



<u>"FOOTPRINTS BACK ON OUR LAND"</u> Group 1 Land Transfer



Cheslatta Carrier Nation and Province of British Columbia

Pursuant to the Settlement Agreement

Land Transfer Agreement and Maps and Surveys

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Part 1

Land Transfer Agreement

LAND TRANSFER AGREEMENT

This Agreement is dated for reference <u>August 28, 2023</u>

AMONG:

His Majesty the King in Right of the Province of British Columbia, as represented by the Minister of Indigenous Relations and Reconciliation

("BC")

AND:

Cheslatta Carrier Nation, on behalf of itself and the Cheslatta t'en, as represented by Chief and Council

("Cheslatta")

WHEREAS:

- A. Cheslatta and BC have entered into a Settlement Agreement dated for reference March 28, 2019 (the "Settlement Agreement");
- B. The Settlement Agreement sets out a procedure for Cheslatta to identify certain Crown lands for consideration, and for BC to determine eligibility of those lands, for transfer to Cheslatta;
- C. Cheslatta and BC have carried out the process to identify and consider certain Crown lands for transfer, and now wish to arrange to transfer those lands to Cheslatta as contemplated in the Settlement Agreement; and
- D. This agreement sets out the terms and conditions applicable to the transfer of the Group 1 Lands and is the "Land Transfer Agreement" for those lands for the purposes of section 10.1 of the Settlement Agreement;

NOW THEREFORE BC and Cheslatta agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 **Definitions.** In this agreement:

"Closing" means the completion of the transfer of the Group 1 Lands by BC to the Designated Entity, on the Closing Date;

"Cheslatta East" means the area of approximately 513.1 hectares of Crown land set out in Schedule 1 Part 1, except any land below the natural boundary (as defined in the *Land Act*) and the area of any Crown Corridor, or any submerged lands;

"**Cheslatta West**" means the area of approximately 589.4 hectares of Crown land set out in Schedule 1 Part 2, except any land below the natural boundary (as defined in the *Land Act*) and the area of any Crown Corridor, or any submerged lands;

"**Crown Corridor**" means a highway (as defined in the *Transportation Act*) and the area of any other road, right-of-way, easement or licence over Crown land that is used for transportation or public utility purposes and agreed by the Parties to be excluded from the transfer of the Group 1 Lands to the Designated Entity;

"East Ootsa North" means the area of approximately 69.6 hectares of Crown land set out in Schedule 1 Part 3, except any land below the natural boundary (as defined in the *Land Act*) and the area of any Crown Corridor, or any submerged lands;

"Effective Date" means August 28, 2023;

"Group 1 Lands" means Cheslatta East, Cheslatta West, East Ootsa North, Natalkuz, Square Lake South, Table Hill North and Table Hill South;

"**Natalkuz**" means the area of approximately 35.8 hectares of Crown land set out in Schedule 1 Part 4, except any land below the natural boundary (as defined in the *Land Act*) and the area of any Crown Corridor, or any submerged lands;

"**Permitted Encumbrances**" means the Reservations and exceptions, liens, charges, and interests applicable to the Group 1 Lands as described in Schedule 2;

"**Release and Indemnity Agreement**" means the agreement between Cheslatta, the Designated Entity, Rio Tinto and BC in the form set out in Schedule 3;

"Settlement Agreement" has the meaning ascribed to that term in recital "A";

"Square Lake South" means the area of approximately 80.4 hectares of Crown land set out in Schedule 1 Part 5, except any land below the natural boundary (as

defined in the *Land Act*) and the area of any Crown Corridor, or any submerged lands;

"Table Hill North" means the area of approximately 8.70 hectares of Crown land set out in Schedule 1 Part 6, except any land below the natural boundary (as defined in the *Land Act*) and the area of any Crown Corridor, or any submerged lands;

"Table Hill South" means the area of approximately 47.8 hectares of Crown land set out in Schedule 1 Part 7, except any land below the natural boundary (as defined in the *Land Act*) and the area of any Crown Corridor, or any submerged lands; and

"Waterfront Parcels" means those portions of the Group 1 Lands set out in Schedule 1 Part 8.

- 1.2 **Interpretation.** For purposes of this Agreement:
 - a) "this agreement" means this Land Transfer Agreement, and includes the Schedules and any agreement, document or instrument executed or delivered pursuant to this agreement;
 - b) "including" means "including, but not limited to" and "includes" means "includes, but not limited to";
 - c) the recitals and headings are for convenience only, do not form a part of this Agreement and in no way define, limit, alter or enlarge the scope or meaning of any provision of this agreement;
 - d) words importing gender include the masculine, feminine or neuter gender and words in the singular include the plural and vice versa;
 - e) any reference to a corporate entity includes and is also a reference to any corporate entity that was a predecessor to, or that is a successor to, such entity;
 - f) a reference to a statute includes every amendment to it, every regulation made under it, every amendment made to a regulation made under it and any law enacted in substitution for, or in replacement of, it;
 - g) in the calculation of time under this agreement, all references to "days" are to calendar days;
 - h) any reference to the delivery on Closing of an agreement, document or instrument "in the form" of an attached schedule means an agreement,

document or instrument substantially in that form with such changes, additions or deletions as may be agreed by the representatives of the Parties;

- each and every acknowledgement, agreement, release or other covenant given, and action to be taken, by Cheslatta under this agreement means Cheslatta acting by and through its Chief and Council, and will be conclusively deemed to have been given, or taken, by the Cheslatta on its own behalf, and for and on behalf of its members;
- j) there will be no presumption that doubtful expressions, terms or provisions in this agreement are to be resolved in favour of BC or Cheslatta; and
- k) capitalized terms in this agreement that are not otherwise defined have the meaning ascribed to them in the Settlement Agreement.
- 1.3 **Settlement Agreement.** The Parties acknowledge that pursuant to section 10.1 of the Settlement Agreement,
 - a) this agreement forms part of and is subject to the Settlement Agreement;
 - b) the terms and conditions contained in this agreement are in addition to, and without limiting the generality of, the terms and conditions set out in the Settlement Agreement; and
 - c) references to "terms and conditions" in this agreement are intended to include the terms and conditions set out in the Settlement Agreement, as they pertain to the Group 1 Lands.
- 1.4 **Schedules.** The following Schedules are attached to and form part of this agreement:
 - Schedule 1 Group 1 Lands
 - Part 1 Cheslatta East
 - Part 2 Cheslatta West
 - Part 3 East Ootsa North
 - Part 4 Natalkuz
 - Part 5 Square Lake South
 - Part 6 Table Hill North

- Part 7 Table Hill South
- Part 8 Waterfront Parcels
- Schedule 2 Permitted Encumbrances and Reservations
 - Part 1 Standard Permitted Encumbrances
 - Part 2 Additional Standard Permitted Encumbrances applicable to Waterfront Parcels
 - Part 3 Additional Permitted Encumbrances Specific to Particular Parcels
 - Part 4 Additional Permitted Encumbrances-Interests Not Registered on Title
- Schedule 3 Release and Indemnity Agreement
- 1.5 **Amendment of Schedules**. The Parties acknowledge that the Schedules may need to be updated by agreement of the Parties after the Effective Date and such agreement will be in writing.

ARTICLE 2 – TRANSFER OF GROUP 1 LANDS

- 2.1 **Transfer of Group 1 Lands.** Subject to the Permitted Encumbrances, Reservations, and the terms and conditions of this agreement, including the satisfaction or waiver of all applicable conditions precedent, BC will transfer the Group 1 Lands to the Designated Entity as soon as practicable after the Effective Date.
- 2.2 **Staged Transfer**. Without limiting section 2.1, the Parties agree that the transfer of the Group 1 Lands may be staged such that one or more portions of the Group 1 Lands may be transferred separately in the event that the conditions precedent for one parcel within the Group 1 Lands are satisfied or waived prior to the conditions precedent for the other portions of the Group 1 Lands being waived or satisfied, and, in that event,
 - a) the conditions in section 5.1 and 5.2; and
 - b) the steps set out in sections 2.3 to 2.5

will apply separately for each staged transfer of Group 1 Lands.

- 2.3 **Closing and Registration**. The parties acknowledge that the closing procedure and registration of the Group 1 Lands will occur in accordance with the following sections of the Settlement Agreement:
 - a) Section 10.2 ("Pre-Closing Delivery by Cheslatta");
 - b) Section 10.3 ("Closing Deliveries by BC");
 - c) Section 10.4 ("Closing Deliveries by Cheslatta");
 - d) Section 10.5 ("Registration of Lands"); and
 - e) Section 10.6 ("Closing Procedure").
- 2.4 **Closing Particulars**. The parties acknowledge that BC uploading a Crown Grant to the Land Title Office in accordance with the Closing Procedure satisfies BC's obligation to provide the Designated Entity with a Crown Grant transferring indefeasible title for the purposes of Section 10.3 of the Settlement Agreement with respect to the land subject to that Crown Grant.
- 2.5 **Additional Closing Procedures**. In addition to the Closing Procedures set out in section 10.6 of the Settlement Agreement,
 - a) Cheslatta, the Designated Entity and BC will deliver to each other and Rio Tinto, through each of their respective lawyers, the Release and Indemnity Agreement executed in counterpart; and
 - b) the deliveries set out in subsection (a) will occur by email within 2 business days from the day on which BC conducts and shares title searches for the Group 1 Lands which indicate that in the normal course of the Land Title Office, title to the Group 1 Lands will registered in the name of the Designated Entity.

ARTICLE 3 – COMING INTO EFFECT AND TERMINATION

- 3.1 **Coming into Effect.** This agreement comes into effect on the Effective Date.
- 3.2 **Termination.** This agreement terminates if the Settlement Agreement is terminated.
- 3.3 **Survival of Lands Conditions**. Despite section 3.2, where any of the Group 1 Lands are transferred under this agreement, Articles 6, and 7 will survive the completion of the transfers or the termination of this agreement and, for greater certainty, will continue to apply to the Group 1 Lands.

ARTICLE 4 – REPRESENTATIONS AND WARRANTIES

- 4.1 **Cheslatta Representations.** Cheslatta represents and warrants to BC with the intent and understanding that these representations and warranties will be relied on by BC in entering into this agreement, that:
 - a) it enters into this agreement for, and on behalf of, Cheslatta t'en;
 - b) it, as represented by its Chief and Council, has the legal power, capacity and authority to enter into this Agreement and to carry out its obligations under this Agreement on behalf of Cheslatta and Cheslatta t'en;
 - c) any company or society designated by Cheslatta for the purpose of this agreement will be a Designated Entity;
 - d) any Designated Entity will have the legal power, capacity and authority to enter into and carry out its obligations under each agreement and transaction to which it is a party in accordance with this agreement; and
 - e) BC has fulfilled its obligation to consult with Cheslatta in relation to the transfer of Group 1 Lands contemplated in this agreement.
- 4.2 **Provincial Representations.** BC represents and warrants to Cheslatta, with the intent and understanding that these representations and warranties will be relied on by Cheslatta in entering into this agreement, that:
 - a) it has the legal power, capacity and authority to enter into this agreement;
 - b) on satisfaction or waiver of the conditions precedent under 5.1 and 5.2, it will have the legal power, capacity and authority to transfer the fee simple title to the Group 1 Lands to the Designated Entity as contemplated by this agreement; and
 - c) this agreement has been duly authorized, executed and delivered by BC.

ARTICLE 5 – CONDITIONS PRECEDENT

- 5.1 **Conditions**. The parties acknowledge that transfer of the Group 1 Lands is subject to the conditions set out in the Settlement Agreement, including:
 - a) section 17.1 ("Conditions Precedent");
 - b) section 17.2 ("Conditions Precedent to Transfer or Tenure Lands");

- c) section 17.3 ("Satisfaction of Conditions Precedent or Tenures");
- d) Section 17.4 ("Conditions Precedent to Funding"); and
- e) Section 17.5 ("Waiver of Conditions Precedent").
- 5.2 **Additional Conditions.** In addition to the conditions referenced in section 5.1, the obligation of BC to transfer the Group 1 Lands under this agreement is subject to:
 - a) the representations and warranties of Cheslatta in this agreement and the Settlement Agreement being true and correct on and up to the applicable Closing Date;
 - b) with respect to each Permitted Encumbrance, the parties having
 - i) received confirmation of agreement by third parties interest holders as to the form and substance of the Permitted Encumbrances set out in Schedule 2 Part 3; or
 - reached an agreement on the terms of the Permitted Encumbrances on different terms than the forms set out in Schedule 2 Part 3, including completion of agreements with interest holders as necessary;
 - c) BC entering into an agreement, on such terms and conditions as are satisfactory to BC, to the surrender of the rights of way and other authorizations in favour of the British Columbia Hydro and Power Authority with respect to the Group 1 Lands in existence on the Closing Date;
 - d) legal surveys for the applicable Group 1 Lands having been completed on or before the applicable Closing Date;
 - e) the minister responsible having authorized the disposition of the applicable Group 1 Lands in accordance with provincial law;
 - f) any and all necessary subdivision approvals having been obtained for the applicable Group 1 Lands;
 - g) Cheslatta delivering to BC a direction identifying the Designated Entity;
 - BC, Cheslatta and the Designated Entity receiving from Rio Tinto their written agreement to execute and deliver the Release and Indemnity Agreement in accordance with the terms set out in subsection (j) and section 2.5 of this agreement;

- i) BC, Cheslatta, Designated Entity and Rio Tinto having delivered to their legal counsel the Release and Indemnity Agreement in counterpart with instructions to release in accordance with section 2.5;
- j) Cheslatta and Rio Tinto having entered into an agreement, in a form agreed by Cheslatta, BC and Rio Tino, wherein Cheslatta agrees to be bound by the terms of those instruments set out in Schedule 2 Appendix A; and
- k) the Parties having reached an agreement for the terms of the Crown Grant with respect to the Waterfront Parcels.
- 5.3 **Waiver of Conditions Precedent.** The conditions precedent set out in this Article 5 are for the sole benefit of BC and may be waived by BC on written notice to Cheslatta.

ARTICLE 6 – CONDITION OF GROUP 1 LANDS

- 6.1 **Conditions of Land**. The parties acknowledge the terms and conditions pertaining to the condition of the Group 1 Lands as set out in the Settlement Agreement, including:
 - a) section 11.1 ("Lands 'As Is');
 - b) section 11.2 ("Viability of Lands");
 - c) section 11.3 ("Environmental Condition of Lands");
 - d) section 11.4 ("Environmental Conditions");
 - e) section 11.5 ("Effect of 11.4"); and
 - f) section 11.6 ("Responsible Persons").

ARTICLE 7 – RESERVATIONS AND ENCUMBRANCES

- 7.1 **Reservations and Permitted Encumbrances**. The parties acknowledge the terms and conditions pertaining to Reservations and Permitted Encumbrances as set out in the Settlement Agreement, including:
 - a) section 12.1 ("Reservations");
 - b) section 12.2 ("Permitted Encumbrances");
 - c) section 12.3 ("Indemnity for Charges");

- d) section 12.4 ("Conduct of Litigation"); and
- e) section 12.5 ("Assurances in relation to Group 1 Lands and Permitted Encumbrances").
- 7.2 **Registration of Permitted Encumbrances.** All Permitted Encumbrances that are registerable interests will be registered in the Land Title Office.

ARTICLE 8 – TRANSACTION COSTS

- 8.1 **Transaction Costs**. The parties acknowledge the terms and conditions pertaining to transaction as set out in the Settlement Agreement, including:
 - a) section 13.1 ("Registration, Tax and Other Costs");
 - b) section 13.2 ("Other Survey Costs");
 - c) section 13.3 ("GST, PST, and Other Charges"); and
 - d) Section 13.4 ("Annual Taxes and other Costs").

ARTICLE 9 – OTHER COVENANTS

- 9.1 **Status of Land**. The parties acknowledge the terms and conditions pertaining to the status of land as set out in the Settlement Agreement, including:
 - a) section 14.1 ("Status of Land");
 - b) section 14.2 ("Additions to Reserve");
 - c) section 14.3 ("Additions of Land to Reserve");
 - d) section 14.4. ("Additions of Other Lands to Reserve");
 - e) section 14.5 ("Resolution of Issues");
 - f) section 14.6 ("Notice of Support or Non-objection"); and
 - g) Section 14.7 ("Cheslatta Acknowledgements").

ARTICLE 10 - DISPUTE RESOLUTION

10.1 **Dispute Resolution**. The parties acknowledge the terms and conditions pertaining to Dispute Resolution as set out in the Settlement Agreement, including Part 18.

ARTICLE 11 - NOTICES

11.1 **Notices**. The parties acknowledge the notice provisions set out in section 23.11 of the Settlement Agreement.

ARTICLE 12 - GENERAL

- 12.1 **Entire Agreement.** This agreement is the entire agreement between the Parties in respect of the subject matter of this agreement and, except as set out in this agreement, there is no representation, warranty, collateral agreement, condition, right or obligation affecting this agreement.
- 12.2 **Further Acts and Assurances.** Each of the Parties will, upon the reasonable request of the other Party, do such further lawful acts or deliver such further documents in a timely fashion as are reasonably required in order to fully perform and carry out the terms of this agreement.
- 12.3 **No Implied Waiver**. Any waiver of a provision of this agreement, the performance by a Party of an obligation under this agreement or a default by a Party of an obligation under this agreement will be in writing and signed by the Party giving the waiver and will not be a waiver of any other provision, obligation or subsequent default.
- 12.4 **Successors.** This agreement will enure to the benefit of and be binding on Cheslatta and the Designated Entity, and their successors, and BC.
- 12.5 **No Admissions.** Nothing in this agreement will be construed as an:
 - a) admission by BC of the validity of any claim by Cheslatta to a specific treaty or aboriginal right or aboriginal title within the meaning of section 35 of the *Constitution Act, 1982*;
 - b) acknowledgment by BC that it has an obligation to provide financial or economic accommodation to Cheslatta.
- 12.6 Not a Treaty. This agreement does not:
 - a) constitute a treaty or land claims agreement within the meaning of section 25 or 35 of the *Constitution Act, 1982* (Canada); or

- b) recognize, affirm, define, deny, limit or amend any aboriginal rights or titles or any responsibilities of the Parties except as set out in this Agreement.
- 12.7 **No Fettering**. Nothing in this agreement will be interpreted in a way that fetters the discretion of any decision-making authority.
- 12.8 **Amendment.** This agreement may be amended from time to time by the Parties in writing.
- 12.9 **Governing Law.** This agreement will be governed by and construed in accordance with the laws of the Province of British Columbia.

12.10 **Execution in Counterpart.** This agreement may be entered into by each Party signing a separate copy of this agreement (including a photocopy, email or facsimile copy) and delivering it to the other Party by email or facsimile transmission.

IN WITNESS WHEREOF the Land Transfer Agreement has been executed by each of BC and Cheslatta as of the day and year first above written.

Cheslatta Carrier Nation As represented by Chief and Counsel

Chief Corrina Leween

Councillor Janet W hitford

Councillor Hazel Burt

Witness Signature Name: Mike Robertson

Witness Signature

Name: Barbra lon

Witness Signature Name: Lynda Maertz

His Majesty the King in Right of the Province of British Columbia, as represented by

The Minister of Indigenous Relations and Reconciliation

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Print name: Murray Rankin

Schedule 1 – Group 1 Lands

Part 1 – Cheslatta East

- BLOCK A, DISTRICT LOTS 1672, AND 2630, RANGE 4 COAST DISTRICT
- BLOCK A, DISTRICT LOT 490, RANGE 4 COAST DISTRICT
- BLOCK B, DISTRICT LOT 491, RANGE 4 COAST DISTRICT

Part 2 – Cheslatta West

- BLOCK A, DISTRICT LOTS 398 AND 3256, RANGE 4 COAST DISTRICT
- BLOCK B, DISTRICT LOTS 1669 AND 3256, RANGE 4 COAST DISTRICT
- BLOCK E, DISTRICT LOTS 398 AND 3256, RANGE 4 COAST DISTRICT
- BLOCK C, DISTRICT LOT 398, RANGE 4 COAST DISTRICT
- BLOCK C, DISTRICT LOTS 1669 AND 3256, RANGE 4 COAST DISTRICT
- BLOCK B, DISTRICT LOT 397, RANGE 4 COAST DISTRICT

Part 3 – East Ootsa North

- BLOCK A, DISTRICT LOT 3257, RANGE 4 COAST DISTRICT
- BLOCK C, DISTRICT LOT 3257, RANGE 4 COAST DISTRICT

Part 4 – Natalkuz

• DISTRICT LOT 3255, RANGE 4 COAST DISTRICT

Part 5 – Square Lake South

- BLOCK B, DISTRICT LOT 436, RANGE 4 COAST DISTRICT
- BLOCK A, DISTRICT LOT 437, RANGE 4 COAST DISTRICT

Part 6 – Table Hill North

• DISTRICT LOT 3254, RANGE 4 COAST DISTRICT

Part 7 – Table Hill South

- BLOCK A, DISTRICT LOT 3253, RANGE 4 COAST DISTRICT
- BLOCK B, DISTRICT LOT 3253, RANGE 4 COAST DISTRICT

Part 8 – Waterfront Parcels

- DISTRICT LOT 3255, RANGE 4 COAST DISTRICT
- DISTRICT LOT 3254, RANGE 4 COAST DISTRICT
- BLOCK A, DISTRICT LOT 3253, RANGE 4 COAST DISTRICT
- BLOCK A, DISTRICT LOT 3257, RANGE 4 COAST DISTRICT

All lands set out in this Schedule 1 will be described in accordance with the legal descriptions designated upon registration in the Land Title Office.

Schedule 2 – Permitted Encumbrances

Part 1 – Standard Permitted Encumbrances Applicable to all Group 1 Lands

all subsisting exceptions and reservations of interests, rights, privileges and titles contained in any previous Crown grant of the land

all interests, charges and encumbrances registered on title under the *Land Title Act* as of the Closing Date;

any conditional or final water license or substituted water license issued or given under the *Water Sustainability Act*, or any prior enactment of BC of British Columbia of like effect, and to the rights of the holder of it to enter on the land and to maintain, repair and operate any works permitted on the land under the license at the date of the crown grant;

all subsisting grants to, or subsisting rights of any person made or acquired under the *Mineral Tenure Act, Coal Act* or *Petroleum and Natural Gas Act* or under any prior or subsequent enactment of BC of British Columbia of like effect;

Schedule 2 – Permitted Encumbrances

Part 2 – Additional Standard Permitted Encumbrances Applicable to all Waterfont Parcels
 Statutory Right of Way in favour of Rio Tinto, generally in the form attached as Appendix A with respect to the following areas:
 EPP122198 (over BLOCK A, DISTRICT LOT 3257, RANGE 4 COAST DISTRICT) EPP119613 (over DISTRICT LOT 3255, RANGE 4 COAST DISTRICT EPP119614 (over DISTRICT LOT 3254 RANGE 4 COAST DISTRICT) EPP119615 (over BLOCK A, DISTRICT LOT 3253, RANGE 4 COAST DISTRICT)
(registered prior to fee simple transfer)
 Covenant in favour of BC and Rio Tinto, generally in the form attached as Appendix B
(registered immediately subsequent to fee simple transfer)

Part 3 – Additional Permitted Encumbrances Specific to Particular Parcels

	BLOCK A, DISTRICT LOT 490, RANGE 4 COAST DISTRICT
•	Easement for the benefit of PID: 008-711-089 THE SOUTHWEST 1/4 OF DISTRICT LOT 490 RANGE 4 COAST DISTRICT generally in the form attached as Appendix C
	(registered prior to transfer)
•	Statutory Right of Way in favour of British Columbia Hydro and Power Authority and TELUS Communications Inc., generally in the form attached as Appendix E
	(registered subsequent to fee simple transfer)

BLOCK B, DISTRICT LOT 491, RANGE 4 COAST DISTRICT

 Easement for the benefit of PID: 008-711-089 THE SOUTHWEST 1/4 OF DISTRICT LOT 490 RANGE 4 COAST DISTRICT generally in the form attached as Appendix C

(registered prior to transfer)

 Easement for the benefit of PID: 009-284-940 THE SOUTH 1/2 OF DISTRICT LOT 2615 RANGE 4 COAST DISTRICT generally in the form attached as Appendix D

(registered prior to transfer)

• Statutory Right of Way in favour of British Columbia Hydro and Power Authority and TELUS Communications Inc., generally in the form attached as Appendix E

(registered subsequent to fee simple transfer)

BLOCK C, DISTRICT LOT 398, RANGE 4 COAST DISTRICT

• Statutory Right of Way in favour of British Columbia Hydro and Power Authority and TELUS Communications Inc., generally in the form attached as Appendix E

(registered subsequent to fee simple transfer)

BLOCK E, DISTRICT LOTS 398 AND 3256, RANGE 4 COAST DISTRICT

• Statutory Right of Way in favour of British Columbia Hydro and Power Authority and TELUS Communications Inc., generally in the form attached as Appendix E

(registered subsequent to fee simple transfer)

Schedule 2 – Permitted Encumbrances

Appendix A – Rio Tinto SRW

TERMS OF INSTRUMENT - Part 2

WHEREAS:

- A. The Grantor is the owner in fee simple of the Lands;
- B. The Grantee is authorized under the Provincial Authorizations to divert, use, store and control the flow of water from the Nechako River and its sources. As a result of the exercise of these rights and interests, the Lands are subject to flooding, erosion, sloughing and other similar events and other changes and damage;
- C. The Grantor has agreed to grant to the Grantee a statutory right of way through, under, over and across that portion of the Lands contained in the SRW Area on the terms and conditions of this Instrument;
- D. The Grantee has been designated and is of the class of companies suitable to hold a statutory right of way under Section 218(1)(c) of the *Land Title Act* [NTD: this designation must be made, or confirmed, in advance of registration]; and
- E. This statutory right of way is necessary for the operation and maintenance of the Grantee's undertaking.

In consideration of the sum of \$10.00 now paid by the Grantee to the Grantor, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **DEFINITIONS**

- 1.1 In this General Instrument,
 - (a) **"1987 Agreement"** means the Settlement Agreement made September 14, 1987 between RTA, formerly Alcan Aluminium Limited, Canada and British Columbia;
 - (b) **"British Columbia"** means His Majesty the King in Right of the Province of British Columbia;
 - (c) **"Final Water Licence"** means RTA's Amended Final Water Licence F102324 dated July 19, 2012, including Exhibit "A" thereto;
 - (d) "Lands" means the land described in item 2 of Part 1 of this General Instrument;
 - (e) "**Nechako Reservoir**" means the reservoir created by RTA on the Nechako River above the Kenney Dam;
 - (f) **"Permit"** means RTA's Amended Permit Authorizing the Occupation of Crown Land No. 3449 dated July 19, 2012, including Exhibit "A" thereto;

- (g) **"Plan"** means the plan deposited with the LTSA under document number EPP_____;
- (h) "Provincial Authorization" means subsisting approvals, tenures, permits, water licences, or other authorizations granted or issued by British Columbia in relation to the Reservoir and Works;

(i) "Reservoir and Works" means:

(i) the "Works" within the meaning of the agreement made December 29, 1950 between British Columbia and RTA and authorized by Order in Council 2883/1950 under the Industrial Development Act, SBC 1949, c 31, which agreement was amended under that Act in 1987, 1997 and 2012, and without limiting the foregoing specifically includes the following RTA works and all planning, development, construction, access, operation, maintenance, repairs, upgrades, replacements, closures and removals thereof or thereto, in whole or in part, that were subject to a Provincial Authorization prior to or on March 28, 2019, except for any aspect of a plan that was not authorized or otherwise acted upon before March 28, 2019:

- (A) the dam constructed, owned and operated by RTA that blocks the Nechako River at the Nechako Canyon, creating the Nechako Reservoir,
- (B) the water release spillway facilities constructed, owned and operated by RTA in the vicinity of Skins Lake, which allows for the controlled release of water from the Nechako Reservoir into the bodies of water between the Skins Lake Spillway and Lower Cheslatta Falls, and all streams and lakes tributary thereto, known as the Murray-Cheslatta System to the Nechako River,
- (C) the original water intake tunnel built in the 1950s that supplies water from the Nechako Reservoir to the Kemano Generating Station ("**Tunnel 1**"),
- (D) the second water intake tunnel project as described in the Environmental Impact Assessment Report dated June 2011 for the Kemano Backup Tunnel Project, Order in Council 567/2012 and the July 19, 2012 agreement between British Columbia and RTA, and including the portions of the tunnel and associated works that may be completed after March 28, 2019 and that were or are subject to a Provincial Authorization ("Tunnel 2"),
- (E) the hydroelectric generating station at Kemano, British Columbia,
- (F) the electricity transmission line and other transmission facilities from the Kemano Generating Station to Kitimat, British Columbia,

- (G) the intake tunnels for Tunnel 1 and Tunnel 2,
- (H) the aluminum smelter and associated aluminum smelter facilities constructed by RTA in approximately 1953 and upgraded in 2015, located in the vicinity of Kitimat, British Columbia, and
- (I) all associated cofferdams, saddle dams, penstocks, equipment, machinery, structures, and facilities;

(ii) the establishment and operation of the Nechako Reservoir by RTA, as described in the Final Water Licence and the Permit, and the creation of the Nechako Reservoir, which for greater certainty includes:

- (A) the flooding of lands, including lands transferred to Cheslatta by RTA or British Columbia, purchased by Cheslatta, or transferred to or on which RTA operates the Reservoir and Works,
- (B) the impacts of the Skins Lake Spillway and releases from the Skins Lake Spillway on cultural and heritage sites,
- (C) any actual or potential adverse impacts on Cheslatta's asserted or determined aboriginal rights, including aboriginal title, which are or may be recognized and affirmed by s. 35 of the Constitution Act, 1982, including those impacts which could result in or have resulted in an infringement of such rights, and
- (D) any contamination; and
- (iii) the following potential projects:
 - (A) any dredging of the Tahtsa Narrows by RTA in the Nechako Reservoir as authorized before or after March 28, 2019, including the portions of the dredging project and associated works that were or may be completed after March 28, 2019, and
 - (B) a water release facility in the vicinity of the Kenney Dam as authorized before or after March 28, 2019 including the portions of the water release facility and associated works that were or may be completed after March 28, 2019,

whether or not the potential project requires RTA to apply to amend the Final Water Licence or Permit, or apply for a new water licence or permit;

(iv) the maintenance, repair, replacement, upgrade, or other modification of works or facilities identified in 1.1(i)(i)-(iii) in accordance with prudent operating practices, or as required by law whether or not the modification results in an increase in the generating capacity or efficiency of the works or facilities;

(v) any enactment, regulation, law, bylaw, ministerial order, or order, including an order of a statutory official or the Steering Committee or Technical Committee established under the 1987 Agreement, in force as of March 28, 2019 or that is reasonably required for or directly related to 1.1(i)(i)-(iv);

(vi) any order or approval regarding the management of reservoir levels and discharges for emergency, safety, conservation, or mitigation of downstream flooding in force as of March 28, 2019; and

(vii) all processes, decisions, authorizations, permits, water licences, tenures, approvals, Crown land dispositions, agreements and other actions or inactions issued, granted, entered into or otherwise taken by:

- (A) British Columbia, or a local government;
- (B) any minister, public official, employee, contractor, agent or representative of British Columbia, or a local government;
- (C) any government corporation or any director, officer, employee, contractor, agent or representative of a government corporation;
- (D) any person acting as a decision maker under any enactment of British Columbia, or a local government; or
- (E) the Steering Committee or Technical Committee established under the 1987 Agreement;

either before March 28, 2019 in relation to the Reservoir and Works or after March 28, 2019 that is reasonably required for, or directly related to 1.1(i) (i) – (iv) and (vi),

but specifically excludes

(viii) subject to paragraph 1.1(i)(vi), an increase in the maximum quantity of water which may be stored, an increase in the live storage amount, or an increase in the maximum rate of diversion and use for power purposes that require the RTA to apply to amend the Final Water Licence or apply for a new water licence to obtain additional rights; and

(ix) the maintenance, repair, replacement, upgrade or other modification of works or facilities that require the RTA to apply to amend the Final Water Licence or apply for a new water licence to obtain additional rights, except in connection with potential projects under paragraph 1.1(i)(iii);

- (j) "RTA" means Rio Tinto Alcan Inc. and, as the context requires, one or more of its predecessors, Alcan Aluminium Limited, The Aluminium Company of Canada Limited and Rio Tinto Canada Holdings Inc; and
- (k) "SRW Area" means that portion of the Lands shown outlined in bold on the Plan.

2. STATUTORY RIGHT OF WAY

- 2.1 Pursuant to section 218 of the *Land Title Act*, the Grantor grants in perpetuity to the Grantee, for itself and for its employees, agents, contractors, subcontractors, permittees, licencees, invitees, successors and assigns, a full, free and uninterrupted statutory right of way to enter on, over, under, within and through the SRW Area at all times for the purposes of exercising its rights under the Provincial Authorizations on the SRW Area, including:
 - (a) doing any work as may be desirable, including erecting structures and signs and excavating, in connection with navigation, debris management, environmental management, conservation management;
 - (b) raising or lowering the level of the Nechako Reservoir;
 - (c) storing or releasing the water of the Nechako Reservoir;
 - (d) saturating, permeating, overflowing, flooding and covering the SRW Area with flood, slack or backwater;
 - (e) causing debris to be deposited on the SRW Area;
 - (f) removing, destroying or disposing of any buildings, structures, timber, obstructions, accumulations or other things;
 - (g) planting riparian vegetation;
 - (h) removing vegetation;
 - (i) carrying out geotechnical or other assessments of any building or structure;
 - (j) passing and repassing on, over, above, below or through the SRW Area with or without vehicles, machines, equipment and goods;
 - (k) any other necessary or incidental act or activity

in connection with:

(l) the Reservoir and Works;

- (m) flood or erosion control; and
- (n) compliance with any lawful requirement respecting the works, project or activities under the Reservoir and Works,

notwithstanding that such activities and works may result in flooding, erosion, sloughing, slides, wave action changes or other change or damage to the SRW Area or improvements on the SRW Area.

- 2.2 This statutory right of way will be registered as a charge against title to the Lands pursuant to section 218 of the *Land Title Act* and will run with and bind the Lands and each and every part into which the Lands may be subdivided.
- 2.3 This statutory right of way extends to, is binding upon and enures to the benefit of the parties and their respective heirs, executors, administrators, successors and assigns.

ADDITIONAL AGREEMENT

3. COVENANTS

- 3.1 Prior to the completion of any sale or transfer of the Lands, or any portion of the Lands which include the SRW Area, the Grantor and any subsequent owner of the Lands, or any portion of the Lands containing the SRW Area, will ensure that the proposed purchaser or transferee agrees in writing with the Grantee to be bound by the terms of this Instrument, in its entirety, and will provide a copy of such agreement to the Grantee.
- 3.2 The parties will do or cause to be done all things and execute or cause to be executed all documents and give such further and other assurances reasonably necessary to give proper effect to the intent of this Instrument.

4. ACKNOWLEDGEMENT, RELEASE AND INDEMNITY

4.1 The Grantor acknowledges and agrees that the exercise of the rights and interests under the Provincial Authorizations and the works, projects or activities under the Reservoir and Works, as they may change from time to time, may result in changes or damage to the SRW Area and the improvements on the SRW Area. In this regard, the Grantor agrees that under no circumstance will the Grantee, or any of its directors, officers, employees, agents, contractors, subcontractors, permittees, licensees invitees, successors and assigns be obligated to compensate the Grantor, or any persons claiming through the Grantor for any change or damage to the SRW Area or the improvements on the SRW Area caused by or in any way whatsoever connected with the exercise of the rights and interests under the Provincial Authorizations or the works, projects or activities under the Reservoir and Works.

- 4.2 The Grantor agrees to indemnify and save harmless the Grantee and its directors, officers, employees, agents, contractors, subcontractors, permittees, licensees, invitees, successors and assigns from all actions, causes of action, claims, demands, suits, losses, damages, debts, accounts, liabilities, costs, expenses and compensation of any kind, including fees of solicitors and other professional advisors, arising out of or in connection with
 - (a) any breach, violation or non-performance of a provision of this Instrument by the Grantor;
 - (b) the lawful exercise of the rights under section 2.1, including
 - (i) any personal injury (including death) or any loss or damage to improvements or chattels, occurring on the SRW Area, or
 - (ii) any loss or damage to the SRW Area caused by flooding, erosion, sloughing and other similar events

except to the extent that the actions, causes of action, claims, demands, suits, losses, damages, debts, accounts, liabilities, costs, expenses and compensation result from the impacts of decommissioning the Nechako Reservoir.

- 4.3 The Grantor hereby releases and discharges the Grantee and its directors, officers, employees, agents, contractors, subcontractors, permittees, licensees, invitees, successors and assigns, from any and all claims, actions, suits or demands which the Grantor and its successors and assigns now have or hereinafter may have against the Grantee and its directors, officers, employees, agents, contractors, subcontractors, permittees, licensees, invitees, successors and assigns, arising out of or in connection with the lawful exercise of the rights under section 2.1, including:
 - (a) any personal injury (including death) or any loss or damage to the improvements or chattels, occurring on the SRW Area;
 - (b) any loss or damage to the SRW Area caused by flooding, erosion, sloughing and other similar events

except to the extent that the actions, causes of action, claims, demands, suits, losses, damages, debts, accounts, liabilities, costs, expenses and compensation result from the impacts of decommissioning the Nechako Reservoir.

- 4.4 Notwithstanding any other provision herein, this article 4
 - (a) shall come into effect upon His Majesty the King in Right of the Province of British Columbia transferring the fee simple interest in the Lands to a third party;

- (b) will have no force or effect against His Majesty the King in Right of the Province of British Columbia as Grantor at any time; and
- (c) will, after coming into force and effect, survive the termination of this Instrument.

5. MISCELLANEOUS

- 5.3 In this Instrument, "person" includes a corporation, firm or association and wherever the singular or masculine form is used in this Instrument it will be construed as the plural or feminine or neuter form, as the case may be, and vice versa where the context or the parties so require.
- 5.4 In this Instrument, "including" means "including, but not limited to" and "includes" means "includes, but is not limited to".
- 5.5 The grants, covenants and agreements in this Instrument are made by the Grantor for itself and its executors, administrators, successors and assigns.
- 5.6 The covenants contained herein are enforceable against the Grantor and its successors in title, but the Grantor is not personally liable for breach of these covenants after the Grantor has ceased to be owner of the Lands.
- 5.7 Where the word "Grantor" includes more than one person, all of those persons will be jointly and severally liable for all of the Grantor's covenants in this Instrument;
- 5.8 This Instrument will be interpreted according to the laws of the Province of British Columbia.
- 5.9 Where there is a reference to an enactment of the Province of British Columbia in this Instrument, that reference includes a reference to any subsequent enactment of the Province of British Columbia of like effect and, unless the context otherwise requires, all statutes referred to in this Instrument are enactments of the Province of British Columbia.
- 5.10 If any section of this Instrument, or any part of a section, is found to be illegal or unenforceable, that part or section, as the case may be, will be considered separate and severable and the remaining parts or sections, as the case may be, will not be affected and will be enforceable to the fullest extent permitted by law.
- 5.11 No term, condition, covenant or other provision of this Instrument will be considered to have been waived unless such waiver is expressed in writing. A waiver of a term, condition, covenant or other provision of this General Instrument will not be construed as or constitute a waiver of any further or other breach of that or any other term, condition, covenant or other provision or this General Instrument.

5.12 Nothing in this Instrument prejudices or affects the rights, powers and remedies of the Grantees in relation to the Grantor or the Lands under any law, bylaw, order or regulation or in equity, all of which rights, powers and remedies may be fully and effectively exercised by the Grantees as if this Instrument had not been made by the parties.

THE PARTIES ACKNOWLEDGE THAT, with respect to Part I of this Instrument

- (a) the Transferor(s) and Transferee(s) are correctly identified in Items 5 and 6;
- (b) this Instrument has been duly executed by the parties in signing Item 8; and
- (c) the heading titled "Transferor Signature(s)" above any Transferee signature in Item 8
 - (i) was autogenerated;
 - (ii) could not be altered or removed by the Transferee(s); and
 - (iii) does not reflect a representation or understanding that the Transferee(s) executed this Instrument as Transferor(s).

END OF DOCUMENT

Schedule 2 – Permitted Encumbrances

Appendix B – Covenant

TERMS OF INSTRUMENT - Part 2

BETWEEN:

[DESIGNATED COMPANY FOR THE CCN]

("Grantor")

AND

HIS MAJESTY THE KING IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the minister responsible for the *Land Act*, Parliament Buildings, Victoria, British Columbia, V8V IX4

("British Columbia")

AND:

RIO TINTO ALCAN INC. c/o Suite 1800, 510 West Georgia Street Vancouver, BC V6B 0M3

("**R**TA")

WHEREAS:

- A. British Columbia and the Cheslatta Carrier Nation have entered into a Settlement Agreement dated March 28, 2019 which contemplates the transfer of the Lands from British Columbia to the Cheslatta Carrier Nation. The Cheslatta Carrier Nation has designated the Grantor to acquire and hold the Lands on its behalf.
- B. The Covenant Area of the Lands is subject to certain rights and interests granted to RTA under the Provincial Authorizations in connection with the works, projects and activities under the Reservoir and Works.
- C. RTA is authorized under the Provincial Authorizations to divert, use, store and control the flow of water from the Nechako River and its sources. As a result of the exercise of

these rights and interests, the Covenant Area is subject to flooding, erosion, sloughing and other similar events and related damages.

- D. In consideration of the transfer of the Lands and other valuable consideration, the Grantor has agreed to register this covenant in favour of the Grantees and this indemnity in favour of the Grantees under section 219 of the *Land Title Act*.
- E. Section 219 of the *Land Title Act* provides that there may be registered as a charge against the title to any land a covenant in favour of the Grantees that land is to be used in a particular manner and that this covenant may include, as an integral part, an indemnity.

[NTD: Requires designation of RTA as a covenantee under s. 219(3)(c).]

In consideration of the sum of \$10.00 now paid by each of the Grantees to the Grantor, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

DEFINITIONS

- 1. In this General Instrument,
 - (a) **"1987 Agreement"** means the Settlement Agreement made September 14, 1987 between RTA, formerly Alcan Aluminium Limited, Canada and British Columbia;
 - (b) **"Cheslatta"** means the Cheslatta Carrier Nation, on behalf of itself and the Cheslatta t'en, as represented by Chief and Council;
 - (c) **"Covenant Area"** means that portion of the Lands shown outlined in bold on the Plan;

[NTD: Covenant Areaadded for situations where a parcel is only partially covered by the Provincial Authorizations. Where entire parcel covered, return to reference to Lands only throughout the document.Covenant Area]

- (d) **"Final Water Licence"** means RTA's Amended Final Water Licence F102324 dated July 19, 2012, including Exhibit "A" thereto;
- (e) "Grantees" means, together, British Columbia and RTA;
- (f) "**Habitable Area**" means any room or space within a structure which is or can be used for human occupancy, business, commercial sales, or the storage of commercial or industrial equipment (including furnaces) that would be subject to damage if flooded, other than a portable seasonal cabin;
- (g) "Lands" means the land described in item 2 of Part 1 of this General Instrument;

- (h) **"Nechako Reservoir"** means the reservoir created by RTA on the Nechako River above the Kenney Dam;
- (i) **"Permit"** means RTA's Amended Permit Authorizing the Occupation of Crown Land No. 3449 dated July 19, 2012, including Exhibit "A" thereto;
- (j) **"Plan"** means the plan deposted with the LTSA under document number EPP_____;
- (k) "Provincial Authorization" means an approval, tenure, permit, water licence, or other authorization granted or issued by British Columbia in relation to the Reservoir and Works;
- (l) "Reservoir and Works" means

(i) the "Works" within the meaning of the agreement made December 29, 1950 between British Columbia and RTA and authorized by Order in Council 2883/1950 under the Industrial Development Act, SBC 1949, c 31, which agreement was amended under that Act in 1987, 1997 and 2012, and without limiting the foregoing specifically includes the following RTA works and all planning, development, construction, access, operation, maintenance, repairs, upgrades, replacements, closures and removals thereof or thereto, in whole or in part, that were subject to a Provincial Authorization prior to or on March 28, 2019, except for any aspect of a plan that was not authorized or otherwise acted upon before March 28, 2019:

A. the dam constructed, owned and operated by RTA that blocks the Nechako River at the Nechako Canyon, creating the Nechako Reservoir,

B. the water release spillway facilities constructed, owned and operated by RTA in the vicinity of Skins Lake, which allows for the controlled release of water from the Nechako Reservoir into the bodies of water between the Skins Lake Spillway and Lower Cheslatta Falls, and all streams and lakes tributary thereto, known as the Murray-Cheslatta System to the Nechako River,

C. the original water intake tunnel built in the 1950s that supplies water from the Nechako Reservoir to the Kemano Generating Station ("**Tunnel 1**"),

D. the second water intake tunnel project as described in the Environmental Impact Assessment Report dated June 2011 for the Kemano Backup Tunnel Project, Order in Council 567/2012 and the July 19, 2012 agreement between British Columbia and RTA, and including the portions of the tunnel and associated works that may be completed after March 28, 2019 and that were or are subject to a Provincial Authorization ("**Tunnel 2**"),

E. the hydroelectric generating station at Kemano, British Columbia,

F. the electricity transmission line and other transmission facilities from the Kemano Generating Station to Kitimat, British Columbia,

G. the intake tunnels for Tunnel 1 and Tunnel 2,

H. the aluminum smelter and associated aluminum smelter facilities constructed by RTA in approximately 1953 and upgraded in 2015, located in the vicinity of Kitimat, British Columbia, and

I. all associated cofferdams, saddle dams, penstocks, equipment, machinery, structures, and facilities;

(ii) the establishment and operation of the Nechako Reservoir by RTA, as described in the Final Water Licence and the Permit, and the creation of the Nechako Reservoir, which for greater certainty includes:

A. the flooding of lands, including lands transferred to Cheslatta by RTA or British Columbia, purchased by Cheslatta, or transferred to or on which RTA operates the Reservoir and Works,

B. the impacts of the Skins Lake Spillway and releases from the Skins Lake Spillway on cultural and heritage sites,

C. any actual or potential adverse impacts on Cheslatta's asserted or determined aboriginal rights, including aboriginal title, which are or may be recognized and affirmed by s. 35 of the Constitution Act, 1982, including those impacts which could result in or have resulted in an infringement of such rights, and

D. any contamination; and

(iii) the following potential projects:

A. any dredging of the Tahtsa Narrows by RTA in the Nechako Reservoir as authorized before or after March 28, 2019, including the portions of the dredging project and associated works that were or may be completed after March 28, 2019, and

B. a water release facility in the vicinity of the Kenney Dam as authorized before or after March 28, 2019 including the portions of the water release facility and associated works that were or may be completed after March 28, 2019,

whether or not the potential project requires RTA to apply to amend the Final Water Licence or Permit, or apply for a new water licence or permit;

(v) any enactment, regulation, law, bylaw, ministerial order, or order, including an order of a statutory official or the Steering Committee or Technical Committee established under the 1987 Agreement, in force as of March 28, 2019 or that is reasonably required for or directly related to 1(l)(i)-(iv);

(vi) any order or approval regarding the management of reservoir levels and discharges for emergency, safety, conservation, or mitigation of downstream flooding in force as of March 28, 2019; and

(vii) all processes, decisions, authorizations, permits, water licences, tenures, approvals, Crown land dispositions, agreements and other actions or inactions issued, granted, entered into or otherwise taken by:

A. British Columbia, or a local government;

B. any minister, public official, employee, contractor, agent or representative of British Columbia, or a local government;

C. any government corporation or any director, officer, employee, contractor, agent or representative of a government corporation;

D. any person acting as a decision maker under any enactment of British Columbia, or a local government; or

E. the Steering Committee or Technical Committee established under the 1987 Agreement;

either before March 28, 2019 in relation to the Reservoir and Works or after March 28, 2019 that is reasonably required for, or directly related to 1(1)(i)-(iv) and (vi),

but specifically excludes

(viii) subject to paragraph 1(1)(vi), an increase in the maximum quantity of water which may be stored, an increase in the live storage amount, or an increase in the maximum rate of diversion and use for power purposes that require the RTA to apply to amend the Final Water Licence or apply for a new water licence to obtain additional rights; and

(ix) the maintenance, repair, replacement, upgrade or other modification of works or facilities that require the RTA to apply to amend the Final Water

Licence or apply for a new water licence to obtain additional rights, except in connection with potential projects under paragraph 1(1)(iii).

ACKNOWLEDGEMENTS AND COVENANTS OF TRANSFEROR

- 2. The Grantor acknowledges that
 - (a) the Covenant Area is subject to flooding, erosion, sloughing and other similar events on the Covenant Area and their related damages, including from the works, projects and activities under the Reservoir and Works;
 - (b) the works, projects and activities under the Reservoir and Works, as they may change from time to time, may result in changes or damage to the Covenant Area and the improvements and chattels on the Covenant Area;
 - (c) under no circumstances will RTA or British Columbia, or any of their respective directors, officers, employees, agents, contractors, subcontractors, permittees, licensees invitees, successors and assigns, be obligated to compensate the Grantor or any subsequent owner of the Covenant Area, for any damage to any building, structure, improvement, vegetation or plant erected, constructed, placed or planted upon or within the Covenant Area; and
 - (d) the Grantees do not represent to the Grantor, nor to any other person, that an improvement or any chattel on the Covenant Area will not be damaged by flooding, erosion, sloughing and other similar events.
- 3. The Grantor acknowledges the highly variable soil conditions, water levels and topography of the Covenant Area.
- 4. The Grantor will
 - (a) retain a qualified professional engineer or geoscientist experienced in geotechnical engineering and obtain a geotechnical evaluation in respect of the Covenant Area before any structure or improvement with a Habitable Area is erected, constructed or placed upon the Covenant Area; and
 - (b) ensure all improvements on the Covenant Area by the Grantee or any other person are placed or constructed in strict accordance with the recommendations and requirements of the geotechnical evaluation.

INDEMNITY UNDER S. 219 OF THE LAND TITLE ACT AND RELEASE

5. The Grantor agrees to indemnify and save harmless the Grantees and their respective directors, officers, servants, employees, agents, contractors, subcontractors, permittees, licensees, invitees, successors, assigns and other representatives from all actions, causes

of action, claims, demands, suits, losses, damages, debts, accounts, liabilities, costs, expenses and compensation of any kind, including fees of solicitors and other professional advisors, arising out of or in connection with:

- (a) any breach, violation or non-performance of a provision of this Instrument by the Grantor; or
- (b) the lawful exercise of the rights and interests under the Provincial Authorizations, regardless of whether the lawful exercise of rights and interests under the Provincial Authorizations occurs on or off the Covenant Area, including
 - (i) any personal injury (including death) or loss or damage to improvements or chattels occurring on the Covenant Area; and
 - (ii) any loss or damage to the Covenant Area caused by flooding, erosion, sloughing and other similar events,

except to the extent that the actions, causes of action, claims, demands, suits, losses, damages, debts, accounts, liabilities, costs, expenses and compensation result from the impacts of decommissioning the Nechako Reservoir.

- 6. The Grantor hereby releases and discharges the Grantees and their respective directors, officers, employees, servants, agents, contractors, subcontractors, permittees, licensees, invitees, successors, assigns and other representatives, from any and all claims, actions, suits or demands which the Grantor, its successors and assigns now have or hereinafter may have against the Grantees, or either of them or their respective directors, officers, employees, servants, agents, contractors, subcontractors, permittees, licensees, invitees, successors, assigns and other representatives, arising out of or in connection the lawful exercise of the rights and interests under the Provincial Authorizations, regardless of whether the lawful exercise of rights and interests under the Provincial Authorizations occurs on or off the Covenant Area, including:
 - (a) any personal injury (including death) or any loss or damage to improvements or chattels occurring on the Covenant Area, and
 - (b) any loss or damage to the Covenant Area caused by flooding, erosion, sloughing and other similar events,

except to the extent that the actions, causes of action, claims, demands, suits, losses, damages, debts, accounts, liabilities, costs, expenses and compensation result from the impacts of decommissioning the Nechako Reservoir.

INTERPRETATION

- 7. In this General Instrument, "person" includes a corporation, firm or association and wherever the singular or masculine form is used in this General Instrument it will be construed as the plural or feminine or neuter form, as the case may be, and vice versa where the context or the parties so require.
- 8. In this Instrument, "including" means "including, but not limited to" and "includes" means "includes, but is not limited to".
- 9. This General Instrument will be interpreted according to the laws of the Province of British Columbia.
- 10. Where there is a reference to an enactment of the Province of British Columbia in this General Instrument, that reference includes a reference to any subsequent enactment of the Province of British Columbia of like effect and, unless the context otherwise requires, all statutes referred to in this General Instrument are enactments of the Province of British Columbia.
- 11. If any section of this General Instrument, or any part of a section, is found to be illegal or unenforceable, that part or section, as the case may be, will be considered separate and severable and the remaining parts or sections, as the case may be, will not be affected and will be enforceable to the fullest extent permitted by law.

MISCELLANEOUS

- 12. Without limiting the generality of section 11, prior to the completion of any sale or transfer of the Lands, or any portion of the Lands that includes Covenant Area, the Grantor and any subsequent owner of those lands will ensure that the proposed purchaser or transferee agrees in writing with the Grantees, and each of their respective successors and assigns, to be bound by the terms of this Instrument, and will provide a copy of such agreement to the Grantees.
- 13. This covenant is for the benefit of British Columbia and of RTA and no term, condition, covenant or other provision of this General Instrument will be considered to have been waived by the Grantees, or either of them, unless such waiver is expressed in writing by each of the Grantees. A waiver by the Grantees of a term, condition, covenant or other provision of this General Instrument will not be construed as or constitute a waiver of any further or other breach of that or any other term, condition, covenant or other provision or this General Instrument.
- 14. This General Instrument extends to, is binding upon and enures to the benefit of the parties and their respective heirs, executors, administrators, successors and assigns.

- 15. This General Instrument will be registered as a charge against title to the Lands pursuant to section 219 of the *Land Title Act* and will run with and bind the Covenant Area and each and every part into which the Covenant Area may be subdivided.
- 16. The parties agree that this General Instrument will be registered in priority to all liens, charges and encumbrances registered against title to the Lands, except those in favour of British Columbia and those others specifically approved in writing by British Columbia.
- 17. Nothing in this General Instrument prejudices or affects the rights, powers and remedies of the Grantees in relation to the Grantor or the Lands under any law, bylaw, order or regulation or in equity, all of which rights, powers and remedies may be fully and effectively exercised by the Grantees as if this General Instrument had not been made by the parties.
- 18. The Grantor will give written notice of this Instrument to any person to whom they propose to dispose of interests in the Covenant Area, which notice must be received by that person prior to such disposition.
- 19. The parties agree that this General Instrument will not be modified or discharged except in accordance with the provisions of section 219(9) of the *Land Title Act* and with the approval of British Columbia and of RTA.
- 20. The Grantor will do or cause to be done all things and execute or cause to be executed all documents and give such further and other assurance which may be reasonably necessary to give proper effect to the intent of this General Instrument.

THE PARTIES ACKNOWLEDGE THAT, with respect to Part I of this General Instrument

- (a) the Transferor(s) and Transferee(s) are correctly identified in Items 5 and 6;
- (b) this General Instrument has been duly executed by the parties in signing Item 8; and
- (c) the heading titled "Transferor Signature(s)" above any Transferee signature in Item 8
 - (i) was autogenerated;
 - (ii) could not be altered or removed by the Transferee(s); and
 - (iii) does not reflect a representation or understanding that the Transferee(s) executed this General Instrument as Transferor(s).

END OF DOCUMENT

Schedule 2 – Permitted Encumbrances

Appendix C – Easement in favour of PID: 008-711-089 THE SOUTHWEST 1/4 OF DISTRICT LOT 490 RANGE 4 COAST DISTRICT

Easement No.:

TERMS OF INSTRUMENT - Part 2

WHEREAS:

- A. The Transferor is the registered owner in fee simple of the land described in Item 2 of Part 1 of this Instrument (the "Land");
- B. The Transferee is the registered owner in fee simple of that certain parcel or tract of land in the Province of British Columbia more particularly known and described as:

PID: 008-711-089 THE SOUTHWEST 1/4 OF DISTRICT LOT 490 RANGE 4 COAST DISTRICT

(hereinafter called the "Dominant Tenement"); and

C. The Transferor has agreed on the terms and conditions hereinafter set forth to grant to the Transferee this easement.

NOW THEREFORE THIS AGREEMENT WITNESSETH AS FOLLOWS:

EASEMENT

- 1. The Transferor, in consideration of the sum of \$1.00 and other good and valuable consideration paid by the Transferee to the Transferor (the receipt and sufficiency of which is hereby acknowledged), does hereby grant unto the Transferee the full, free and uninterrupted right, license, liberty, privilege, easement and right-of-way
 - (a) to enter, use, labour, go, return, pass and repass along, under, over and upon those portions of the Land as shown outlined by a bold line on Plan No. EPPEPP116576 (the "Easement Area") for the purpose of ingress to and egress from the Dominant Tenement; and
 - (b) for the purposes of subsection (a) to
 - (i) pass and repass, with or without materials, machinery, supplies, vehicles or equipment;
 - (ii) contruct, install, operate, remove, replace, repair, maintain, inspect, alter and improve a driveway; and
 - (iii) generally to do all acts necessary or incidental to the business of the Transferee in

connection with the foregoing

in common with the Transferor (the "Easement").

- 2. The Transferor covenants and agrees with the Transferee that
 - (a) the Transferor will not do, nor permit to be done, any act or thing which will obstruct access by the Transferee and the Transferee's materials, supplies, vehicles or equipment to, upon or over the Easement Area or any part thereof;
 - (b) the Transferor will not keep the Easement Area, or permit the Easement Area to be kept, in an unsafe, unclean or unsanitary condition; and
 - (c) the Transferee, performing and observing the terms, covenants and conditions on its part to be performed and observed shall and may peaceably hold and enjoy the rights, license, liberties, privileges, easements and rights-of-way hereby granted without hindrance, molestation or interruption on the part of the Transferor or of any person, firm or corporation claiming by, through, under or in trust for, the Transferor.
- 3. The Transferee covenants and agrees with the Transferor that the Transferee will not:
 - (a) cut or remove any merchantable timber without paying the Stumpage Rate to the Transferor;
 - (b) commit any wilful or voluntary waste, spoil or destruction on the Easement Area that may be or become a nuisance or annoyance to an owner or occupier of land in the vicinity of the Easement Area;
 - (c) carry out any unworkmanlike work or activities in the Easement Area; and
 - (d) keep the the Easement Area in an unsafe, unclean or unsanitary condition.
- 4. The Transferor and Transferee agree that:
 - (a) the Easement shall be construed as running with the Land;
 - (b) no part of the fee of the soil of the Land shall pass to or be vested in the Transferee under or by these presents; and
 - (c) the Transferor may fully use and enjoy the Easement Area subject to the rights and restrictions herein provided.

ADDITIONAL AGREEMENTS

- 5. The Transferee hereby releases, indemnifies and saves harmless the Transferor, any subsequent owner of the Land, and their respective elected and appointed directors, officials, employees and agents from and against any and all liability, actions, causes of action, claims, damages, orders, fines, penalties, expenses (including actual legal fees on a solicitor/client basis), costs, losses (including injurious affection), fees, charges or demands (the "Claim") in respect of death, injury, loss or damage to any person or to the Land or improvements thereon, arising out of or in any way due, directly or indirectly to
 - (a) the exercise by the Transferee of its rights under this instrument; and
 - (b) any steps taken by the Transferor to enforce this instrument

except to the proportionate extent that the Claim was caused by or contributed to by the gross negligence or wilful misconduct of the Transferor or any person from whom the Transferor is responsible at law.

6. In the event that the Transferee transfers the Dominant Tenement, the Transferee will cause the party to said transfer to enter into an agreement, in a form acceptable to the Transferor, or any subsequent owner of the Land, acting reasonably, whereby the party to said transfer will expressly acknowledge and assume the obligations of the Transferee under section 5 of this instrument; PROVIDED ALWAYS THAT until and unless such agreement or acknowledgement and assumption is executed and delivered by the party to said transfer to the Transferor or any subsequent owner of the Land, the Transferee will indemnify and hold harmless the Transferor and any subsequent owner of the Land in respect of any damages suffered or costs or liabilities incurred by reason of the failure of any party to such transfer to perform any obligation of the Transferee under section 5 of this instrument.

MISCELLANEOUS

- 7. It is mutually understood, agreed and declared by and between the Transferor and the Transferee, as parties hereto, that
 - (a) neither the Transferor named herein nor any future owner of the Land or any portion of the Land have any obligation to contruct, install, operate, remove, replace, repair, maintain, inspect, alter or improve a driveway;
 - (b) for the purpose of this instrument, "Stumpage Rate" shall mean the sum equivalent to stumpage payable to the Province of British Columbia for linear tenures pursuant to the *Forest Act*;

- (c) notwithstanding anything contained in this instrument, neither the Transferor named herein nor any future owner of the Land or any portion of the Land shall be liable under any covenant and agreement contained herein where such liability arises by reason of an act or omission occurring after the Transferor or any future owner ceases to have a further interest in the Land;
- (d) that this instrument shall be interpreted according to the laws of the Province of British Columbia;
- (e) In this instrument,
 - (i) wherever the singular or masculine are used, they shall be construed as meaning the plural or feminine or body corporate or politic where the context or the parties hereof so require;
 - (ii) the division into sections and the insertion of headings are for convenience only and will not affect the construction or the interpretation of this instrument;
 - (iii) references to any section or schedule will, unless the context otherwise requires, mean that section or schedule of this instrument;
 - (iv) every reference to each party is deemed to include the heirs, executors, administrators, personal representatives, successors, servants, employees, agents, contractors, officers, licensees and invitees of such party, wherever the context so requires or allows;
 - (v) the words "include" and "including" are to be construed as meaning "include without limitation" and "including without limitation";
 - (vi) reference to "party" and "parties" means the one or more parties to this instrument, as the context demands; and
 - (vii) unless expressly stated otherwise, all references to enactments refer to enactments of the Province of British Columbia, as amended or replaced from time to time.
- (f) Any waiver of
 - (i) a provision of this instrument;
 - (ii) the performance by a party of an obligation under this instrument; or

(iii) a default by a party of an obligation under this instrument

will be in writing and signed by the party giving the waiver and will not be a waiver of any other provision, obligation or subsequent default.

THE PARTIES ACKNOWLEDGE THAT, with respect to Part I of this Instrument

- (a) the Transferor(s) and Transferee(s) are correctly identified in Items 5 and 6;
- (b) this Instrument has been duly executed by the parties in signing Item 8; and
- (c) the heading titled "Transferor Signature(s)" above any Transferee signature in Item 8
 - (i) was autogenerated;
 - (ii) could not be altered or removed by the Transferee(s); and
 - (iii) does not reflect a representation or understanding that the Transferee(s) executed this Instrument as Transferor(s).

END OF DOCUMENT

Schedule 2 – Permitted Encumbrances

Appendix D – Easement in favour of PID: 009-284-940 THE SOUTH 1/2 OF DISTRICT LOT 2615 RANGE 4 COAST DISTRICT

TERMS OF INSTRUMENT - Part 2

WHEREAS:

- A. The Transferor is the registered owner in fee simple of the land described in Item 2 of Part 1 of this Instrument (the "Land");
- B. The Transferee is the registered owner in fee simple of that certain parcel or tract of land in the Province of British Columbia more particularly known and described as:

PID: 009-284-940 THE SOUTH 1/2 OF DISTRICT LOT 2615 RANGE 4 COAST DISTRICT

(hereinafter called the "Dominant Tenement"); and

C. The Transferor has agreed on the terms and conditions hereinafter set forth to grant to the Transferee this easement.

NOW THEREFORE THIS AGREEMENT WITNESSETH AS FOLLOWS:

EASEMENT

- 1. The Transferor, in consideration of the sum of \$1.00 and other good and valuable consideration paid by the Transferee to the Transferor (the receipt and sufficiency of which is hereby acknowledged), does hereby grant unto the Transferee the full, free and uninterrupted right, license, liberty, privilege, easement and right-of-way
- (a) to enter, use, labour, go, return, pass and repass along, under, over and upon those portions of the Land as shown outlined by a bold line on Plan No. EPP116575 (the "Easement Area") for the purpose of ingress to and egress from the Dominant Tenement; and
- (b) for the purposes of subsection (a) to
 - (i) pass and repass, with or without materials, machinery, supplies, vehicles or equipment;
 - (ii) contruct, install, operate, remove, replace, repair, maintain, inspect, alter and improve a driveway; and
 - (iii) generally to do all acts necessary or incidental to the business of the Transferee in

connection with the foregoing

in common with the Transferor (the "Easement").

- 2. The Transferor covenants and agrees with the Transferee that
 - (a) the Transferor will not do, nor permit to be done, any act or thing which will obstruct access by the Transferee and the Transferee's materials, supplies, vehicles or equipment to, upon or over the Easement Area or any part thereof;
 - (b) the Transferor will not keep the Easement Area, or permit the Easement Area to be kept, in an unsafe, unclean or unsanitary condition; and
 - (c) the Transferee, performing and observing the terms, covenants and conditions on its part to be performed and observed shall and may peaceably hold and enjoy the rights, license, liberties, privileges, easements and rights-of-way hereby granted without hindrance, molestation or interruption on the part of the Transferor or of any person, firm or corporation claiming by, through, under or in trust for, the Transferor.
- 3. The Transferee covenants and agrees with the Transferor that the Transferee will not:
 - (a) cut or remove any merchantable timber without paying the Stumpage Rate to the Transferor;
 - (b) commit any wilful or voluntary waste, spoil or destruction on the Easement Area that may be or become a nuisance or annoyance to an owner or occupier of land in the vicinity of the Easement Area;
 - (c) carry out any unworkmanlike work or activities in the Easement Area; and
 - (d) keep the the Easement Area in an unsafe, unclean or unsanitary condition.
- 4. The Transferor and Transferee agree that:
 - (a) the Easement shall be construed as running with the Land;
 - (b) no part of the fee of the soil of the Land shall pass to or be vested in the Transferee under or by these presents; and
 - (c) the Transferor may fully use and enjoy the Easement Area subject to the rights and restrictions herein provided.

ADDITIONAL AGREEMENTS

- 5. The Transferee hereby releases, indemnifies and saves harmless the Transferor, any subsequent owner of the Land, and their respective elected and appointed directors, officials, employees and agents from and against any and all liability, actions, causes of action, claims, damages, orders, fines, penalties, expenses (including actual legal fees on a solicitor/client basis), costs, losses (including injurious affection), fees, charges or demands (the "Claim") in respect of death, injury, loss or damage to any person or to the Land or improvements thereon, arising out of or in any way due, directly or indirectly to
 - (a) the exercise by the Transferee of its rights under this instrument; and
 - (b) any steps taken by the Transferor to enforce this instrument

except to the proportionate extent that the Claim was caused by or contributed to by the gross negligence or wilful misconduct of the Transferor or any person from whom the Transferor is responsible at law.

6. In the event that the Transferee transfers the Dominant Tenement, the Transferee will cause the party to said transfer to enter into an agreement, in a form acceptable to the Transferor, or any subsequent owner of the Land, acting reasonably, whereby the party to said transfer will expressly acknowledge and assume the obligations of the Transferee under section 5 of this instrument; PROVIDED ALWAYS THAT until and unless such agreement or acknowledgement and assumption is executed and delivered by the party to said transfer to the Transferor or any subsequent owner of the Land, the Transferee will indemnify and hold harmless the Transferor and any subsequent owner of the Land in respect of any damages suffered or costs or liabilities incurred by reason of the failure of any party to such transfer to perform any obligation of the Transferee under section 5 of this instrument.

MISCELLANEOUS

- 7. It is mutually understood, agreed and declared by and between the Transferor and the Transferee, as parties hereto, that
 - (a) neither the Transferor named herein nor any future owner of the Land or any portion of the Land have any obligation to contruct, install, operate, remove, replace, repair, maintain, inspect, alter or improve a driveway;
 - (b) for the purpose of this instrument, "Stumpage Rate" shall mean the sum equivalent to stumpage payable to the Province of British Columbia for linear tenures pursuant to the *Forest Act*;

- (c) notwithstanding anything contained in this instrument, neither the Transferor named herein nor any future owner of the Land or any portion of the Land shall be liable under any covenant and agreement contained herein where such liability arises by reason of an act or omission occurring after the Transferor or any future owner ceases to have a further interest in the Land;
- (d) that this instrument shall be interpreted according to the laws of the Province of British Columbia;
- (e) In this instrument,
 - (i) wherever the singular or masculine are used, they shall be construed as meaning the plural or feminine or body corporate or politic where the context or the parties hereof so require;
 - (ii) the division into sections and the insertion of headings are for convenience only and will not affect the construction or the interpretation of this instrument;
 - (iii) references to any section or schedule will, unless the context otherwise requires, mean that section or schedule of this instrument;
 - (iv) every reference to each party is deemed to include the heirs, executors, administrators, personal representatives, successors, servants, employees, agents, contractors, officers, licensees and invitees of such party, wherever the context so requires or allows;
 - (v) the words "include" and "including" are to be construed as meaning "include without limitation" and "including without limitation";
 - (vi) reference to "party" and "parties" means the one or more parties to this instrument, as the context demands; and
 - (vii) unless expressly stated otherwise, all references to enactments refer to enactments of the Province of British Columbia, as amended or replaced from time to time.
- (f) Any waiver of
 - (i) a provision of this instrument;
 - (ii) the performance by a party of an obligation under this instrument; or

(iii) a default by a party of an obligation under this instrument

will be in writing and signed by the party giving the waiver and will not be a waiver of any other provision, obligation or subsequent default.

THE PARTIES ACKNOWLEDGE THAT, with respect to Part I of this Instrument

- (a) the Transferor(s) and Transferee(s) are correctly identified in Items 5 and 6;
- (b) this Instrument has been duly executed by the parties in signing Item 8; and
- (c) the heading titled "Transferor Signature(s)" above any Transferee signature in Item 8
 - (i) was autogenerated;
 - (ii) could not be altered or removed by the Transferee(s); and
 - (iii) does not reflect a representation or understanding that the Transferee(s) executed this Instrument as Transferor(s).

END OF DOCUMENT

Schedule 2 – Permitted Encumbrances

Appendix E – BC Hydro and TELUS SRW

PART 2

STANDARD CHARGE TERMS

RIGHT OF WAY FOR ELECTRICAL DISTRIBUTION AND TELECOMMUNICATION WORKS

Filed by: British Columbia Hydro and Power Authority

These Filed Terms are deemed to be included in and form part of every Agreement which incorporates these Filed Terms by an election on the General Instrument.

WHEREAS:

- A. The Grantor wishes to provide the grants, as herein provided, to each of Hydro and TELUS with respect to the Lands as hereinafter defined; and
- B. The statutory rights of way herein granted are necessary for the operation and maintenance of the respective undertakings of Hydro and TELUS.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, the parties hereto covenant and agree as follows:

1. **DEFINITIONS**

- 1.1 In this Agreement:
 - (a) "Affiliate" will have the meaning ascribed to it in the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended or replaced from time to time and, in the case of TELUS, includes an affiliate (as defined in that Act) of TELUS and any partnership or other unincorporated association in which TELUS or any affiliate (as defined in that Act) of TELUS has a controlling interest;
 - (b) "Agreement" means the General Instrument and for greater certainty includes these Filed Terms;
 - (c) "Environment" means all the components of the earth including, without limitation, all layers of the atmosphere, air, land (including, without limitation, all underground spaces and cavities and all lands submerged under water), soil, water (including, without limitation, surface and underground water), organic and inorganic matter and living organisms, the interacting natural systems that include the foregoing and all other external conditions or influences under which humans, animals and plants live or develop;
 - (d) "Filed Terms" means these filed Standard Charge Terms;
 - (e) "General Instrument" means the Form C General Instrument Part 1 and Part

2, and any schedules attached thereto;

- (f) "Grantor" means the transferor in Item 5 of the General Instrument Part 1;
- (g) "**Hydro**" means British Columbia Hydro and Power Authority, the transferee in Item 6 of the General Instrument Part 1;
- (h) "Interested Party" means a person who, in relation to a portion of the Lands to which consent is required under this Agreement:
 - (i) is shown in the records of the Land Title Office as having a right of exclusive possession to such portion of the Lands; or
 - (ii) is identified in a notice in writing by the Grantor to Hydro and TELUS, as appropriate, within ten days of receiving any application from either of them, as a person with the right to give consent as provided under this Agreement in place of the Grantor;
- (i) "Lands" means the lands and premises described in Item 2 of the General Instrument Part 1;
- (j) "**Right of Way Area**" has the meaning set out in section 3.1;
- (k) "**Risk or Hazard**" means something that Hydro or TELUS, acting reasonably, determines is causing or could cause:
 - (i) an interference, disturbance or threat to the Works, including without limitation the safety or security of the Works;
 - (ii) a disruption of service from the Works to any customer of Hydro or TELUS; or
 - (iii) a hazard to persons or property in relation to the Works;
- (1) **"Roads**" means any roads, lanes, trails, bridges, or helicopter landing pads, existing from time to time on or through the Lands;
- (m) "**TELUS**" means TELUS Communications Inc., the transferee in Item 6 of the General Instrument Part 1;
- (n) **"Term"** means the period commencing on the date that this Agreement is filed by Hydro, for so long as any of the rights under this Agreement are required by Hydro or TELUS; and
- (o) **"Works**" means:
 - (i) as it relates to the rights and responsibilities of Hydro, all things and components using any type of technology from time to time necessary or

convenient for the purpose of transmitting and distributing electricity, and for the purpose of telecommunications related to the business of Hydro, including: poles, towers, antennae (except for monopole free standing antennae), guy wires, brackets, crossarms, insulators, above ground or underground transformers, submarine cables, equipment shelters including vault boxes, anchors, attachments, lines, access nodes and cables, including underground or fibre optic cables, underground conduits, lines and pipes of every kind, cabinets, all ancillary appliances and fittings, reasonably required associated protective installations and related works such as fencing for safety or security, devices and identifying colours for aircraft warning, and utility services for the operation of any of the foregoing, but does not include transmission towers or any electrical works operated at a voltage of 69 kv or higher; and

- (ii) as it relates to the rights and responsibilities of TELUS, all things and components, using any type of technology from time to time, necessary or convenient for the purpose of telecommunications, including: poles, towers, guy wires, brackets, crossarms, insulators, transformers, anchors, attachments, lines, access nodes and cables, including fibre optic and electrical cables, in whole or in part and underground conduits, lines and pipes of every kind, underground cables, including fibre optic and electrical cables, together with all ancillary appliances and fittings and above ground or underground equipment shelters, cabinets and vault boxes, submarine cables, and wireless telecommunications equipment, including antennas and other associated equipment.
- 1.2 With respect to any right or obligation on the part of Hydro or TELUS under this Agreement, any reference to Hydro or TELUS includes, to the extent reasonably applicable, their respective employees, representatives, agents, contractors, subcontractors, invitees, licensees, and those for whom either or both of them is responsible in law. For greater certainty, Hydro or TELUS, as the case may be, remains fully liable for all of its obligations in this Agreement despite the exercise of any such right by such other persons.

2. GRANT OF RIGHT OF WAY

- 2.1 The Grantor grants, separately to each of Hydro and TELUS, for so long as required, the uninterrupted right, liberty and right of way, at any time, to:
 - (a) use the Right of Way Area as follows:
 - (i) excavate for, construct, install, erect, bury, abandon, replace, extend, upgrade, operate, inspect, maintain, alter, remove and repair the Works on, over, in, under, across and through the Right of Way Area;
 - (ii) clear and keep the Right of Way Area cleared of all or any part of any

obstruction, improvement or other matter because of a Risk or Hazard, provided that Hydro or TELUS, as the case may be, must compensate the owner of any obstruction, improvement, or other thing matter that was in existence before the affected Works were installed;

- (iii) clear and keep the Right of Way Area cleared (including pruning or removal) of any vegetation, including trees;
- (iv) conduct vegetation management, which may include the application of herbicides, provided Hydro or TELUS, as the case may be:
 - (A) provides notice to the Grantor prior to application of herbicides;
 - (B) obtains the consent of the Grantor if required under provincial laws; and
 - (C) does not conduct any aerial application of herbicides on the Lands;
- (v) install, maintain and use gates in any fences on the Right of Way Area from time to time; and
- (vi) ground any structure, installation or thing, by whomsoever owned, situated anywhere on the Right of Way Area, because of a Risk or Hazard;
- (b) use the Lands as follows:
 - (i) enter, pass and repass for the purposes of this Agreement, on foot or in vehicles, with or without equipment, machinery or materials;
 - (ii) maintain, repair, rebuild, and replace any Roads, to such extent as may reasonably be required by Hydro or TELUS in relation to this Agreement;
 - (iii) if there are no suitable or available Roads for the purpose of exercising rights under subsection 2.1(a) on the Lands, construct a new road, lane, trail, bridge, or helicopter landing pad, providing Hydro or TELUS, as the case may be, have proceeded in accordance with the requirements of Article 7;
 - (iv) with prior notice to the Grantor, cut trees or growth outside the Right of Way Area, because of a Risk or Hazard, except in the event of an imminent Risk or Hazard, in which case notice will be given as soon as possible;
 - (v) ground any structure, installation or thing, by whomsoever owned, because of a Risk or Hazard;

- (vi) undertake works or take steps to protect any Works located within the Lands, or to protect persons or property that may be at risk from such Works, providing Hydro or TELUS, as the case may be, have proceeded in accordance with the requirements of Article 7; and
- (vii) Hydro may, acting reasonably, enter onto the Lands to determine electrical consumption, without notice to or prior approval from the Grantor; and
- (c) generally, do all such other acts or things as may reasonably be necessary or incidental to the business of Hydro or TELUS in connection with any of the foregoing, or because of a Risk or Hazard.

3. RIGHT OF WAY AREA

- 3.1 The Right of Way Area includes:
 - (a) all those portions of the Lands within six (6) metres of the centre alignment of:
 - (i) any Works existing as of the date of registration of this Agreement;
 - (ii) any additional Works constructed adjacent to, under, along the sides of or across any Roads; and
 - (iii) any additional Works constructed on portions of the Lands adjacent to any Roads, provided that such additional Works are required to provide service to customers on those adjacent portions of the Lands;
 - (b) any of the Lands as may from time to time be consented to in writing by the Grantor, or by any delegate appointed by the Grantor; and
 - (c) any other portion of the Lands as may from time to time be consented to in writing by an Interested Party.
- 3.2 Before extending any pole line or constructing any new underground equipment shelters or conduits pursuant to paragraph 3.1(a)(ii), Hydro or TELUS, as the case may be, must provide reasonable notice to the Grantor of the proposed location of such Works and must give reasonable consideration, subject to their respective regulatory obligations, to any request by the Grantor to modify the proposed location due to actual or potential conflicts with the Grantor's plans.
- 3.3 The Grantor acknowledges receipt of a sketch showing the approximate location of the Works as of the date of the sketch. Hydro and TELUS will provide the Grantor on request with an updated sketch of the Works, if the Works have been extended in the previous calendar year, unless such information is available to the Grantor on line. All of the terms and conditions of this Agreement will apply to the new Works and the related area of the Lands.

3.4 Nothing in this Article 3 is intended to affect the rights of Hydro or TELUS to make arrangements directly with a person in legal possession of any lands for the construction, operation and maintenance of any Works and all matters incidental thereto.

4. NON-EXCLUSIVE USE

4.1 This Agreement will not entitle Hydro or TELUS to exclusive possession of the Right of Way Area or any other part of the Lands and the Grantor reserves the right to grant other dispositions of any part of the Lands affected by this Agreement, so long as the grant does not materially affect or interfere with the exercise of Hydro's or TELUS's rights under this Agreement.

5. **PROTECTION OF THE ENVIRONMENT**

5.1 Hydro and TELUS will undertake activities permitted under this Agreement having regard for the impact on the Environment, and will take prudent measures to minimize any danger or disruption to the Environment.

6. COVENANTS OF HYDRO AND TELUS

- 6.1 Hydro and TELUS each covenant separately with the Grantor to:
 - (a) pay and discharge when due all applicable taxes, levies, charges and assessments from time to time lawfully assessed, levied or charged to the account of Hydro or TELUS, as the case may be, which relate to the Works or the Right of Way Area and which Hydro or TELUS is liable to pay;
 - (b) keep the portions of the Lands used by Hydro or TELUS under this Agreement in a safe, clean and sanitary condition to the extent the condition relates to the use or occupation by Hydro or TELUS of such Lands, provided that Hydro and TELUS have no obligation to keep any portion of the Lands suitable for use by anyone except Hydro and TELUS;
 - (c) bury and maintain all underground Works as may be required so as not to unduly interfere with the drainage of the surface of the Lands;
 - (d) take all reasonable steps and precautions to minimize disturbance of any archaeological material discovered by Hydro or TELUS on the Right of Way Area, and to promptly notify the Grantor if they unearth or discover any archaeological material on the Lands.
 - (e) not bury debris or rubbish of any kind on the Lands in excavations or backfill, and will remove shoring and similar temporary structures as backfilling proceeds;
 - (f) not commit or suffer any wilful or voluntary waste, spoil or destruction on the Right of Way Area, or do or suffer to be done thereon anything that may be or become a nuisance to the Grantor, except to the extent required by Hydro or TELUS, acting reasonably, to exercise the rights granted under this Agreement;

and

(g) comply with all applicable laws.

7. WORK PLANS

- 7.1 Except in the case of an emergency or imminent Risk or Hazard, Hydro or TELUS, as the case may be, will provide to the Grantor a written work plan before:
 - (a) constructing a new Road pursuant to paragraph 2.1(b)(iii); or
 - (b) undertaking any works pursuant to paragraph 2.1(b)(vi).
- 7.2 The Grantor will provide comments in writing to Hydro or TELUS, as appropriate, no more than 30 days after delivery of a work plan to the Grantor pursuant to section 7.1. Hydro or TELUS will make reasonable efforts to accommodate any suggestions or requests made by the Grantor, with the goal of reaching agreement on a work plan within 45 days of delivery of a work plan to the Grantor. If no comments are received, Hydro or TELUS, as appropriate, may proceed with the work.
- 7.3 The Grantor will act reasonably in providing comments on a work plan, including taking into consideration the effects and benefits of the proposed work, the cost of the proposed work compared to the cost of alternate solutions, and any risks that may be associated with not undertaking the work.
- 7.4 If the parties are not able to reach agreement on a work plan within 30 days of delivery of a work plan to the Grantor, either party may refer the matter to dispute resolution under Article 17.
- 7.5 In the event of an emergency or imminent Risk or Hazard, Hydro and TELUS may immediately undertake work and take such steps on the Lands as are reasonably required in order to protect the Works or persons or property that may be at risk, and in that event Hydro or TELUS will as soon as reasonably possible notify the Grantor.
- 7.6 Hydro or TELUS will, upon request, pay compensation to the Grantor for any loss or damage to the affected property resulting from any error, negligence or omission in the implementation of a work plan, on the same basis as Hydro or TELUS would compensate other parties suffering comparable loss or damage. If Hydro or TELUS disputes that it has an obligation to pay compensation, or disputes the amount claimed, the dispute may be referred to dispute resolution under Article 17 by any of the parties.

8. RELOCATION OF HYDRO WORKS AT THE REQUEST OF THE GRANTOR

- 8.1 If the Grantor requires a portion of the Right of Way Area for other purposes, then upon written request by the Grantor, Hydro will relocate any Works in the Right of Way Area to a new location on the Lands, provided:
 - (a) the new location is, in the reasonable opinion of Hydro, suitable for use for the

relocated Works considering construction, maintenance and operation, safety, and cost factors;

- (b) the Grantor gives Hydro reasonable notice to permit proper design, planning and construction of the Works to be relocated;
- (c) before any relocation, the Grantor has paid the reasonable costs and expenses of the relocation, including costs of design, supervision and construction as estimated by Hydro, with appropriate adjustments based on actuals, after the relocation is complete; and
- (d) the relocated Hydro Works will be subject to the terms and conditions of this Agreement.

9. RELOCATION OF TELUS WORKS AT THE REQUEST OF THE GRANTOR

- 9.1 If the Grantor requires a portion of the Right of Way Area for other purposes, then upon written request by the Grantor, TELUS will relocate any Works in the Right of Way Area to a new location on the Lands, provided:
 - (a) the new location is, in the reasonable opinion of TELUS, suitable for use for the relocated Works considering construction, maintenance and operation, and cost factors;
 - (b) the Grantor gives TELUS reasonable notice to permit proper design, planning and construction of the Works to be relocated;
 - (c) before any relocation, the Grantor has paid the reasonable costs and expenses of the relocation as estimated by TELUS, including costs of design, supervision and construction with appropriate adjustments to be made, based on actuals, after the relocation is complete; and
 - (d) the relocated TELUS Works will be subject to the terms and conditions of this Agreement.

10. RESTORATION

- 10.1 When a portion of the Right of Way Area is no longer required for the Works, Hydro or TELUS, as the case may be, will restore the ground surface of the affected portion of the Right of Way Area, as near as reasonably practicable to its condition prior to the installation of the Works, including the removal of any above ground Works, underground transformers and, where practicable and at the request of the Grantor, any cables located within underground ducts in such portion of the Right of Way Area.
- 10.2 This Article will survive the expiration or any termination of this Agreement.

11. **REMOVAL OF WORKS**

- 11.1 If Hydro or TELUS give notice that certain of their respective Works are no longer required under this Agreement, either may, with the prior consent of the Grantor, abandon such Works and thereafter all of their right, title, benefit and interest in such Works will be deemed to have been transferred to the Grantor. If the consent of the Grantor is not obtained within six months of such notice, Hydro or TELUS, as the case may be, will remove the above ground Works, underground transformers and, where practicable and at the request of the Grantor, any cables located within underground ducts as soon as reasonably possible in the circumstances.
- 11.2 Hydro and TELUS will notify the Grantor in writing if they no longer require any new Road constructed pursuant to paragraph 2.1(b)(iii), and will provide a reminder within 60 days of the initial notice. The Grantor will have six months after receiving the initial notice to notify Hydro and TELUS in writing that Hydro and TELUS must decommission the Road, in which case Hydro and TELUS will decommission the Road. If Hydro and TELUS are not required to remove a Road they will have no further liability for its condition, use, maintenance or repair.
- 11.3 Hydro will remain liable for any environmental damage to the Lands arising from any of its below ground Works that remain on or in the Right of Way Area after the expiration of this Agreement, unless the Grantor uses or authorizes the use of the remaining below ground Works for any purpose, then Hydro will not be liable for any environmental damage caused by such use or authorized use.
- 11.4 TELUS will remain liable for any environmental damage to the Lands arising from any of its below ground Works that remain on or in the Right of Way Area after the expiration of this Agreement, unless the Grantor uses or authorizes the use of the remaining below ground Works for any purpose, then TELUS will not be liable for any environmental damage caused by the Grantor's use or authorized use.
- 11.5 This Article will survive the expiration or any termination of this Agreement.

12. COVENANTS OF THE GRANTOR

- 12.1 The Grantor covenants that Hydro and TELUS will and may peaceably enjoy and hold their respective rights under this Agreement without interruption, disturbance, molestation or hindrance whatsoever from the Grantor or any person lawfully claiming from or under the Grantor, provided that nothing in this section 12.1 will limit the Grantor's right of inspection pursuant to section 16.1.
- 12.2 Without limitation to Hydro's or TELUS's statutory and regulatory authorities, the Grantor will not, directly or indirectly, without the prior written permission of Hydro or TELUS, as the case may be:
 - (a) make, place, erect, operate, use or maintain any building, structure, foundation, pavement, excavation, well, fill, pile of material, obstruction, equipment, thing or inflammable substance, or plant any growth upon the Right of Way Area, if any

such action or thing, in the reasonable opinion of Hydro or TELUS:

- (i) may interfere with or endanger the Works or any part thereof or the installation, operation, maintenance, removal or replacement of the Works or any part thereof;
- (ii) may obstruct access to the Works or any part thereof by those authorized by Hydro or TELUS; or
- (iii) may by its operation, use, maintenance or existence on the Right of Way Area create or increase any Risk or Hazard;
- (b) authorize or carry out blasting or aerial logging operations on or near any portion of the Right of Way Area; or
- (c) diminish or increase, or authorize anyone to diminish or increase, the ground elevation in the Right of Way Area by any method, including piling any material or creating any excavation, drain, or ditch in the Right of Way Area.

13. COMPENSATION FOR DAMAGE

- 13.1 If, contrary to the terms of this Agreement, Hydro or TELUS damage any structures, buildings, fixtures, improvements, or chattels, or damage any crops, merchantable timber, livestock, drains, ditches, culverts, fences, or Roads on the Lands, or contaminate the Lands in the exercise of its vegetation management rights pursuant to section 2.1, and such damage is not caused by the Grantor's breach of this Agreement or the negligence or wilful act of the Grantor or its contractors, agents or permittees, or those for whom it is responsible in law, then Hydro or TELUS, as the case may be, will, within a reasonable period of time:
 - (a) repair in a good and workman-like manner any damaged structure, building or improvement, as closely as is practicable to its condition immediately prior to the damage, but will otherwise have no liability or responsibility for any maintenance or repair of Roads;
 - (b) remediate any other kind of damage or contamination; or,
 - (c) where it is not practical to repair or remediate, compensate the Grantor or, if appropriate, a person in the affected area who suffers any loss as a result of the damage or contamination, to the extent that such damage or contamination was caused by Hydro or TELUS.
- 13.2 Compensation paid to the Grantor for merchantable timber pursuant to subsection 13.1(c) will be calculated in accordance with generally accepted principles of timber valuation and on payment, title to any timber cut on the Lands under this Agreement will vest in Hydro or TELUS, as the case may be.

14. OBLIGATION RESPECTING THIRD PARTY CLAIMS

- 14.1 On written notice and unless prohibited by provincial legislation or its tariff, Hydro will at all times save harmless and indemnify and keep indemnified the Grantor from and against all claims, demands, actions, suits or other legal proceedings brought against the Grantor by any third party by reason of or arising out of:
 - (a) any breach, violation or non-performance by Hydro of any of Hydro's covenants, conditions or obligations under this Agreement; or
 - (b) any negligent act or omission on the part of Hydro in relation to its Works including:
 - (i) the construction, maintenance, operation or decommissioning of its Works; and
 - (ii) the exercise of its vegetation management rights pursuant to section 2.1,

but only to the extent that any such matter was found to be the responsibility of Hydro and was not contributed to by the negligence, breach, violation or non-performance of the Grantor, and not for any matters based on nuisance or the rule in *Rylands v. Fletcher*.

- 14.2 On written notice and unless prohibited by legislation, TELUS will at all times save harmless and indemnify and keep indemnified the Grantor from and against all claims, demands, actions, suits or other legal proceedings by whomsoever made or brought against the Grantor by reason of or arising out of:
 - (a) any breach, violation or non-performance by TELUS of any of TELUS's covenants, conditions or obligations under this Agreement; or
 - (b) any negligent act or omission on the part of TELUS in respect of or in relation to its Works including:
 - (i) the construction, maintenance, operation or decommissioning of its Works; and
 - (ii) the exercise of its vegetation management rights pursuant to section 2.1,

but only to the extent that any such matter was found to be the responsibility of TELUS and was not contributed to by the negligence, breach, violation or non-performance of the Grantor.

15. FENCING

15.1 With the exception of transformer stations and equipment shelters, Hydro and TELUS will not fence the Right of Way Area without the prior consent of the Grantor.

16. INSPECTION

16.1 The Grantor may, at its expense, at all reasonable times, visually inspect the Right of Way Area and the Works, or carry out tests, surveys and inspections that do not interfere with the Works. If the Grantor requires access to any part of the Right of Way Area that has been fenced off or enclosed, the Grantor will notify Hydro and TELUS, who will provide such safe access as may be reasonably required by the Grantor for a visual inspection.

17. DISPUTE RESOLUTION

- 17.1 Any dispute arising out of or in connection with this Agreement will be resolved as follows:
 - (a) the parties will attempt to resolve disputes by negotiations, including timely disclosure of all relevant facts, information and documents;
 - (b) either party may, at any time, by written notice request that the dispute be referred to mediation, conducted by a mediator, knowledgeable about the matters in dispute;
 - (c) if the dispute is not resolved within 30 days of the notice to mediate under subsection (b) or any further period of time agreed to by the parties, then, on the agreement of the parties, the dispute may be referred to a single arbitrator for final resolution in accordance with the *Arbitration Act* of British Columbia. If the parties do not agree to arbitration, then any party may refer the matter to a court of competent jurisdiction; and
 - (d) for the purposes of this section 17.1, Hydro and TELUS will only be considered as one party where the dispute arises between the Grantor, on the one hand, and Hydro and TELUS jointly, on the other.
- 17.2 It is not incompatible with this Article for a party to apply to a court of competent jurisdiction at any time for interim or conservatory relief and for the court to grant that relief.

18. RUNS WITH THE LAND

18.1 This Agreement runs with and binds the Lands to the extent necessary to give full force and effect to this Agreement.

19. ASSIGNMENT

19.1 This Agreement may be transferred or assigned at any time by Hydro or TELUS, in

whole or in part, without the consent of the Grantor.

19.2 During any time that TELUS carries on business as a telecommunications services provider in a partnership controlled by TELUS or one of its Affiliates, TELUS may allow that partnership and its members to exercise any of the rights granted to TELUS in this Agreement, provided that TELUS ensures that the partnership and its members comply with TELUS's obligations in this Agreement. For greater certainty, TELUS will remain fully liable for all of its obligations under this Agreement in such circumstances.

20. NOTICE

- 20.1 Whenever it is required or permitted that notice or demand be given by any party to the other, the same will be in writing and will be forwarded to the address for that party in the General Instrument, or to the most recent address provided by that party pursuant to section 20.3.
- 20.2 If any question arises as to the date on which such notice was communicated to a party, it will be deemed to have been given on the earlier of:
 - (a) if it was delivered personally, by courier, or by email, on the next business day; or
 - (b) if it was sent by mail, on the sixth day after the notice was mailed.

In the event of postal disruption or an anticipated postal disruption, notices may not be given by mail.

20.3 A party may change their address, and specify an email address by which they may be notified, by giving notice to the other parties in accordance with this provision.

21. GENERAL

- 21.1 A breach of any term, condition, covenant or other provision of this Agreement may only be waived in writing, and any waiver will not be construed as a waiver of any subsequent breach. Consent to or approval of any act, where consent or approval is required under this Agreement, will not be construed as consent to or approval of any subsequent act. Wherever consent or permission is required under this Agreement, such consent or permission will not be unreasonably delayed, conditioned or withheld.
- 21.2 No remedy set out in this Agreement is exclusive of any other remedy provided by law, but will be in addition to any other remedy existing at law, in equity, or by statute.
- 21.3 The terms and provisions of this Agreement will extend to, be binding upon and enure to the benefit of the parties and their respective successors and assigns.
- 21.4 Hydro or TELUS may grant licences respecting their rights under this Agreement to anyone, in whole or in part, without the prior written consent of the Grantor provided that no licence will act as a release of any of Hydro's or TELUS's obligations set out in this Agreement.

- 21.5 A delegate appointed by the Grantor may provide Hydro and TELUS with all commentary, authorizations and approvals required pursuant to this Agreement, including all commentary, authorizations or approvals required in relation to work plans.
- 21.6 This Agreement may not be amended except by written agreement signed by all parties to this Agreement.
- 21.7 Nothing in this Agreement will be interpreted or construed to limit or restrict any rights or obligations that Hydro or TELUS may have under their respective statutory or regulatory authorities.
- 21.8 Subject to section 11.1, Hydro and TELUS retain ownership for all existing Works and Works that they construct, place or install on the Right of Way Area, including any underground Works. The Works shall not form part of the freehold regardless of the degree to which they are affixed or attached to the Right of Way Area, and regardless of any damage that may be caused by their removal.

22. INTERPRETATION

- 22.1 In this Agreement:
 - (a) all schedules attached to these Filed Terms or the General Instrument form an integral part of this Agreement;
 - (b) the headings are for convenience only and are not to be construed as defining or in any way limiting the scope or intent of this Agreement;
 - (c) reference to "party" or "parties" is a reference to the Grantor, Hydro or TELUS, or all of them, as the context requires;
 - (d) the words "include", "includes", and "including", are to be read as if they are followed by the phrase "without limitation";
 - (e) if any provision is determined by a court or arbitrator of competent jurisdiction to be illegal or unenforceable, that provision will be considered separate and severable, and the legality or enforceability of the remaining provisions will not be affected by that determination;
 - (f) any reference to a statute includes any regulations made pursuant to that statute and, unless otherwise expressly provided herein, includes a reference to all amendments made thereto and in force from time to time and any statute or regulation that may be passed which has the effect of supplementing or superseding that statute or those regulations;

- (g) any reference to an Article, section, subsection, paragraph, or sub-paragraph means the appropriate part of this Agreement, which for ease of reference is illustrated as follows:
 - 1. Article;
 - 1.1 section;
 - (a) subsection;
 - (i) paragraph; and (A) sub-paragraph; and
- (h) any reference to "day" means a calendar day.

END OF SET

Schedule 2 – Permitted Encumbrances

Part 4 – Additional Permitted Encumbrances-Interests Not Registered on Title

Interests Not Registered on Title

Utility and local government interests for hydro, telephone, cablevision, heating/natural gas, water infrastructure, storm drains, dykes and waste disposal/sewer continued on the Lands.

Schedule 3 – Release and Indemnity Agreement

RELEASE AND INDEMNITY

BETWEEN:

[DESIGNATED COMPANY FOR THE CCN]

(the "[*designated company*]")

AND:

CHESLATTA CARRIER NATION, on behalf of itself and the Cheslatta t'en, as represented by Chief and Council

("Cheslatta")

AND:

HIS MAJESTY THE KING IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister of Indigenous Relations and Reconciliation, Parliament Buildings, Victoria, British Columbia, V8V IX4

(the "British Columbia")

AND:

RIO TINTO ALCAN INC. c/o Suite 1800, 510 West Georgia Street Vancouver, BC V6B 0M3

("**RTA**")

WHEREAS:

- A. British Columbia and Cheslatta have entered into a Settlement Agreement dated March 28, 2019 which contemplates the transfer from British Columbia to Cheslatta of the fee simple interest in the Fee Simple Lands and the granting by British Columbia to Cheslatta of the Licences of Occupation.
- B. Cheslatta has directed that [*designated company*] will accept the transfer of the Fee Simple Lands and the grant of the Licences of Occupation from British Columbia on behalf of Cheslatta.

- C. The Lands are subject to certain rights and interests granted to RTA under the Provincial Authorizations in connection with the Reservoir and Works.
- D. The Grantee is authorized under the Provincial Authorizations to divert, use, store and control the flow of water from the Nechako River and its sources. As a result of the exercise of these rights and interests, the Lands are subject to flooding, erosion, sloughing and other similar events and other changes and damage.
- E. In consideration of the Fee Simple Lands and Licences of Occupation, Cheslatta and [*designated company*] have agreed to indemnify British Columbia and RTA and to release British Columbia and RTA from liability in accordance with the terms and conditions of this Agreement.

In consideration of the sum of \$10.00 now paid by British Columbia and RTA to Cheslatta and [*designated company*], the transfer of the Lands, the granting of the Licences of Occupation and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

- 1. In this Agreement,
 - (a) **"1987 Agreement"** means the Settlement Agreement made September 14, 1987 between RTA, formerly Alcan Aluminium Limited, Canada and British Columbia;
 - (b) "Fee Simple Lands" means the lands described in Schedule A;
 - (c) **"Final Water Licence"** means RTA's Amended Final Water Licence F102324 dated July 19, 2012, including Exhibit "A" thereto;
 - (d) "Lands" means, collectively, the Fee Simple Lands and the Licence Lands;
 - (e) "Licence Lands" means the lands described in Schedule B;
 - (f) "Licences of Occupation" means one or more licence of occupation granted by British Columbia to the Cheslatta or the [*designated company*], as applicable, with respect to the Licence Lands, as described in Schedule C;
 - (g) **"Nechako Reservoir"** means the reservoir created by RTA on the Nechako River above the Kenney Dam;
 - (h) **"Permit"** means RTA's Amended Permit Authorizing the Occupation of Crown Land No. 3449 dated July 19, 2012, including Exhibit "A" thereto;
 - (i) "**Provincial Authorization**" means an approval, tenure, permit, water licence, or other authorization granted or issued by British Columbia in relation to the Reservoir and Works;

(j) "Reservoir and Works" means:

(i) the "Works" within the meaning of the agreement made December 29, 1950 between British Columbia and RTA and authorized by Order in Council 2883/1950 under the Industrial Development Act, SBC 1949, c 31, which agreement was amended under that Act in 1987, 1997 and 2012, and without limiting the foregoing specifically includes the following RTA works and all planning, development, construction, access, operation, maintenance, repairs, upgrades, replacements, closures and removals thereof or thereto, in whole or in part, that were subject to a Provincial Authorization prior to or on March 28, 2019, except for any aspect of a plan that was not authorized or otherwise acted upon before March 28, 2019:

- A) the dam constructed, owned and operated by RTA that blocks the Nechako River at the Nechako Canyon, creating the Nechako Reservoir,
- B) the water release spillway facilities constructed, owned and operated by RTA in the vicinity of Skins Lake, which allows for the controlled release of water from the Nechako Reservoir into the bodies of water between the Skins Lake Spillway and Lower Cheslatta Falls, and all streams and lakes tributary thereto, known as the Murray-Cheslatta System to the Nechako River,
- C) the original water intake tunnel built in the 1950s that supplies water from the Nechako Reservoir to the Kemano Generating Station ("**Tunnel 1**"),
- D) the second water intake tunnel project as described in the Environmental Impact Assessment Report dated June 2011 for the Kemano Backup Tunnel Project, Order in Council 567/2012 and the July 19, 2012 agreement between British Columbia and RTA, and including the portions of the tunnel and associated works that may be completed after March 28, 2019 and that were or are subject to a Provincial Authorization ("Tunnel 2"),
- E) the hydroelectric generating station at Kemano, British Columbia,
- F) the electricity transmission line and other transmission facilities from the Kemano Generating Station to Kitimat, British Columbia,
- G) the intake tunnels for Tunnel 1 and Tunnel 2,
- H) the aluminum smelter and associated aluminum smelter facilities constructed by RTA in approximately 1953 and upgraded in 2015, located in the vicinity of Kitimat, British Columbia, and
- I) all associated cofferdams, saddle dams, penstocks, equipment, machinery, structures, and facilities;

(ii) the establishment and operation of the Nechako Reservoir by RTA, as described in the Final Water Licence and the Permit, and the creation of the Nechako Reservoir, which for greater certainty includes:

- A) the flooding of lands, including lands transferred to Cheslatta by RTA or British Columbia, purchased by Cheslatta, or transferred to or on which RTA operates the Reservoir and Works,
- B) the impacts of the Skins Lake Spillway and releases from the Skins Lake Spillway on cultural and heritage sites,
- C) any actual or potential adverse impacts on Cheslatta's asserted or determined aboriginal rights, including aboriginal title, which are or may be recognized and affirmed by s. 35 of the Constitution Act, 1982, including those impacts which could result in or have resulted in an infringement of such rights, and
- D) any contamination; and

(iii) the following potential projects:

- A) any dredging of the Tahtsa Narrows by RTA in the Nechako Reservoir as authorized before or after March 28, 2019, including the portions of the dredging project and associated works that were or may be completed after March 28, 2019, and
- B) a water release facility in the vicinity of the Kenney Dam as authorized before or after March 28, 2019 including the portions of the water release facility and associated works that were or may be completed after March 28, 2019,

whether or not the potential project requires RTA to apply to amend the Final Water Licence or Permit, or apply for a new water licence or permit;

(iv) the maintenance, repair, replacement, upgrade, or other modification of works or facilities identified in paragraphs 1(j)(i)-(iii) in accordance with prudent operating practices, or as required by law whether or not the modification results in an increase in the generating capacity or efficiency of the works or facilities;

(v) any enactment, regulation, law, bylaw, ministerial order, or order, including an order of a statutory official or the Steering Committee or Technical Committee established under the 1987 Agreement, in force as of March 28, 2019 or that is reasonably required for or directly related to paragraphs 1(j)(i) - (iv);

(vi) any order or approval regarding the management of reservoir levels and discharges for emergency, safety, conservation, or mitigation of downstream flooding in force as of March 28, 2019; and

(vii) all processes, decisions, authorizations, permits, water licences, tenures, approvals, Crown land dispositions, agreements and other actions or inactions issued, granted, entered into or otherwise taken by:

- A) British Columbia, or a local government;
- B) any minister, public official, employee, contractor, agent or representative of British Columbia, or a local government;
- C) any government corporation or any director, officer, employee, contractor, agent or representative of a government corporation;
- D) any person acting as a decision maker under any enactment of British Columbia, or a local government; or
- E) the Steering Committee or Technical Committee established under the 1987 Agreement;

either before March 28, 2019 in relation to the Reservoir and Works or after March 28, 2019 that is reasonably required for, or directly related to paragraphs 1(j)(i)-(iv) and (vi),

but specifically excludes

(viii) subject to paragraph 1(j)(vi), an increase in the maximum quantity of water which may be stored, an increase in the live storage amount, or an increase in the maximum rate of diversion and use for power purposes that require the RTA to apply to amend the Final Water Licence or apply for a new water licence to obtain additional rights; and

(ix) the maintenance, repair, replacement, upgrade or other modification of works or facilities that require the RTA to apply to amend the Final Water Licence or apply for a new water licence to obtain additional rights, except in connection with potential projects under paragraph 1(j)(iii).

2. Cheslatta and [*designated company*] acknowledge that, as a result of the exercise of the rights and interests under the Provincial Authorizations, the Lands are subject to flooding, erosion, sloughing and other similar causes which may result in personal injury (including death) and loss or damage to the Lands, improvements or chattels on the Lands.

- 3. Cheslatta and [*designated company*], jointly and severally, agree to indemnify and save harmless British Columbia and RTA and their respective directors, officers, servants, employees, agents, contractors, subcontractors, permittees, licensees, invitees, successors, assigns and other representatives from all actions, causes of action, claims, demands, suits, losses, damages, debts, accounts, liabilities, costs, expenses and compensation of any kind, including fees of solicitors and other professional advisors, arising out of or in connection with:
 - (a) any breach, violation or non-performance of a provision of this Agreement by Cheslatta or *(designated company);* or
 - (b) the lawful exercise of the rights and interests under the Provincial Authorizations, regardless of whether the lawful exercise of the rights and interests under the Provincial Authorization occurs on or off the Lands, including
 - (i) any personal injury (including death) or any loss or damage to improvements or chattels, occurring on the Lands; and
 - (ii) any loss or damage to the Lands caused by flooding, erosion, sloughing and other similar events,

except to the extent that the actions, causes of action, claims, demands, suits, losses, damages, debts, accounts, liabilities, costs, expenses and compensation result from the impacts of decommissioning the Nechako Reservoir.

- 4. Cheslatta and [*designated company*] each releases and forever discharges British Columbia and RTA and their respective directors, officers, servants, employees, agents, contractors, subcontractors, permittees, licensees, invitees, successors, assigns and other representatives from all actions, causes of action, claims, demands, suits, losses, damages, debts, accounts, liabilities, costs, expenses and compensation of any kind, including fees of solicitors and other professional advisors, arising out of or in connection with the lawful exercise of the rights and interests under the Provincial Authorizations, regardless of whether the exercise of the rights and interests under the Provincial Authorization occurs on or off the Lands, including:
 - (a) any personal injury (including death) or any loss or damage to improvements or chattels, occurring on the Lands; and
 - (b) any loss or damage to the Lands caused by flooding, erosion, sloughing and other similar events,

except to the extent that the actions, causes of action, claims, demands, suits, losses, damages, debts, accounts, liabilities, costs, expenses and compensation result from the impacts of decommissioning the Nechako Reservoir.

- 5. RTA hereby indemnifies and saves harmless Cheslatta and its councillors, officers, servants, employees, agents, contractors, subcontractors, permittees, licensees, invitees, successors, assigns and other representatives from all actions, causes of action, claims, demands, suits, losses, damages, debts, accounts, liabilities, costs, expenses and compensation of any kind, including fees of solicitors and other professional advisors, arising out of or in connection with any personal injury (including death) or any loss or damage to improvements or chattels, occurring on the Lands, as a result of RTA's negligence or unlawful acts.
- 6. This Agreement will be interpreted according to the laws of the Province of British Columbia.
- 7. In this Agreement, "person" includes a corporation, firm or association and wherever the singular or masculine form is used in this Agreement it will be construed as the plural or feminine or neuter form, as the case may be, and vice versa where the context or the parties so require.
- 8. In this Agreement, "including" means "including, but not limited to" and "includes" means "includes, but is not limited to".
- 9. If any section of this Agreement, or any part of a section, is found to be illegal or unenforceable, that part or section, as the case may be, will be considered separate and severable and the remaining parts or sections, as the case may be, will not be affected and will be enforceable to the fullest extent permitted by law.
- 10. This Agreement extends to, is binding upon and enures to the benefit of the parties and their respective heirs, executors, administrators, successors (including successor governments) and assigns.
- 11. Prior to the completion of any sale or transfer of the Lands, or any portion of the Lands, Cheslatta and [*designated company*] and any subsequent owner of the Lands, or any portion of the Lands, will ensure that the proposed purchaser or transferee agrees in writing with British Columbia and RTA to be bound by the terms of this Agreement, and will provide a copy of such agreement to British Columbia and RTA.
- 12. The release of claims and indemnity granted by Cheslatta and [designated company] to each of British Columbia and RTA (together, the "Indemnitees") in sections 3 and 4 of this Agreement are several obligations, such that a default by one Indemnitee in respect of its obligations herein to Cheslatta or [designated company], or alternatively a termination of the release and indemnity by Cheslatta or [designated company] in relation to one Indemnitee for cause, will not adversely affect the enforceability of the terms and conditions of this Agreement as between Cheslatta and [designated company] and the other non-defaulting Indemnitee, nor adversely affect the right of the non-defaulting Indemnitee to receive the benefit of the release of claims and indemnity granted to it by Cheslatta and [designated company]."

SIGNATURE BLOCKS

SCHEDULE A FEE SIMPLE LANDS SCHEDULE B LICENCE LANDS SCHEDULE C LICENCES OF OCCUPATION Part 2

Maps and Surveys

Maps and Surveys

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- 12. Square Lake South a. EPC2243
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Survey Plans – Easement and SRW Areas

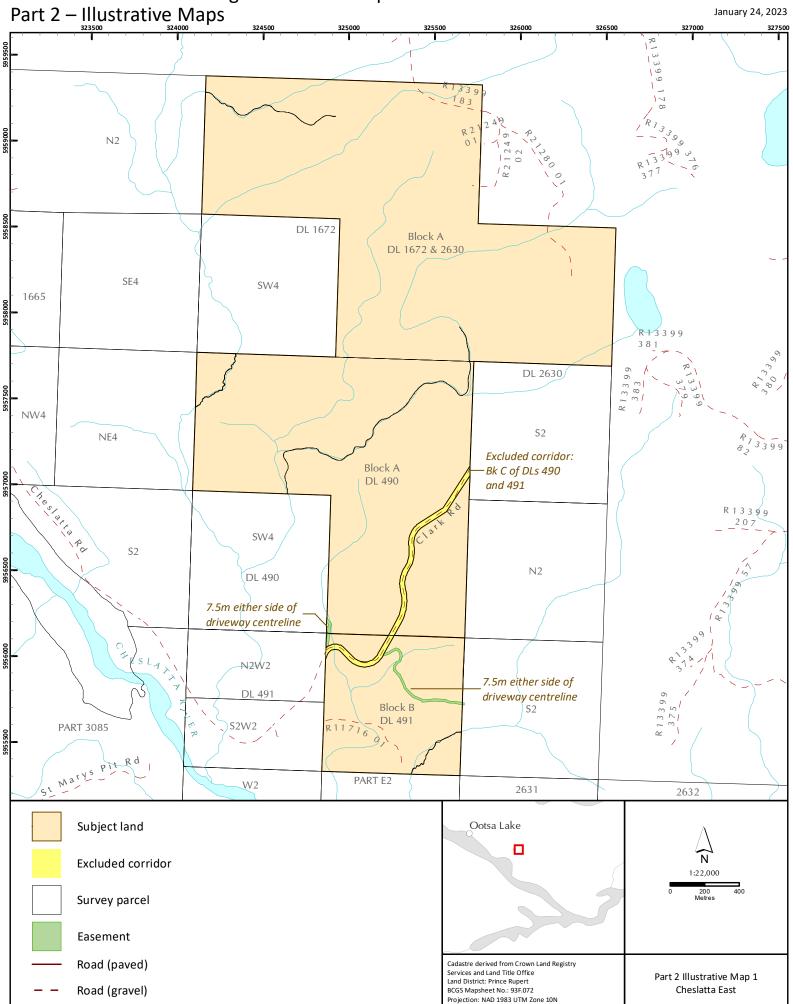
- 15. Rio Tinto SRW Areas
 - a. EPP122198 (over BLOCK A, DISTRICT LOT 3257, RANGE 4 COAST DISTRICT)
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- d. EPP119615 (over BLOCK A, DISTRICT LOT 3253, RANGE 4 COAST DISTRICT)
- 16. Easement Areas
 - a. EPP116576
 - b. EPP116575

PLEASE NOTE:

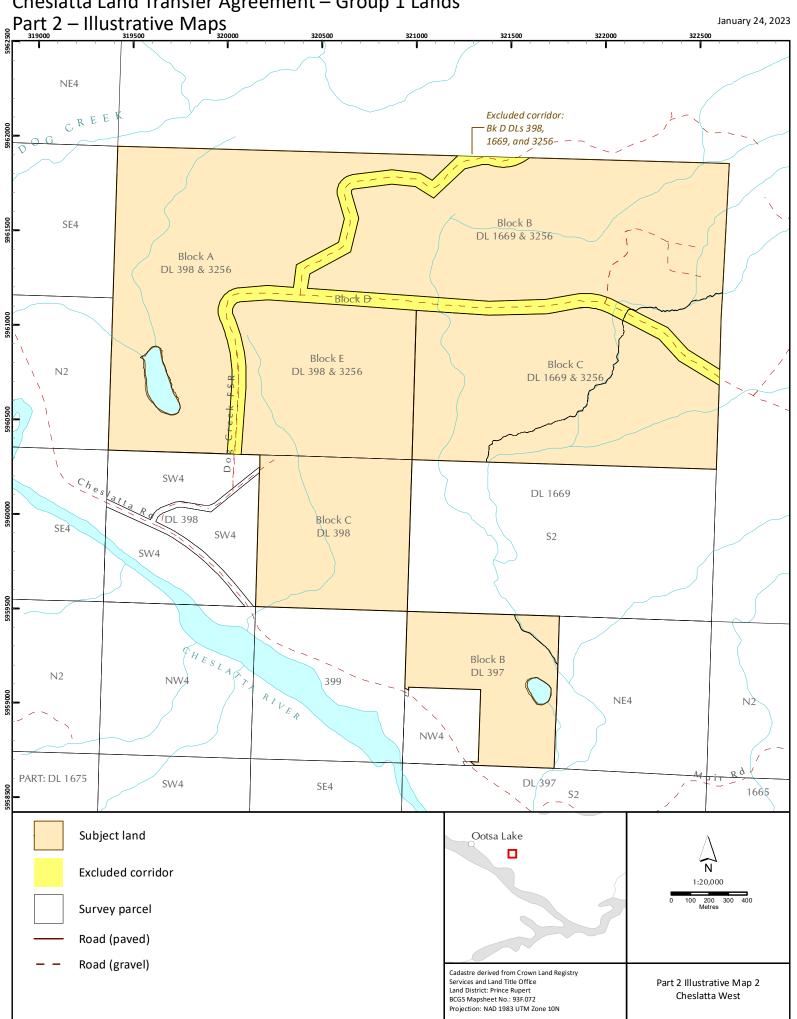
- this Part 2 is separate from, and does not form part, of the Land Transfer Agreement;
- the illustrative maps are for general information only, and are in not intended to define, limit, interpret, alter or enlarge the scope or meaning of any provision of the Land Transfer Agreement; and
- for particulars regarding the lands being transferred, please refer to the Land Transfer Agreement.

1. Cheslatta East Illustrative Map



Cheslatta Land Transfer Agreement – Group 1 Lands

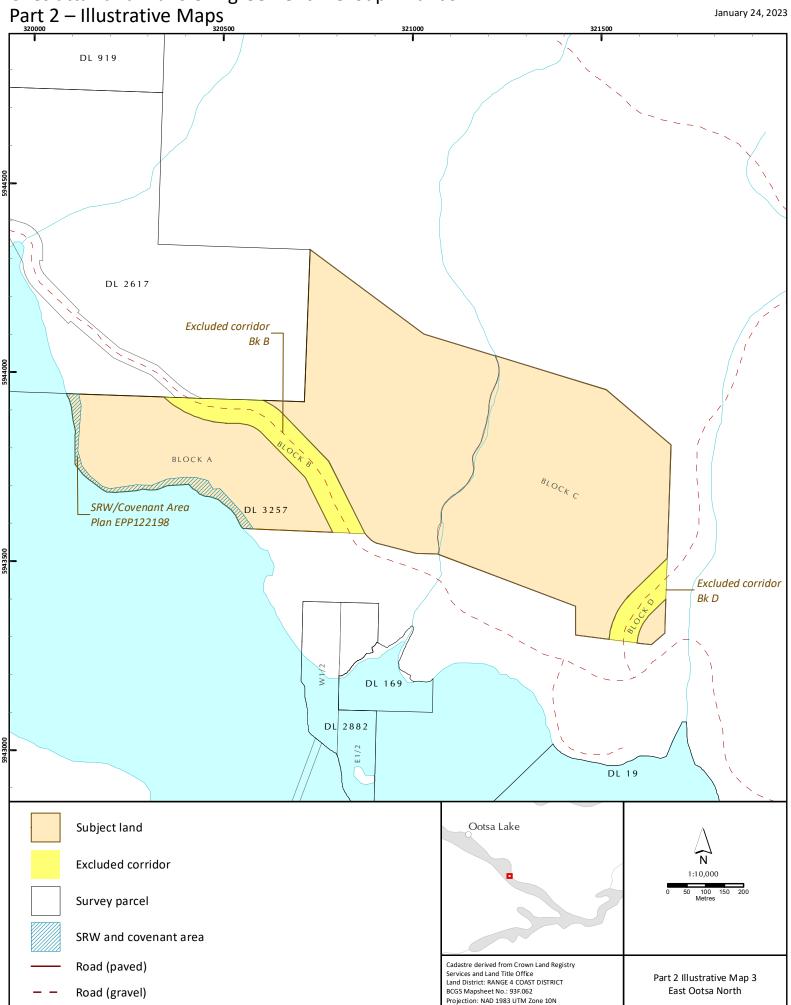
2. Cheslatta West Illustrative Map



Cheslatta Land Transfer Agreement – Group 1 Lands

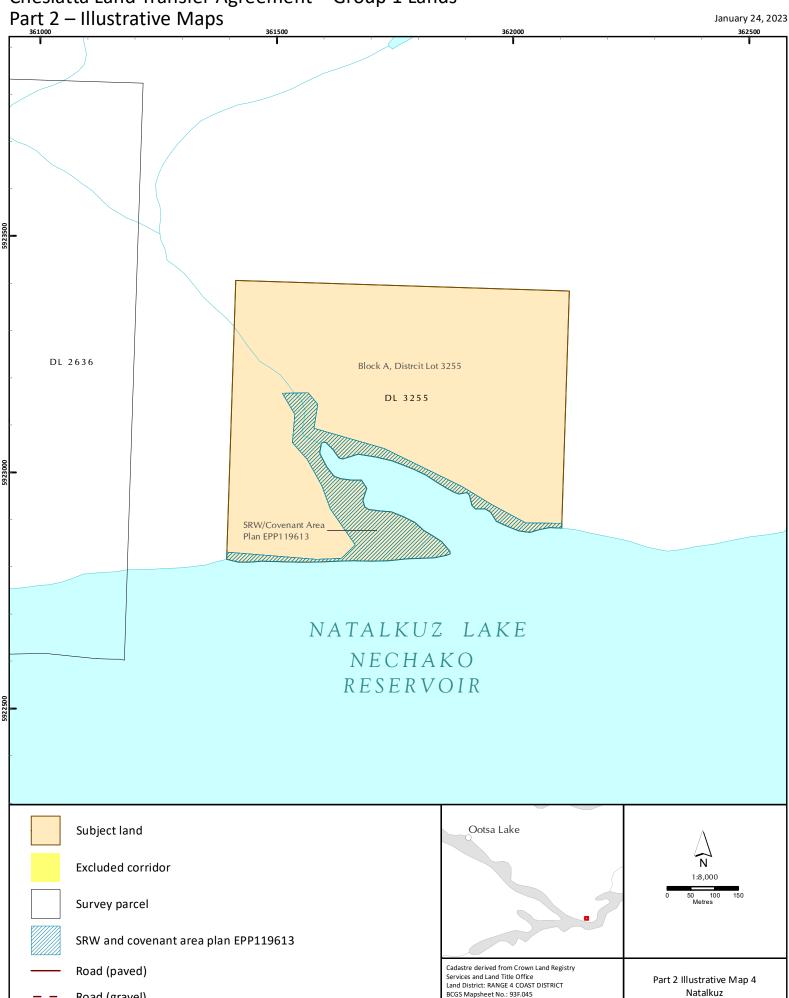
3 East Ootsa North Illustrative Map

Cheslatta Land Transfer Agreement – Group 1 Lands



4. Natalkuz Illustrative Map



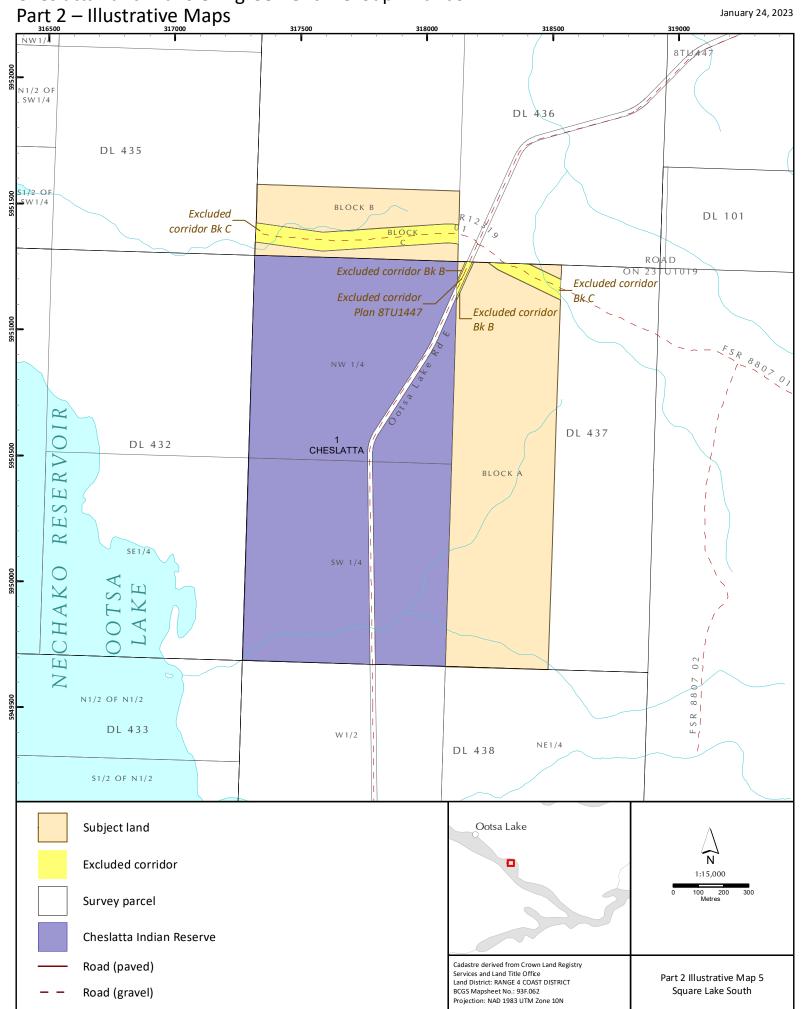


- — R	oad (gravel)
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Projection: NAD 1983 UTM Zone 10N

5. Square Lake South Illustrative Map

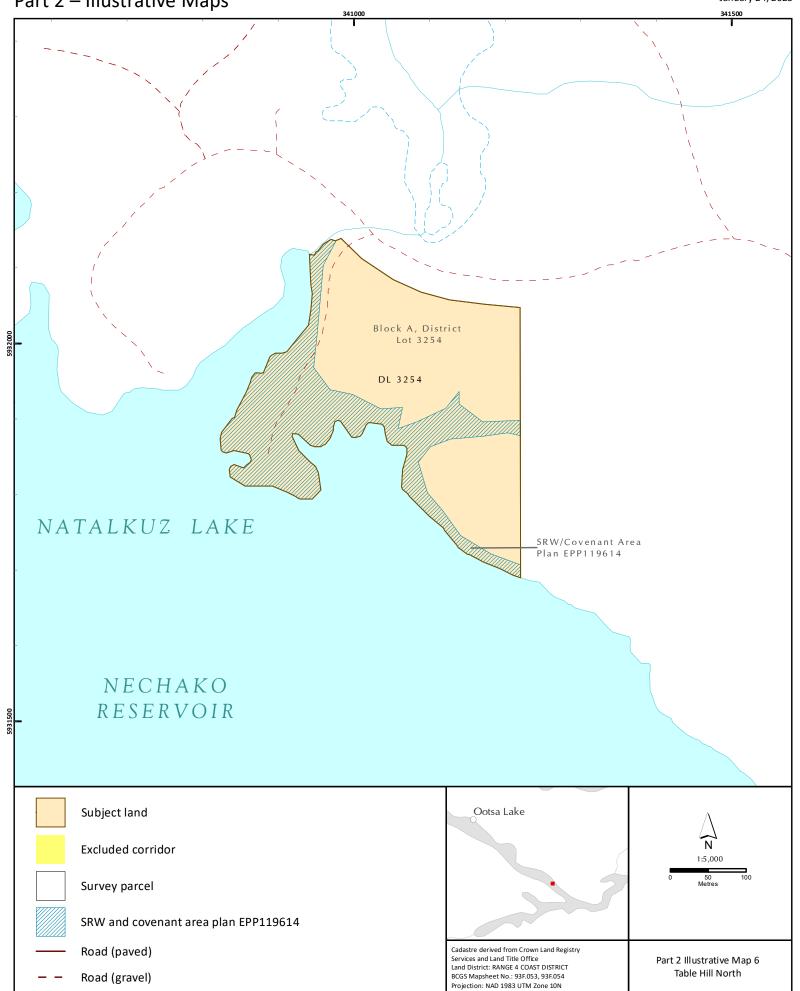
Cheslatta Land Transfer Agreement – Group 1 Lands



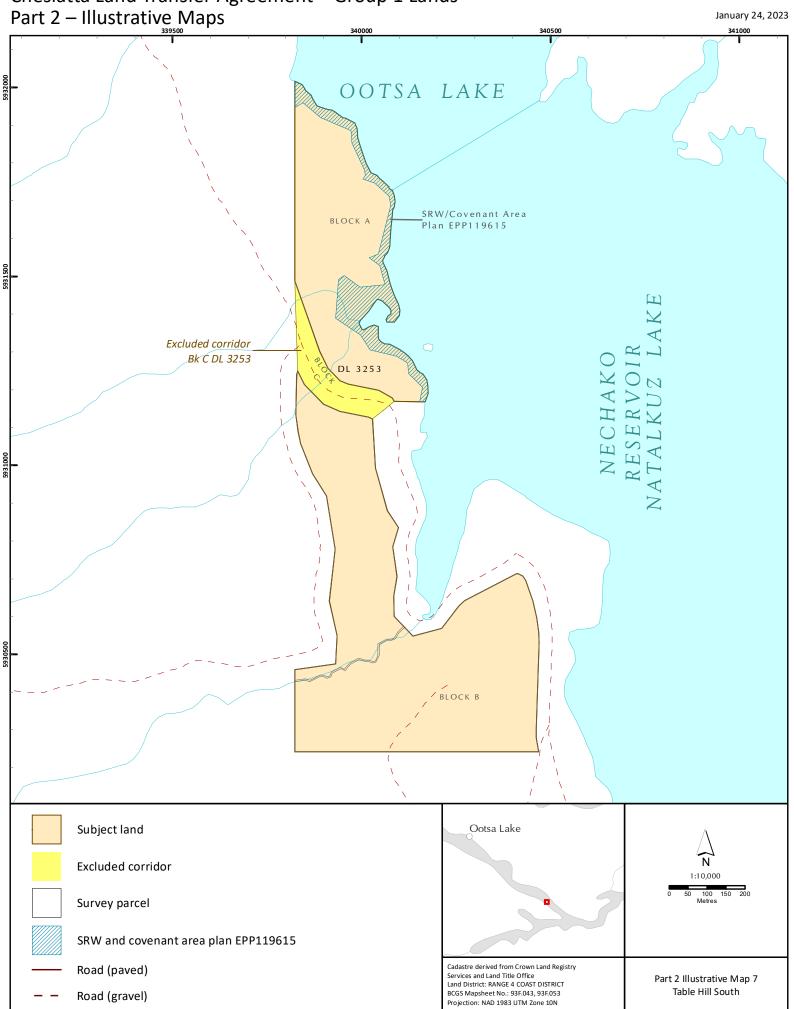
6. Table Hill North Illustrative Map

Cheslatta Land Transfer Agreement – Group 1 Lands Part 2 – Illustrative Maps



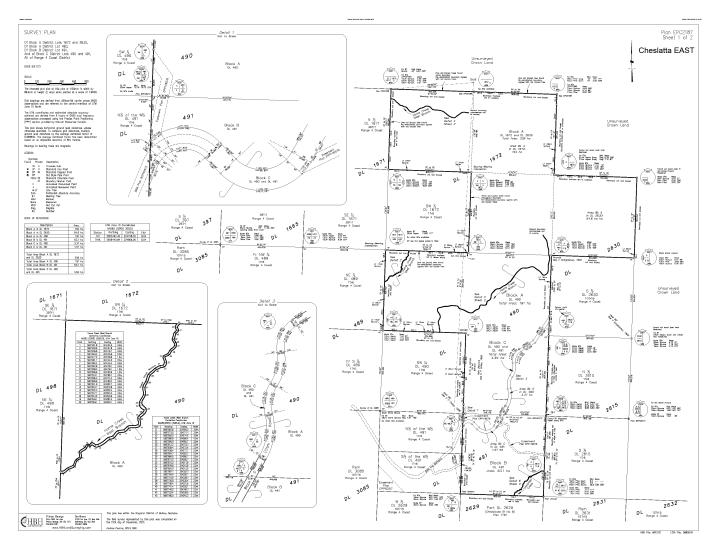


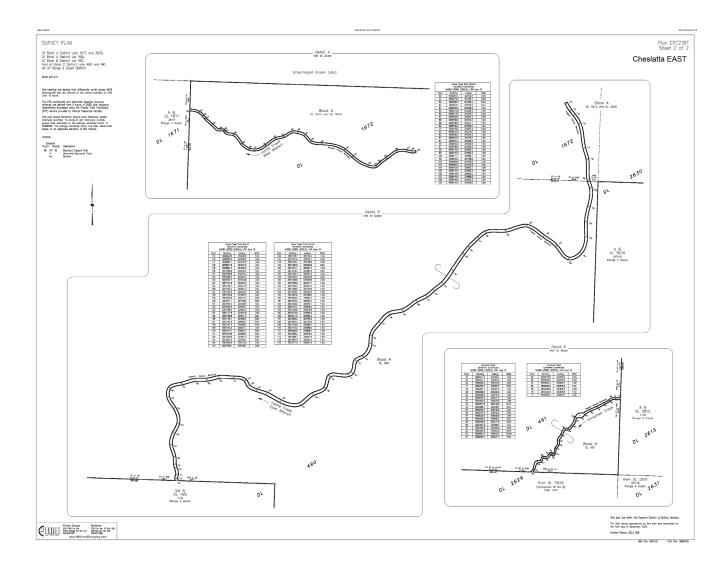
7. Table Hill South Illustrative Map



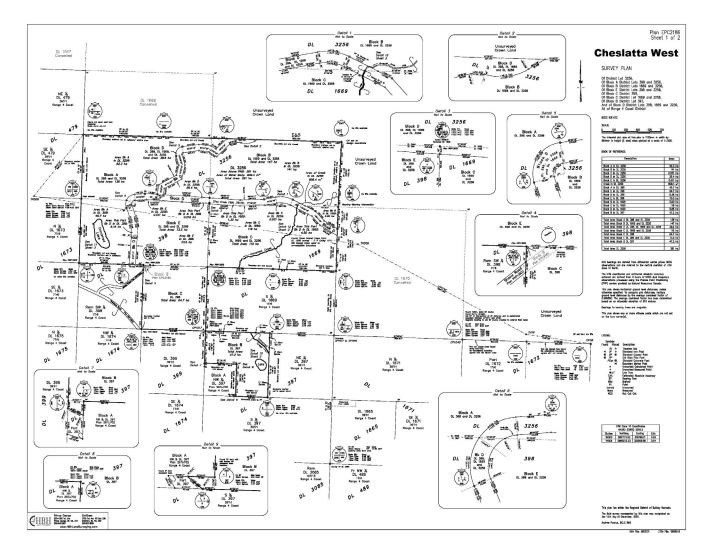
Cheslatta Land Transfer Agreement – Group 1 Lands

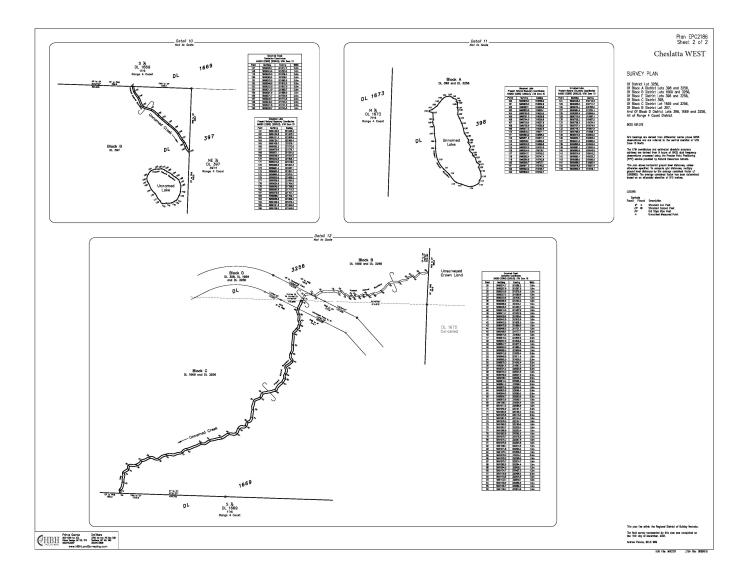
8. Cheslatta East - Plan EPC2187



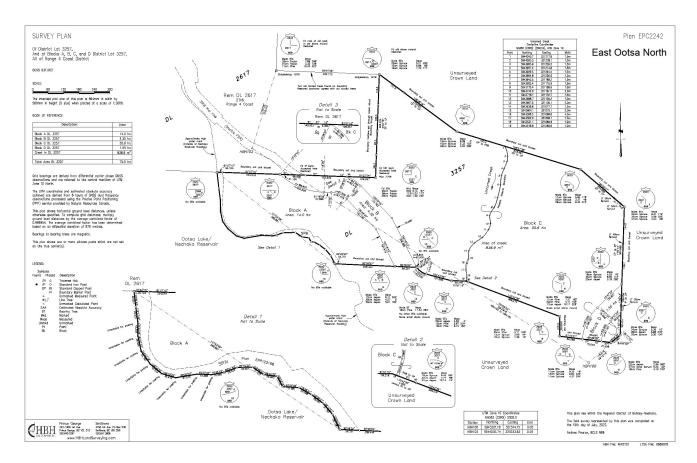


9. Cheslatta West - Plan EPC2186

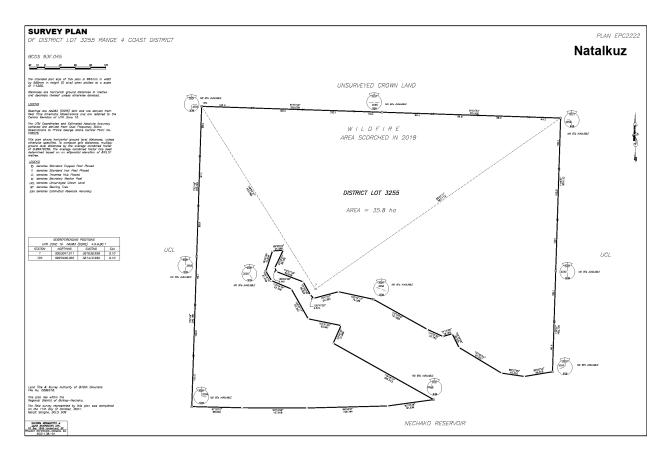




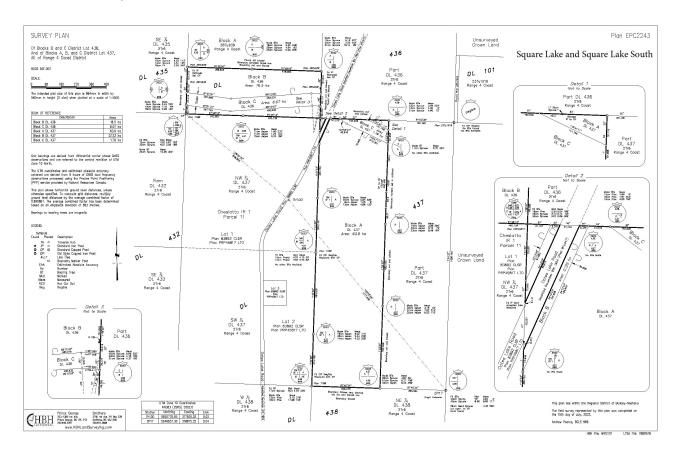
10. East Ootsa North – Plan EPC 2242



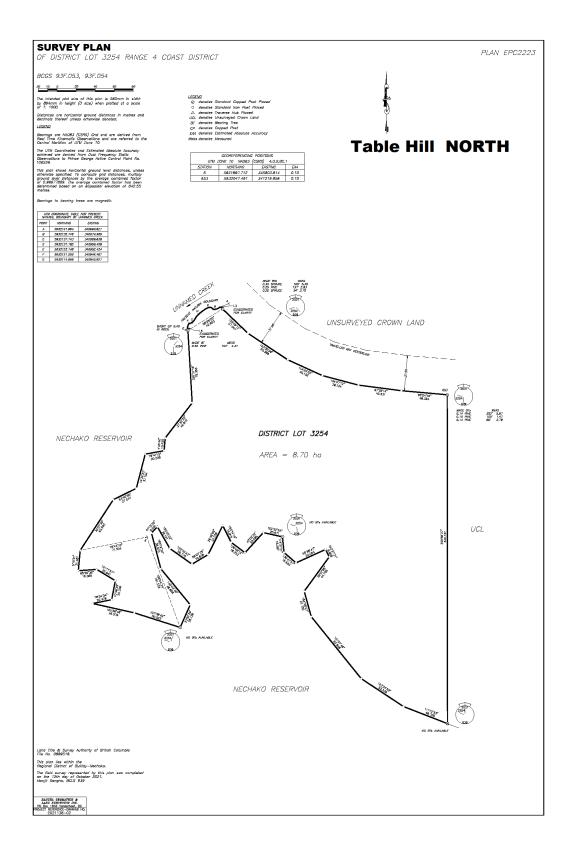
11. Natalkuz – Plan EPC2222



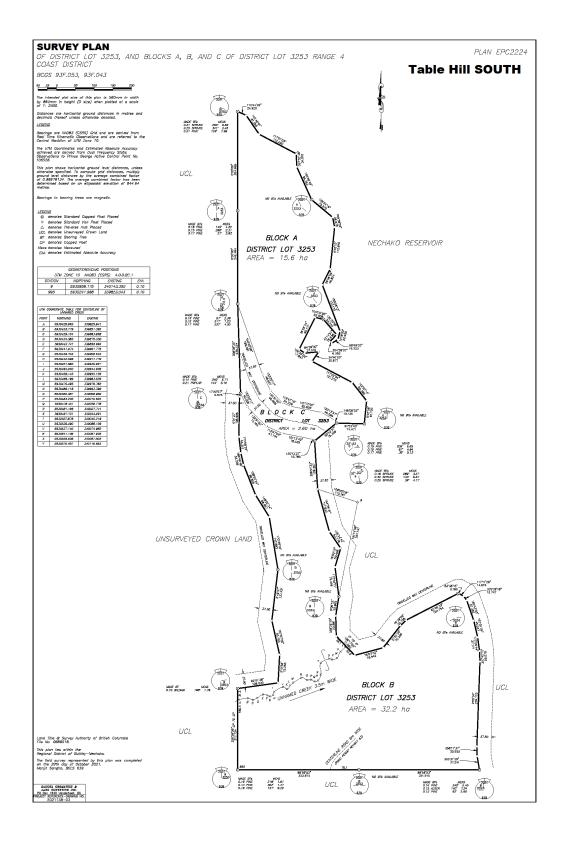
12. Square Lake South – Plan EPC2243



13. Table Hill North – Plan EPC2223

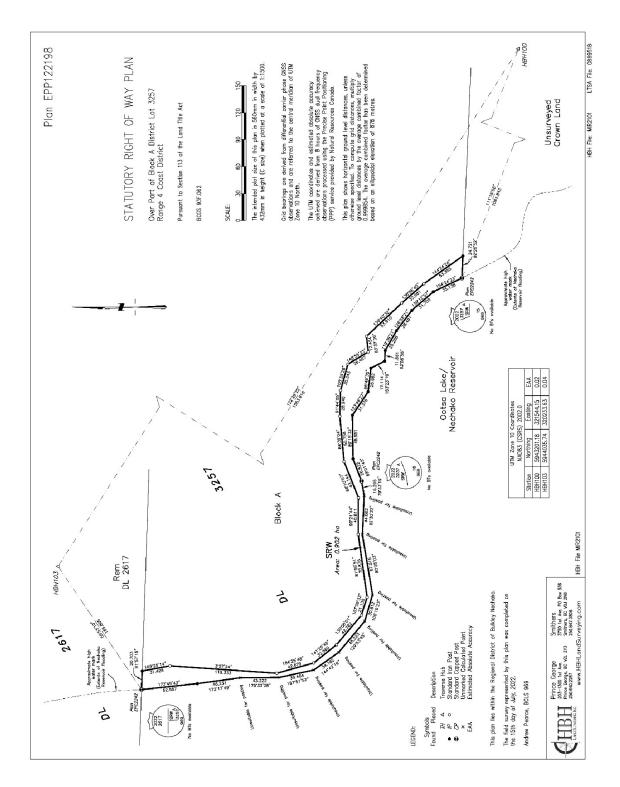


14. Table Hill South - Plan EPC2224

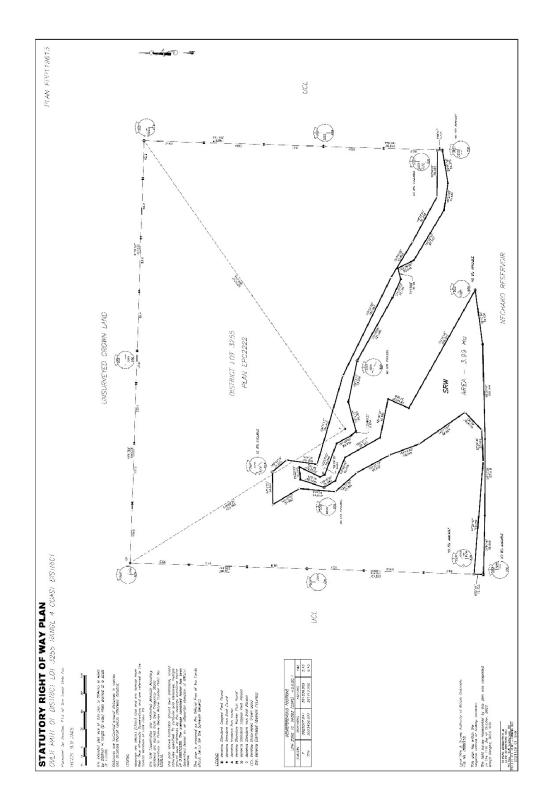


15. Rio Tinto SRW Areas

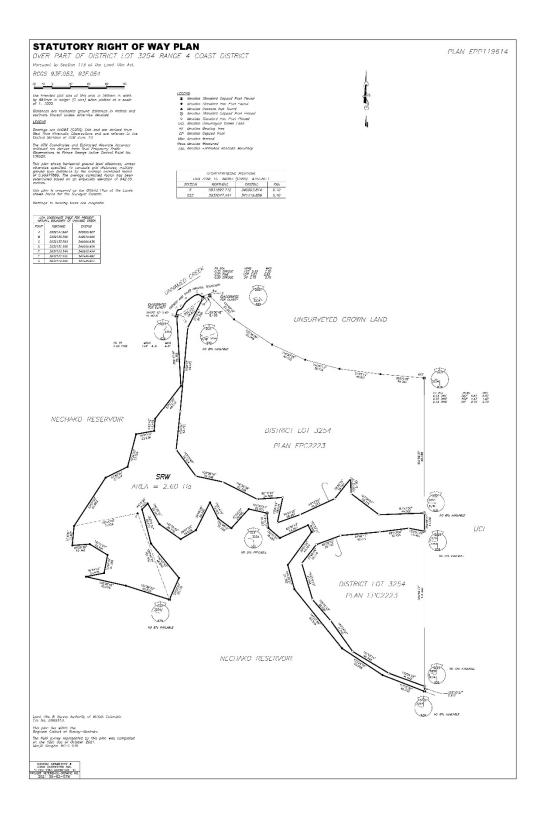
a. Plan EPP122198



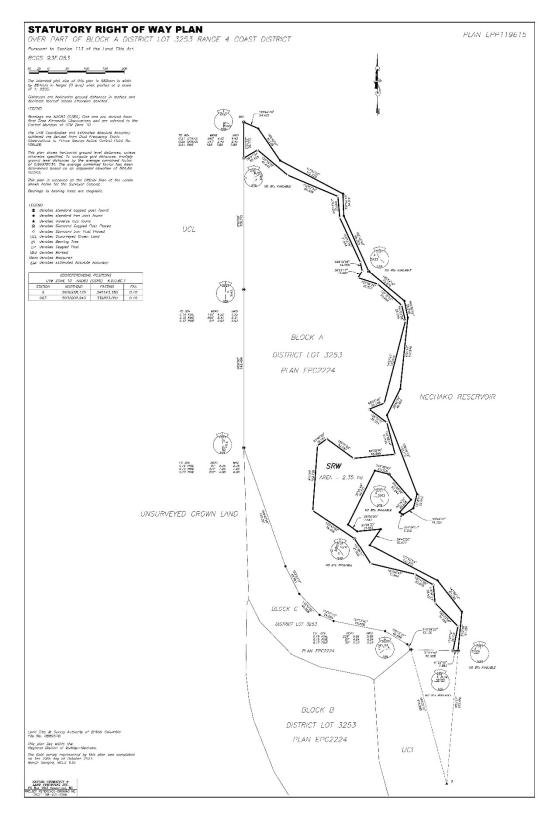
b. Plan EPP119613 (over District Lot 3255, Range 4 Coast District



c. Plan EPP119614 (over District Lot 3254 Range 4 Coast District)

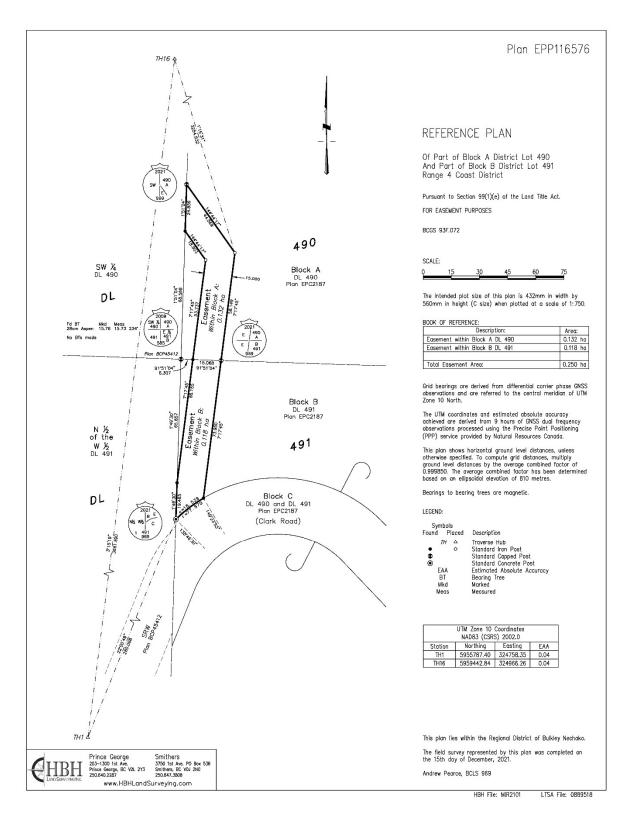


d. Plan EPP119615 (over Block A, District Lot 3253, Range 4 Coast District)

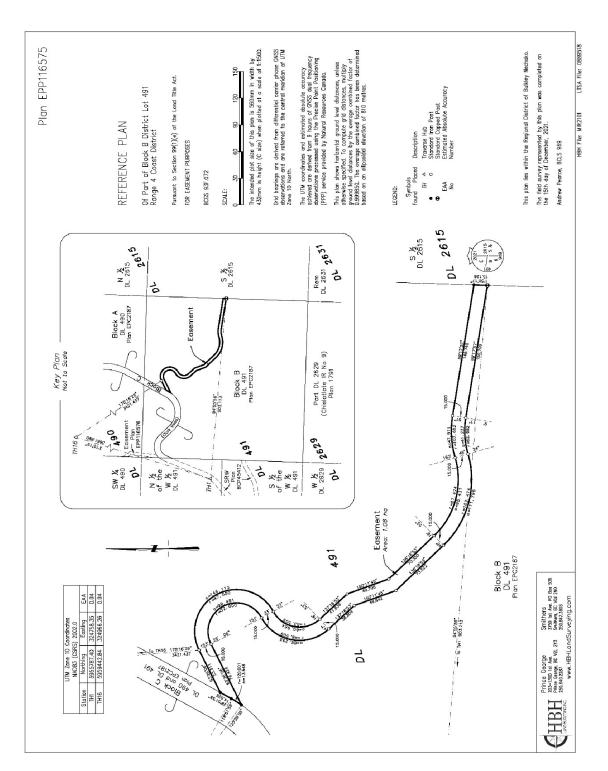


16. Easement Areas

a. Plan EPP116576



b. Plan EPP116575



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