

FREQUENTLY ASKED QUESTIONS

Where is the property?

The property comprises approximately 185 hectares (457 acres) located north of Fernie Alpine Resort and south of the Cedars community on property known as the 'Galloway Lands'. The property is in the Regional District of East Kootenay and within the Traditional Territory of the Ktunaxa Nation – Ktunaxa ?amak?is.

What is proposed?

We are proposing to develop no more than 75 acreage single family lots. The development is being designed using the principles of conservation community design to cluster housing within the property and conserve a large portion of the property in its natural state. Lots will be a minimum of 1.0ha (2.5 acres) and a maximum of 1.6 ha (4.0 acres).

What is Conservation Community Design?

The opposite of conventional development. This planning approach protects a significant portion of a site and creates a network of interconnected open spaces. The Regional District of East Kootenay's Elk Valley OCP encourages the use of conservation design principles for new residential development.

Who is behind this project?

Reto Barrington of Fernie's Handshake Holdings Ltd. is working with long-time Fernie landowner Bud Nelson (CH Holdings Ltd.) to obtain land use approvals for the property. A strong planning and design team is led by Doug Leighton of EDG (Environmental Design Group) and Richard Haworth of Haworth Development Consulting.

What is the story behind the Galloway Lands?

This site is a remnant of a larger private forestry block owned by Charles (Bud) Nelson. In the early 1960's much of this block became Snow Valley Ski Resort – now the Fernie Alpine Resort. This site was last logged in the late 1980s's by the Galloway Lumber Company. Bud Nelson has now retired and wishes to see this site developed in a responsible manner.

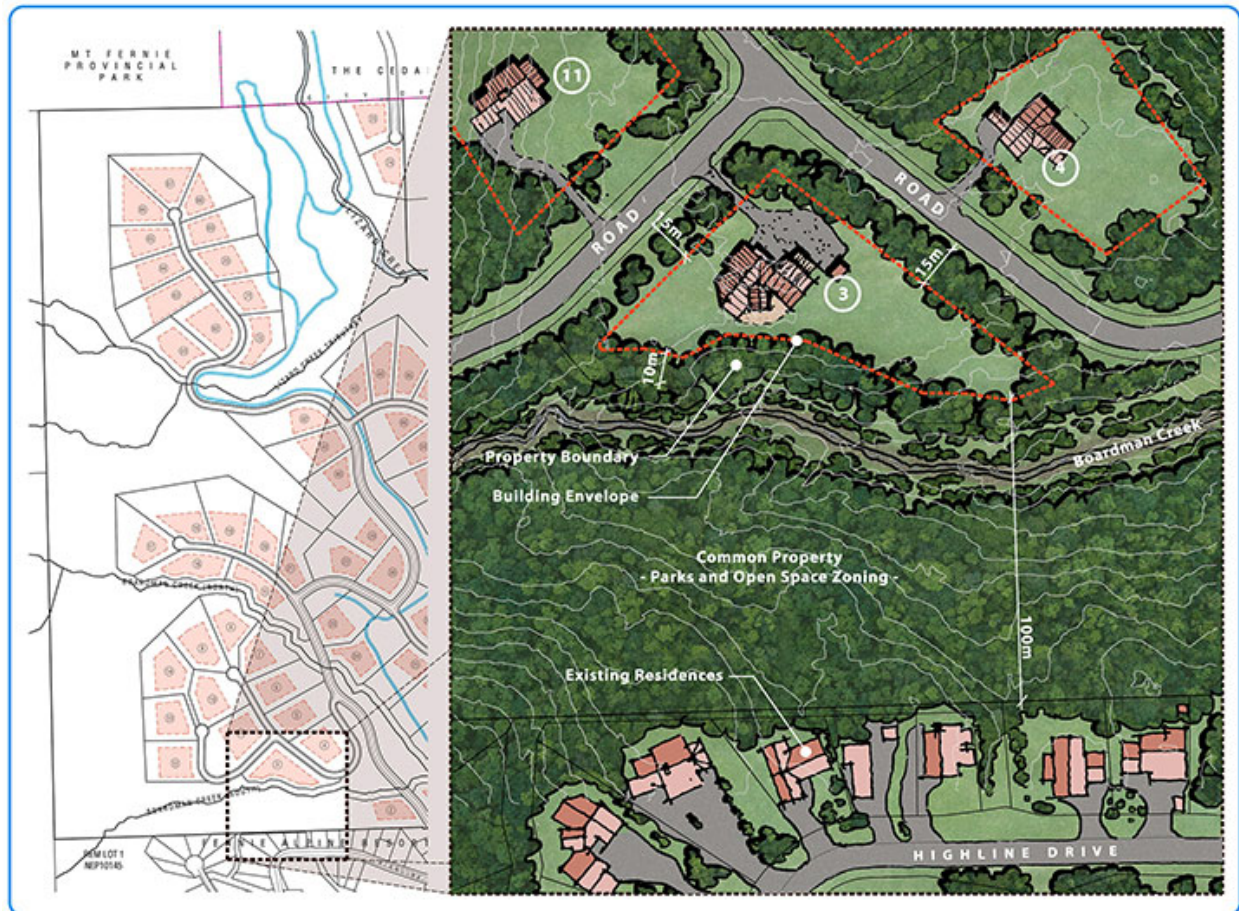
What zoning is proposed?

An area comprising approximately 95.8 ha (236 acres) is proposed to be zoned PG-2 (Parks and Recreation Zone). This zone comprises approximately 51% of the total lands and ensures the long-term protection of the Lizard Creek riparian corridor and other riparian corridors, the lands sloping down to Highway #3, the parcel of land east of Highway #3 along the Elk River and significant buffer along the Crown lands to the west and Mt. Fernie Provincial Park to the north.

Lands proposed for residential development are to be zoned RR-1 (Rural Residential (Estate) Zone). The RR-1 (Rural Residential (Estate) Zone) permits single family residential development on parcels not less than 1.0 ha (±2.5 acres).

How will you ensure quality development?

A high standard of architecture, landscaping, and energy efficiency will be required. Design guidelines and covenants are being developed and will be registered on title of each lot to ensure all homeowners comply with required standards.



Will lots be cleared prior to home construction?

We are proposing a community that fits seamlessly into the natural environment. All homesites will contain restrictions on tree removal so that only an identified building envelope is available for construction of the home, septic field and landscaping. This sketch illustrates a potential homesite and building envelope. The building envelope is the maximum area that may be cleared for home construction and to meet FireSmart wildfire interface requirements. All other areas of each homesite will remain forested. All tree clearing will be the responsibility of the lot purchaser so that clearing can be coordinated with home design.

How will proposed conservation areas be protected?

Conservation lands will be protected through a combination of zoning and no-build and conservation covenants. Over 70% of the property will be retained in its current natural state through zoning, covenants or restrictions contained in a statutory building scheme / design guidelines.

Would construction be phased over time?

Yes, development will be phased. We envision no more than 20 lots proceeding at one time. The project is expected to take at least ten years to build-out with construction of the first phase commencing in the summer of 2022.

What infrastructure is required?

Roads within the development will be a combination of public (MOTI) road and private roads. Water and septic will be provided on each lot. BC Hydro will be provided underground to each lot.

Where would taxes go?

Property taxes in rural areas are paid to the Province of BC. A portion of these taxes are returned to the Regional District of East Kootenay and other agencies for provision of services in rural areas.

Will this development impact my taxes?

No. All costs for development of this project will be paid by the developer. No public funds are expended to build roads or any services for development. A public road will be provided to ensure public access to portions of the property. This road will be maintained by MOTI. All other roads will be maintained by the property owners.

Will the development use City of Fernie infrastructure?

The City of Fernie provides fire protection for the rural areas around Fernie (including this property) based on an agreement with the RDEK. No other services will be provided by the City of Fernie.

How does this project address affordability in the Fernie area?

Affordability is an issue in Fernie however we do not believe that this property is suitable for affordable housing due to its location away from downtown and City services.

How will the covenants being proposed be enforced?

The covenants proposed by the proponent have been provided to the RDEK. The RDEK staff will include these covenants as part of the Request for Decision that is sent to the RDEK Board for consideration when determining whether to approve the application. The RDEK Board will then include a requirement that the covenants be registered as part of their approval of the bylaws.

The RDEK approval process has several steps:

RDEK Board Meeting #1 – 1st and 2nd Reading of Bylaws

The Board will discuss the application and the covenants proposed. They will then either defeat the bylaw or recommend that the bylaw proceed to a public hearing.

RDEK Public Hearing

A public hearing is held to hear the opinions of the public regarding the proposed application.

RDEK Board Meeting #2 – 3rd Reading of Bylaws

The RDEK Board reconsider the application, including the opinions of the public, as expressed at the Public Hearing, and other factors. The Board will either defeat the bylaw or approve the bylaw and grant 3rd reading.

Registration of Development Agreement / Covenants

The applicant proceeds to register the development agreement and covenants.

MOTI Approval of Bylaws

The Ministry of Transportation and Infrastructure review the bylaws to confirm that their requirements, as they relate to zoning and OCP requirements, have been met.

RDEK Board Meeting #3 – Adoption of Bylaws

RDEK adopts the bylaws. This step will not proceed until the development agreement / covenants are registered on title to the lands.

Subdivision of the Property

RDEK staff will again review the covenants and development agreement registered on title at subdivision of the lands to ensure that all commitments are being upheld. Failure to abide by the covenants and development agreement will result in refusal to approve the subdivision. RDEK approval is required by MOTI for all subdivisions.

What stage are you at?

Detailed mapping and site analysis was completed in Spring 2021, concepts developed, and a preliminary concept generated. Over the summer of 2021 detailed planning was undertaken and consultants completed assessments for groundwater and traffic impact. This work has formed the basis for a final Land Use Amendment application to the Regional District of East Kootenay that was submitted in August 2021. We are now in the public process to present the plan and obtain feedback.

What are the next steps?

The Regional District of East Kootenay will process the application for land use amendment (Zoning and OCP amendments) as required to permit this development to proceed. We anticipate this application to proceed to First and Second Readings at the January RDEK Board meeting. A public hearing would then occur in late January. If approved by the RDEK, we would undertake further detailed studies with the goal of submitting a subdivision application and other approvals in 2022. Construction of the first phase of development could commence in 2023.

ACCESS TO THE GALLOWAY LANDS

How will the Galloway Lands be accessed?

Vehicular access to the property is from an existing public road right-of-way known as Snow Pines Drive which is off Boomerang Way at Fernie Alpine Resort.

How will additional traffic impact local roads?

A Traffic Impact Assessment (TIA) has been completed by Bunt & Associates Engineering Ltd. (Traffic Engineers). The TIA found that the proposed development of 74 residential lots will generate a very small amount of traffic. At the weekend PM peak hour, only 28 total trips would be generated by the proposed development (13 trips in and 15 trips out of the Galloway Lands). The weekday AM peak hour would see 16 total trips and the weekday PM peak hour would see 21 total trips.

The TIA also reviewed the intersection of Highway #3 and Fernie Ski Hill Road. The study found that approximately 6,553 vehicles per day travel along Highway #3 (counted at the Lizard Creek bridge). At the winter weekend PM peak hour, approximately 862 vehicles leave the resort via Fernie Ski Hill Road onto Highway #3. The addition of 28 more vehicles, as generated by the proposed development, will have negligible effect on the traffic volumes at this intersection (increasing traffic volume by approximately 3%).

Regardless of the additional traffic generated by the proposed development, improvements to the intersection of Highway #3 and Fernie Ski Hill Road are required. Potential improvements to ensure traffic flow and safety include signalization of the intersection or construction of a round-about. The Galloway proponent would be required to pay for a portion of the cost of these improvements.

An assessment of the internal road network (Fernie Ski Hill Road, Highline Drive, Boomerang Way and Snow Pines Drive) has not been completed to date. Bunt & Associates will be undertaking an assessment of these roads over the winter 2022 season when winter traffic volumes can be assessed. Any improvements to these internal roads that are required due to increased traffic generated by the Galloway Lands will be undertaken by the Galloway proponent.

Will there be an emergency egress road from the Galloway Lands?

We are proposing to construct an emergency egress from the Galloway property. The emergency egress proposed will extend from the property down to Highway #3 near the Lizard Creek bridge utilizing an old logging road that will be upgraded as required to ensure safe and efficient emergency egress from the property. This emergency egress will be available for use in an emergency by residents of the Galloway Lands and Fernie Alpine Resort.

Will a through-road to the Cedars community be provided?

The City of Fernie Official Community Plan (OCP) includes a “Proposed Road (actual alignment to be determined)” extending from the Cedars through the Galloway Lands and connecting to Fernie Alpine Resort. As these lands are not in the City of Fernie, their OCP has no legal affect on the proposed

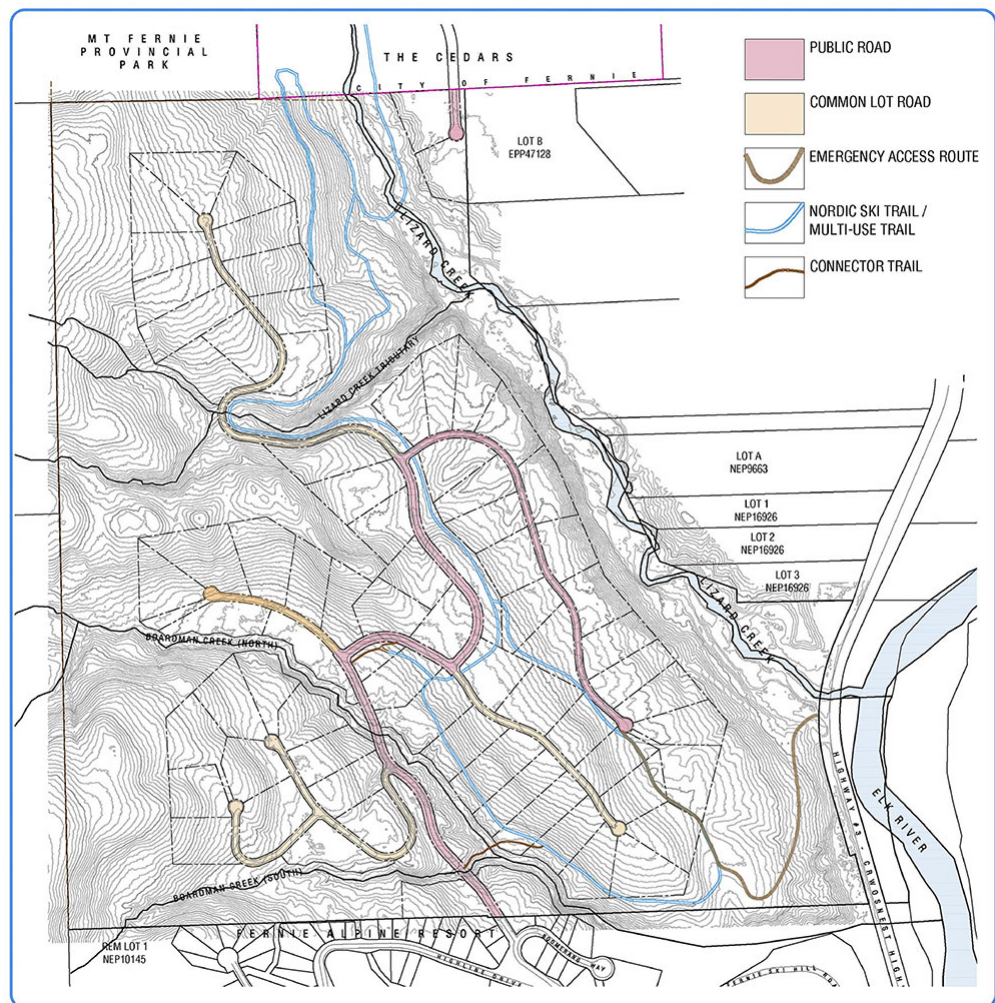
development. However, we have assessed the potential to provide this through-road. Based on site topography and our desire to not impact Lizard Creek, implementation of this roadway is not feasible. Further, we don't believe that residents in Fernie Alpine Resort, the Cedars or Anderson Road would want the additional traffic generated along this route from the resort to downtown Fernie.

The RDEK Elk Valley OCP does not propose a similar through-road. Rather, the Elk Valley OCP proposes implementation of a multi-use trail connecting the ski resort and the City of Fernie. We are proposing a multi-use trail as a critical part of the proposed Galloway Lands development. This trail will be available for public access by pedestrians, bicycles, Nordic skiers and snowshoers.

At what stage is traffic addressed by the relevant agencies?

Roads and traffic are the jurisdiction of the Ministry of Transportation and Infrastructure (MOTI). Regardless of zoning approval, MOTI will not permit subdivision of the lands until proper road access is available to the property that meets all MOTI requirements.

The Galloway Lands proponent has agreed to register a covenant on title to the Galloway Lands that requires completion of a TIA for the internal roads and agreement on the required outcomes of the TIA (such as improvements to roads). MOTI will not permit any subdivision of the lands until the terms of this covenant have been fully met.



WATER AND SEWER SERVICE

Are there concerns about providing water for 75 homes?

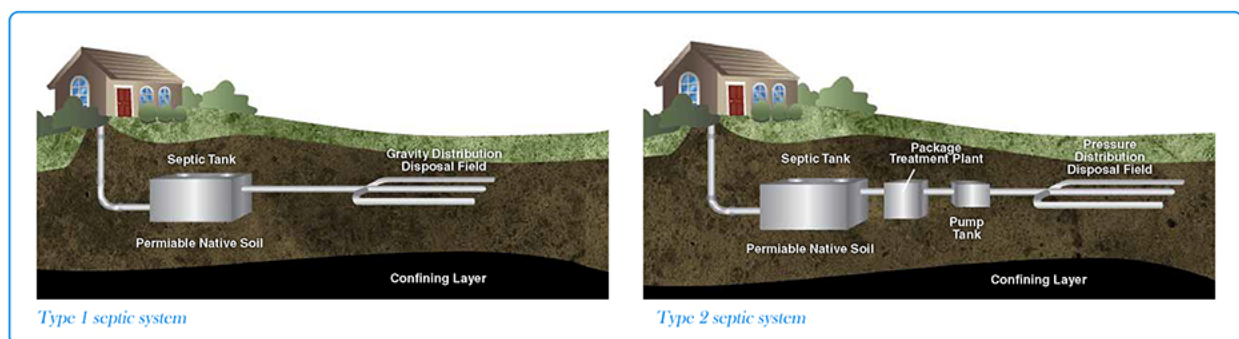
Each home within the Galloway Lands will have its own well to provide water. Based on the assessment completed to date, providing a suitably productive well for each homesite will be achievable and interference with existing wells in the area will not occur.

Western Water Associates Ltd. (WWAL) has completed a Groundwater Feasibility Assessment for the Galloway Lands to confirm that suitable water supply is available for the number of homes proposed. WWAL concluded that the groundwater development potential for the contemplated homesites, utilizing individual onsite domestic wells, is favourable. Further, the capacity of nearby wells suggests that all wells will be suitably productive to meet RDEK requirements.

How will septic from 75 homes be dealt with?

Each home within the Galloway Lands will have its own septic system. We will encourage all homes to utilize either a Type 2 or Type 3 septic system to limit the extent of land clearing required for installation of septic field.

A standard septic system (known as a Type 1 system) has a septic tank and dispersal field. A Type 2 system also includes a wastewater treatment system, thereby requiring less drainfield pipe and, consequently, less land area than a Type 1 system. A Type 3 system treats effluent to a higher water quality standard than a Type 2 system and disinfect the treated wastewater before it is distributed to the drainfield.



The intent with all septic systems is to distribute the septic effluent into the soil at a controlled rate so that micro-organisms in the soil can consume the waste through anaerobic and aerobic digestion. Both a Type 1 and a Type 2 septic system are designed to ensure waste percolates into the soils at a rate that will ensure proper treatment and not harm the water supply or nearby watercourses. A Type 2 system adds additional oxygen to the waste to further assist with aerobic digestion.

Regardless of the type of system installed, all septic systems must comply with the BC Health Sewerage System Regulation, which is designed to ensure that public health is protected, including the protection of drinking water supplies and protection of the environment.

What is required to confirm availability of water and septic?

Confirmation of availability of water and septic is addressed by the Ministry of Transportation and Infrastructure (MOTI) during the subdivision stage of the project.

The certified well driller must drill a well on each proposed residential lot and pump test each well to confirm suitable quantity of water is available. A certified laboratory must confirm that the water meets the Guidelines for Canadian Drinking Water Quality. The Regional District of East Kootenay review all well test results and provide confirmation to MOTI that the wells are acceptable.

A Registered On-Site Wastewater Practitioner (ROWP) must carry-out an on-site inspection of the land and provide a report that demonstrates each newly created parcel has appropriate site conditions so that onsite sewerage does not contaminate water and will not cause a health hazard. During the subdivision process each proposed lot is evaluated to determine that land is suitable for onsite sewerage. The ROWP must submit a report to Interior Health that meets the requirements of the “Subdivision Report Criteria for Authorized Persons”.

When the sewerage systems are constructed on the homesites, the ROWP must provide further documentation to Interior Health to confirm that the septic system has been installed in accordance with all applicable regulations.

If the conditions for provision of a well and septic field cannot be met on a lot, the subdivision will not be permitted by MOTI.

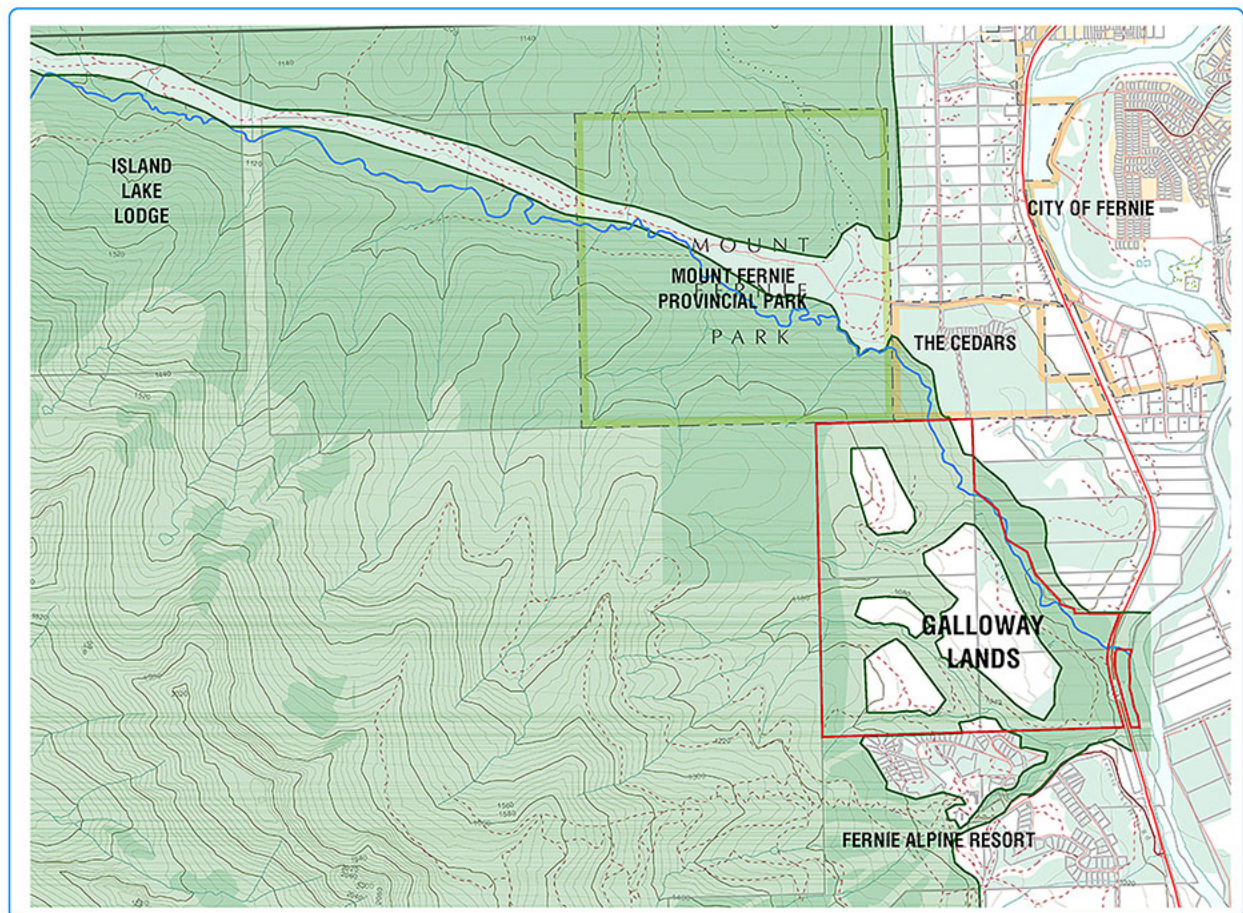
WILDLIFE AND LIZARD CREEK CORRIDOR

How will Lizard Creek be protected?

We recognize the importance of the Lizard Creek corridor for wildlife and fish. The proposed development plan includes large setbacks and other measures to ensure that this corridor is not impacted.

We have identified a corridor along Lizard Creek that will be zoned 'Park and Recreation'. This corridor extends the length of Lizard Creek to ensure that the riparian corridor is protected in perpetuity.

No development, including roads, trails, or other amenities, is proposed within the Lizard Creek corridor (except for the existing Nordic ski trail and bridge). To ensure this commitment we are proposing a no disturbance covenant over the Lizard Creek corridor that restricts tree removal, new trails or other development, except for road construction as required by MOTI. For the purposes of this covenant, the Lizard Creek Corridor means that area of PG-2 zoned land within 50 metres of the normal high-water mark of Lizard Creek.



Together, the zoning and covenants proposed for the Galloway Lands will ensure long-term protection of the Lizard Creek and form the final link in a connectivity corridor that extends from the Elk River to Island Lake Lodge. The corridor along Lizard Creek (as shown on the plan below) is approximately 230 metres in width at its narrowest location through the Galloway Lands to almost 400m in width at the north part of the Galloway property.

During development of the homesites, best practices will be implemented to ensure that no sediment or construction waste impacts Lizard Creek or any other riparian environments.

What measures are being taken to protect wildlife?

Development of the Galloway Lands includes a commitment to protect over 50% of the property as greenspace and limits the developable area of each proposed homesite to ensure retention of large areas of the property in its current natural condition. We are also proposing covenants that will limit any attractants to wildlife (ie. compost, garbage, fruit trees) and restrict fencing that will limit movement of wildlife.

PUBLIC ACCESS AND TRAILS

Will continued public access be permitted?

The Galloway Lands are enjoyed by Fernie residents and visitors to access the Nordic ski trails, bike trails and walking trails. We estimate that in excess of 40,000 individual users utilize the property for some form of recreational activity every year as both a destination and as part of a larger inter-connected trail network providing access to Fernie Alpine Resort, The Cedars community, and Mount Fernie Provincial Park.

Currently, there is no formal arrangement permitting long-term access to these private lands. We are proposing to formalize use of the property and the trail system to ensure access to the property and to further develop the existing trail system. To ensure long-term access we are proposing a covenant to permit public access to large parts of the lands. The covenant proposed will permit the public the right to pass by foot, ski, snowshoe or bicycle over those lands zoned CG-2 and those lands where a statutory right of way has been registered for public access over a private lot (including the Nordic ski loop). This covenant, registered in favour of the RDEK, would permit on-going public access to over 50% of the property. The proposed covenant would be similar to the covenant registered over the Island Lake Lodge property in favour of the Regional District of East Kootenay.

Will the Nordic trails be retained?

It is our goal to maintain as much of the existing Nordic trail network as possible. Where we cannot maintain a portion of the Nordic trail, we will construct new Nordic trails. It is our intent to provide a continuous loop trail, including provision of tunnels under the proposed roads, to ensure that the Nordic ski experience is retained. We also intend to provide a statutory right-of-way over the ski trail lands to ensure public access in perpetuity. It is our goal to enter into an agreement with the Fernie Nordic Society to continue to improve tenure and ensure continuity of use of the trail network.

Will the mountain bike trails be retained?

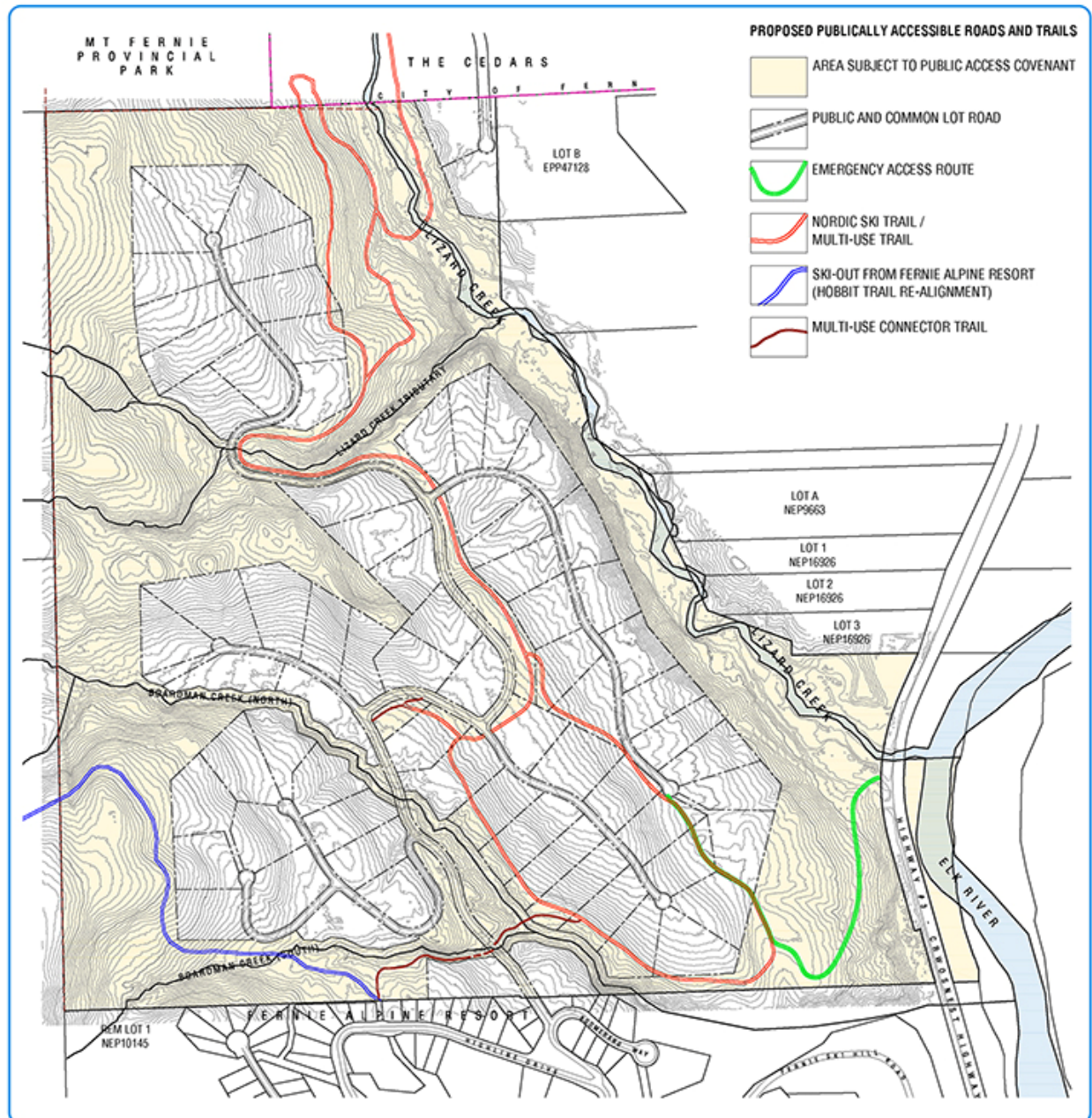
The existing mountain bike trails on the property are focused on higher elevation lands. Our goal is to preserve a large percentage of these trails as-is, however, some trails will be lost, and others will be re-routed to suit proposed homesite locations. We aim to work with the local mountain bike community and the Fernie Trails Alliance to re-route and construct new trails.

Will the trails to Highline Drive and the ski hill be retained?

The trails providing access from Highline Drive and the ski hill to the Galloway Lands are just as important to the future residents of the Galloway Lands as they are to their current users. We believe that connectivity to Fernie Alpine Resort – whether by car, walking, biking, Nordic skiing or alpine skiing – is one of the primary attractions to potential owners within the Galloway Lands. We may need to reroute some of the existing trails to avoid proposed homesite locations, but all efforts will be made to retain as many of these trails as possible.

Has parking for trail users been considered within the Galloway Lands?

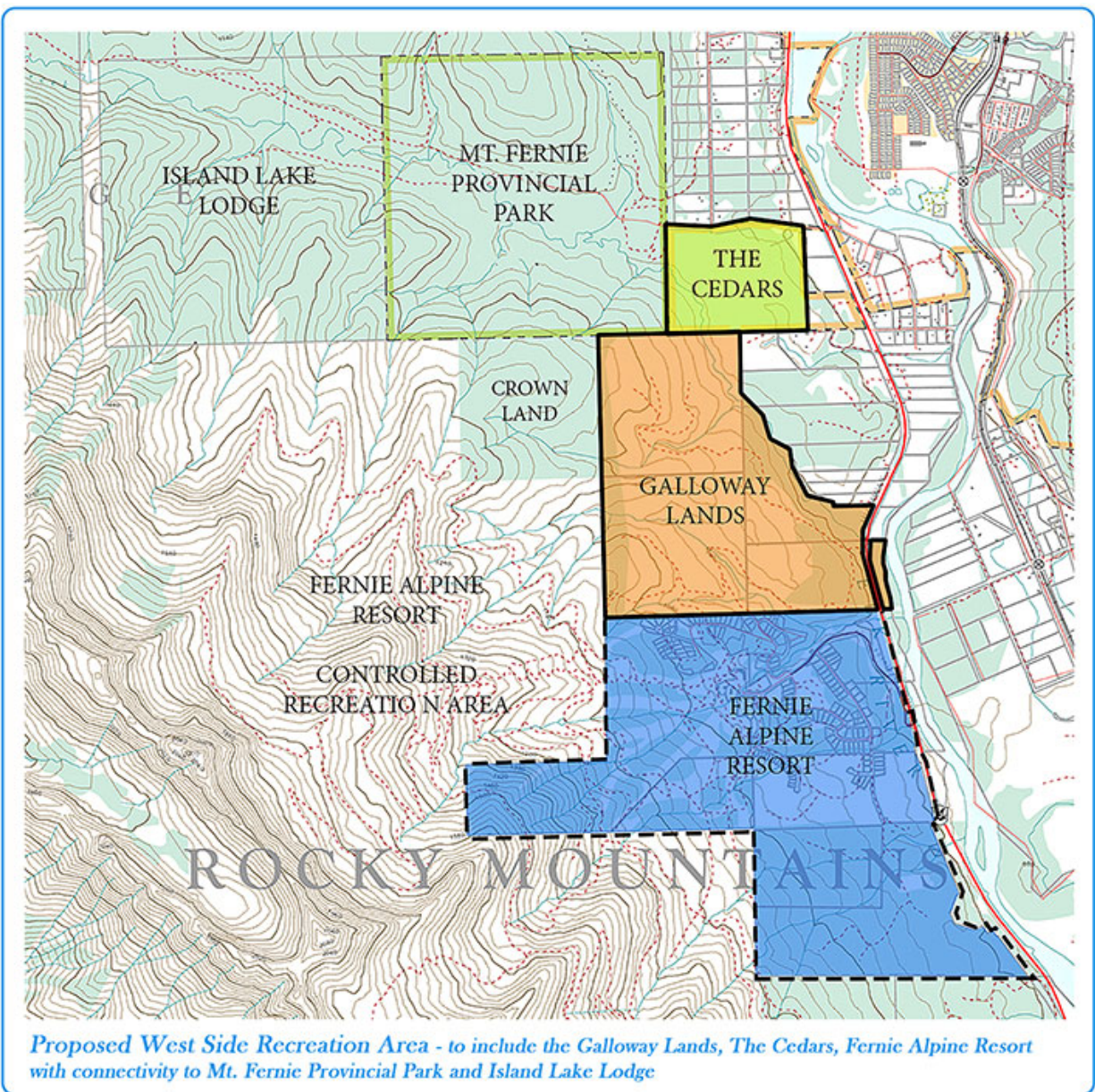
We are planning to develop a parking area within the Galloway Lands for use by trail users. We have identified an approximately 0.4 ha (1 acre) site centrally located within the property with access to the Nordic ski loop that is proposed for parking.



TRAIL PLANNING, CONSTRUCTION AND MAINTENANCE

Who will pay for new trails and trail maintenance?

We are proposing to establish a newly formed legal entity, such as a not-for-profit Society, funded by the sale of homesites and homes within the Galloway Lands, that will contribute to planning, construction and maintenance of Nordic skiing, snowshoeing, biking, and walking trails within the Galloway Lands, including connectivity to neighbouring properties as well as to conservation projects within the Galloway Lands.



The **Galloway Lands Recreation Fund** will provide financial assistance for:

- The design, construction, and maintenance of recreational walking trails, cycling trails, snowshoeing trails and Nordic skiing trails and associated amenities, buildings, and structures within the West Side Recreation Area.
- Conservation efforts within the Galloway Lands.

The Fund shall be created from the sale of residential property within the Galloway Lands as follows:

- The initial (first) sale of a Residential Lot shall be subject to a fee of 2% of the sale price to be contributed to the Fund by the Developer / Seller from the proceeds of the sale.
- The subsequent sale of a Residential Lot shall be subject to a fee of 1% of the sale price to be contributed to the Fund by the Seller from the proceeds of the sale.

The Fund will be administered by a newly formed legal entity such as a not-for-profit Society registered in BC. This entity shall have a mandate that restricts use of the funds as outlined above. Governance will be administered by a seven (7) member board comprised of four (4) members that are owners of Residential Lots within the Galloway Lands or representatives of the owner of the Galloway Lands and three (3) members that are representatives of the board of the Fernie Nordic Society, the board of the Fernie Trails Alliance, the board of the Elk River Alliance or the elected official for Area “A” of the RDEK.

The goal of this fund is to ensure that the trail system within the West Side Recreation Area is designed, constructed and maintained to the highest standard in perpetuity.

PROPOSED RESTRICTIVE COVENANTS

What restrictive covenants are proposed?

There are a series of covenants proposed that will limit certain uses on the property while ensuring continued public access to the lands. The terms of the proposed covenants will cover the following items:

1. Limit number of residential dwellings to no more than 75 single family homes.
2. Within those parts of the Lands zoned PG-2, prohibit all Permitted Uses, except “Local, Regional, Provincial and Federal parks and park reserves”, “Conservation areas, ecological reserves and wildlife sanctuaries” and “Uses permitted under Section 4.03 of this Bylaw”.
3. Within those parts of the Lands zoned RR-1, prohibit Two-Family Dwellings.
4. Within those parts of the Lands zoned RR-1, prohibit “horticulture” and the “keeping of farm animals” as a permitted use on the lands. For the purposes of this covenant, Horticulture means the growing of flowers and vegetables for commercial purposes, and any growing of fruits, forages and grains, and nurseries.
5. Completion of a Traffic Impact Assessment to the satisfaction of MOTI prior to issuance of subdivision approval.
6. Registration of an SRW over the lands to permit construction of a future road connecting the Cedars development (Sunset Lane) through the lands to Fernie Alpine Resort (Snow Pine Drive).
7. Registration of a Wildfire Hazard Covenant in accordance with the terms prescribed by the RDEK.
8. No-disturbance covenant for the “Lizard Creek Corridor” that restricts tree removal, new trails or other development, except for road construction as required by MOTI. For the purposes of this covenant, the Lizard Creek Corridor means that area of PG-2 zoned lands within 100m of the normal high-water mark of Lizard Creek.
9. No-build covenant for the PG-2 zoned lands (except Lizard Creek Corridor) that restricts tree removal and excavation except for trail development and trail amenities, roads, ski trails and lifts and parking areas intended for trail access.
10. No-build covenant over that part of each residential homesite to limit tree removal and earthworks outside of the building envelope. This covenant would also restrict fencing of a homesite lot.

11. Registration of a public access covenant over the PG-2 zoned lands and along the Nordic Ski Trail to permit members of the public the right to pass by foot, ski, snowshoe or bicycle between the hours of 5:00am and 11:59pm for the purpose of recreational activities. The covenant registered shall be similar to the Island Lake Lodge access covenant.

In addition to the covenants proposed, which would be held by the Regional District of East Kootenay (RDEK) and/or the BC Ministry of Transportation and Infrastructure (MOTI), we will be registering a Statutory Building Scheme on the lots. The building scheme will include further restrictions on use of the homesites, including storage of garbage, restriction on composting and other restrictions intended to limit interactions with wildlife. The building scheme will also include construction guidelines that will ensure best practices are maintained on all homesites during construction.

