above noted reports in context with the scope of work and limitations presented within each report.

Should you have any questions or require any additional information, please do not hesitate to contact the undersigned.

Sincerely,

TERANIS CONSULTING LTD.

Ian Collings, B.Sc., MRSC, C.Chem, P.Chem. Principal and Senior Chemist Tel: (604) 681 2888 Fax: (604) 681 2891 ian.collings@teranis.ca	Lance Hunt, B.Sc., P.Chem. Project Manager and Environmental Scientist Tel: (604) 681 2888 Fax: (604) 681 2891 lance.hunt@teranis.ca
---	--

Teranis Consulting Ltd.
300 – 1135 Howe Street
Vancouver, BC V6Z 2B8

Tel: (604) – 681 2888
Fax: (604) – 681 2891

ATTACHMENT II

COLUMBIA SHUSWAP REGIONAL DISTRICT

BYLAW NO. 5755

A bylaw to establish a service and service area for a network of regional trails within former railway corridor lands

WHEREAS under section 332 of the *Local Government Act* a regional district may, by bylaw, establish and operate any service that the board considers necessary or desirable for all or part of the regional district;

AND WHEREAS the Board of the Columbia Shuswap Regional District (the "Board") wishes to acquire, in conjunction with the Splatstn First Nation and the Regional District of the North Okanagan, the abandoned Canadian Pacific rail corridor between Sicamous and Armstrong in order to develop a network of regional trails (the "Rail Corridor Trail Initiative");

AND WHEREAS THE Board wishes to establish a service to acquire, construct, improve, manage and operate the Rail Corridor Trail Initiative with respect to those parts of the Rail Corridor Trail Initiative that are within the Columbia Shuswap Regional District;

AND WHEREAS the approval of the electors in the Participating Areas has been obtained in accordance with section 345(1)(a) of the *Local Government Act*;

AND WHEREAS the approval of the Inspector of Municipalities has been obtained in accordance with sections 342(1)(a) of the *Local Government Act*;

NOW THEREFORE the Board of the Columbia Shuswap Regional District, in open meeting assembled, HEREBY ENACTS as follows:

1. The Regional District hereby establishes a service for the purpose of acquiring, constructing, improving, managing and operating the Rail Corridor Initiative (the "Rail Corridor Trail Service").
2. The participating areas and the service areas for the Rail Corridor Trail Service consist of the City of Salmon Arm, the District of Sicamous and Electoral Areas "C", "D", "E" and "F" (the "Participating Areas").
3. Boundaries:

The boundaries of the service area are:

- All of Electoral Area C;
- All of Electoral Area D;
- All of Electoral Area E;
- All of Electoral Area F;
- All of the City of Salmon Arm;
- All of the District of Sicamous.

4. The annual costs for the Rail Corridor Trail Service shall be recovered by:
 - (a) requisition of money to be collected by property value taxes imposed in accordance with Division 3 of Part 11 of the *Local Government Act*;
 - (b) fees and charges imposed under section 397 of the *Local Government Act*;
 - (c) revenues raised by other means authorized under the *Local Government Act* or another Act; and
 - (d) revenues received by way of agreement, enterprise, gift, grant or otherwise.

5. The requisition of money to be collected by property value taxes imposed in accordance with Division 3 of Part 11 of the *Local Government Act* is to be apportioned among the Participating Area as follows:
 - a. 35% from City of Salmon Arm;
 - b. 30% from District of Sicamous;
 - c. 12% from Electoral Area "C";
 - d. 3% from Electoral Area "D";
 - e. 15% from Electoral Area "E"; and
 - f. 5% from Electoral Area "F".

6. The maximum amount that may be requisitioned for the Rail Corridor Trail Service is the amount equivalent to \$0.50 for each \$1,000 of net taxable value of land and improvements included in the Service Area.

7. This bylaw may be cited as "Rail Corridor Trail Service Establishment Bylaw No. 5755."

READ A FIRST TIME THIS _____ day of _____, 2017.

READ A SECOND TIME THIS _____ day of _____, 2017.

READ A THIRD TIME THIS _____ day of _____, 2017.

Approved by the Inspector of Municipalities this _____ day of _____, 2017.

RECEIVED elector approval this _____ day of _____, 2017.

ADOPTED THIS _____ day of _____, 2017.

 MANAGER OF CORPORATE
 ADMINISTRATION SERVICES (SECRETARY)

 CHAIR

CERTIFIED a true copy of
Bylaw No. 5755 as read a third time.

Deputy Manager of Corporate
Administration Services

CERTIFIED a true copy of
Bylaw No. 5755 as adopted.

Deputy Manager of Corporate
Administration Services

ATTACHMENT III

COLUMBIA SHUSWAP REGIONAL DISTRICT

BYLAW NO. 5756

A bylaw to authorize borrowing for the purpose of acquiring of the abandoned Canadian Pacific rail corridor to develop a network of regional trails

WHEREAS the Columbia Shuswap Regional District Board (the "Board") has established by Bylaw No. 5755 (Rail Corridor Trail Service Establishment Bylaw), a service for the purpose of providing a network of regional trails based on the abandoned Canadian Pacific rail corridor between Sicamous and Armstrong;

AND WHEREAS it is deemed desirable and expedient to acquire the abandoned Canadian Pacific rail corridor serving the participating areas of the City of Salmon Arm, the District of Sicamous and Electoral Areas "C", "D", "E" and "F" (the "Service Area");

AND WHEREAS the estimated cost of acquiring the rail corridor including expenses incidental thereto is the sum of Two Million One Hundred Seventy Thousand Dollars (\$2,170,000) of which the sum of One Million Eight Hundred Forty Thousand Dollars (\$1,840,000) is the amount of debt intended to be borrowed by this bylaw;

AND WHEREAS the maximum term for which a debenture may be issued to secure the debt created by this bylaw is for a term not to exceed twenty-five years;

AND WHEREAS the authority to borrow under this bylaw expires five years from the date on which this bylaw is adopted;

AND WHEREAS the Board has submitted the proposal to borrow funds for the purpose of acquiring the corridor to the electors within the service area and approval of electors, in accordance with section 345 of the *Local Government Act* has been obtained;

NOW THEREFORE, the Columbia Shuswap Regional District Board in open meeting assembled, enacts as follows:

1. The Board of the Columbia Shuswap Regional District is hereby empowered and authorized to undertake and carry out or cause to be carried out the acquisition of the abandoned Canadian Pacific rail corridor within the Columbia Shuswap Regional District and to do all things necessary in connection therewith and without limiting the generality of the foregoing:
 - (a) To borrow upon the credit of the Columbia Shuswap Regional District a sum not exceeding One Million Eight Hundred Forty Thousand Dollars(\$1,840,000);
 - (b) To acquire all such real property, easements, rights-of-way, licenses, rights or authorities as may be requisite or desirable for or in connection with the Rail Corridor Trail Service.
2. The Regional District service for which the debt authorized by this bylaw would be incurred

is "Rail Corridor Trail Service Establishment Bylaw No. 5755".

3. The maximum term for which debentures may be issued to secure the debt created by this bylaw is twenty-five years.
4. This bylaw may be cited as "Rail Corridor Trail Service Loan Authorization Bylaw No. 5756".

READ A FIRST TIME THIS _____ day of _____, 2017.

READ A SECOND TIME THIS _____ day of _____, 2017.

READ A THIRD TIME THIS _____ day of _____, 2017.

Approved by the Inspector of Municipalities this _____ day of _____, 2017.

RECEIVED elector approval this _____ day of _____, 2017.

ADOPTED THIS _____ day of _____, 2017.

MANAGER OF CORPORATE
ADMINISTRATION SERVICES (SECRETARY)

CHAIR

CERTIFIED a true copy of
Bylaw No. 5756 as read a third time.

CERTIFIED a true copy of
Bylaw No. 5756 as adopted.

Deputy Manager of Corporate
Administration Services

Deputy Manager of Corporate
Administration Services