RULES & REGULATIONS

BAYWATER ESTATES RV RESORT INC.

Updated: October 5, 2024

The use and occupation of any of the Campsites and the use of the Common Areas and Facilities is subject to restrictions, rules and regulations set out herein.

The restrictions shall be for the benefit of all the Campsites and Common Areas and Facilities.

These Rules and Regulations have been instituted for the general benefit of all Camper Shareholders from time to time and each such Shareholder, in agreeing to buy any shares acknowledges such general benefit and the personal benefit attaching to those shares and use and occupation of a designated Campsite purchased and agrees that such Shareholders being in violation of any of the restrictions, rules and regulations herein set out shall constitute an injury and damage to all the Shareholders from time to time impossible to measure monetarily and, as a result, the Board shall, in addition to all other remedies in law and in equity, be entitled to a decree or order restraining or enjoining any breach of any of the provisions hereof and any owner in breach of any such provisions and named in an application for such an order shall not plead in defence thereto that there would be an adequate remedy at law.

Any owner of any Campsite or Lots in breach of the provisions hereof shall indemnify and save harmless Baywater Estates RV Resort Inc., the Manager and any Shareholder who commences proceedings to enforce the provisions hereof and such indemnity shall extend to all loss, costs, claims and damages including, without limitation, solicitor's costs as actually paid, arising as a result of the breach and enforcement of the provisions hereof.

No person who is or has been an owner of any Campsite is liable for a breach of any of the provisions of these Rules and Regulations if such breach arises after such person has ceased to be the holder of a licence of occupation owner of such Campsite or Lots in shares in the capital of Baywater Estates RV Resort Inc. in connection with which the breach has occurred.

1.0 DEFINITIONS

1.1 For the purposes of these rules and regulations, the following words and phrases shall have the following meanings;

(a) “Campsites” mean a portion on the Resort Lands designated to provide exclusive use to a Camper Shareholder, his family and registered guests for the seasonal and temporary accommodation of travelers for not more than six months of the calendar year using tents or recreational vehicles, not exceeding 37m2 (400 ft2) in floor area, but excluding all Common Areas and Facilities.

(b) “Camper Shareholder” means a person who is

(i) the holder of a class of Redeemable Preferred shares corresponding to the Campsite occupied by that person and of a Class C Voting Common share in the capital of Baywater Estates RV Resort Inc.

(ii) the holder a licence of occupation issued by Baywater Estates RV Resort Inc. to that person for the exclusive use and enjoyment of specific Campsite in the Resort (referred to here in as a “Sold Site”) to use the Sold Site designated for that Camper Shareholder and to use certain common areas and common facilities located on the Lands, which right to use or occupy Campsite within the Current Resort Land are as a result of the right described in paragraph (a) above, in which Baywater Estates RV Resort Inc. has an interest, pursuant to a Licence of Occupation, and

(iii) a party to this Agreement having executed and delivered to the Company an Agreement to be Bound to the Shareholder Agreement between the shareholders of Baywater Estates RV Resort Inc. as amended from time to time.

(c) “Common Areas and Facilities” means those portions of the Resort accessible or designated for use by all Shareholders and their respective family, visitors, and registered guests, not designated as Campsite on the attached site plans, and including all internal roadways, entries to and from Island Highway, entries to and from Baywater Road, barbeque areas and barbeques, the area designated as common area adjacent to Black Brook, other areas designated as common areas on the attached site plans, the parking areas, the office and or member’ lounge and building, washroom and building, boat trailer storage area, irrigation pump house, works and system, sewer / septic pump house, works and system, boat ramp, erosion barriers, foreshore, utilities works, connections, and systems, and those other portions of the Resort Lands not designated as Campsites.

(d) “Lands” means the portion of the lands with a civic address of 6050 Island Highway, Qualicum Beach, B.C. and legally described as PID 025-460-765 Lot 1 DISTRICT LOT 20 NEWCASTLE DISTRICT AND PART OF THE BED OF THE STRAIT OF GEORGIA NANAIMO DISTRICT PLAN VIP74109 on which a partially completed recreational vehicle resort has been developed (with 48 sold and completed Campsites and with 24 Campsites to be

developed and sold) (the “Resort”), but excluding the undeveloped portion, most or all of which is currently zoned RU-1 and designated for subdivision and future development separate and distinct from the Resort.

(e) “Shareholders” means those persons holding issued and outstanding shares in the capital of Baywater Estates RV Resort Inc.

2.0 RIGHTS & PRIVILEGES

2.1 Baywater Estates RV Resort Inc. is privately owned, and the Resort is not open to the public. Exclusive use of the property is available to the Shareholders, Camper Shareholders, their visitors and registered guests.

2.2 All Shareholders of Baywater Estates RV Resort Inc. all camper shareholders, their visitors and registered guests of camper shareholders of Baywater Estates RV Resort Inc. shall respect the rights and privileges of other users.

2.3 All Camper Shareholders are responsible for the actions and behaviour of their visitors and registered guests.

2.4 A Camper Shareholder has a licence to occupy a particular Campsite as distinctly identified in the licence of occupation. Camper Shareholders and their guests will only occupy the Campsite identified in their Licence of occupation. No one will occupy a Campsite, other than the one they have purchased, unless they have the written permission of the Campsite licence holder and the approval of the Board of Directors of Baywater Estates RV Resort Inc.

2.5 Occupancy of a Campsite without a licence or permission of the licence holder and the approval of the Board of Directors or the Campsite Committee will not be permitted, and the occupants of the site must immediately vacate the site. Any Camper Shareholder who participates in an unauthorized occupation of a Campsite is guilty of a breach of the Licence of occupation and is subject to a fine of ONE HUNDRED DOLLARS ($100.00) per day, per person, payable to Baywater Estates RV Resort Inc.

2.6 The facilities on the site are for the use of the Camper Shareholders and their visitors and registered guests only.

2.7 Between the hours of 11:00 pm and 8:00 am, Camper Shareholders shall ensure that noise is kept to a minimum. No loud parties, stereo's, singing etc. will be allowed. Camper Shareholders, their guests and visitors shall not disturb other Shareholders, Camper Shareholders, visitors and registered guests of Baywater Estates RV Resort Inc.

2.8 The Clubhouse and Gazebo facilities are only for the use of Camper Shareholders and their guests, exclusively for recreational purposes, and not for commercial purposes of any kind. Some examples of commercial use include spa or Tupperware parties, dog grooming, hair cutting, art studio, music lessons, etc. Additionally, the Clubhouse and Gazebo are not to be used for overnight accommodations. ***(Approved 2023 Spring Meeting)***

3.0 CAMPGROUND REPRESENTATION

3.1 Campground sections are laid out alphabetically, Campsites within each section are numbered. Each section elects its own representative, one representative for each 22 Camper Shareholders. These elected representatives make up the Campsite Committee. The Campsite Committee can be a maximum of 5 elected representatives plus a Rental Representative ***(Approved 2024 AGM Meeting)***

4.0 RULES

4.1 The Campsite Committee may recommend to the Board of Directors any changes to the Rules and Regulations.

4.2 Camper Shareholders with suggestions or complaints should put them in writing and sign them. Add your idea of a possible solution to a problem and give it to your section representative. If a solution cannot be reached at that level, the section representative will bring the problem to a meeting of the Campsite Committee.

4.3 If a problem or issue cannot be resolved at the Campsite Committee level, the matter will be referred to arbitration in accordance with the Unanimous Shareholders Agreement.

5.0 SALE OF MEMBERSHIPS

5.1 Camper Shareholders wishing to sell their membership must advise the Board of Directors at least (7) days prior to the sale of their membership and pay the prescribed legal fee to the joint account with Baywater Estates RV Resort Inc. which is currently FIVE HUNDRED DOLLARS ($500.00) plus applicable taxes. ***(Approved 2018 Spring Mtg)***

5.2 Prior to the completion of the transfer of any membership, any fees and associated costs owing to Baywater Estates RV Resort Inc. under the Shareholders Agreement, the licence of occupation, or otherwise must be paid.

6.0 CAMPING SEASON/MAXIMUM STAY

6.1 The camping season is all year round, although some facilities will be closed during the late fall/winter/early spring seasons. Some facilities as designated by the Board of Directors, such as laundry, washrooms and showers will remain open.

6.2 The maximum stay for each Camper Shareholder is a cumulative total of six (6) months per each calendar year. No permanent residents are permitted. This rule may not be circumvented by staying on another Camper Shareholder's site, or any other location on the property of Baywater Estates RV Resort Inc. Any Camper Shareholder who stays a cumulative total of more than six (6) months per year at Baywater Estates RV Resort Inc., in violation of this rule, is subject to a fine of ONE HUNDRED DOLLARS ($100.00) per day, per person, payable to Baywater Estates RV Resort Inc.

6.3 All campground users must register with the caretaker, or such other person as designated by the Board of Directors upon arrival. All non-shareholder Campsite occupiers must have the written permission of the respective shareholders and the approval of the Board of Directors or the Campsite Committee. All non-shareholder occupiers of a Campsite must complete a visitor's form before occupying the respective site.

7.0 LEASE/RENTAL OF CAMPSITES

7.1 No Camper Shareholder's Campsites may be rented or leased except upon the approval of the Board of Directors.

7.2 The rental of a Campsite will constitute part of the camper shareholders six (6) month maximum stay.

7.3 No commercial rental of Campsites be allowed – for example, Air BnB's, VRBO's, etc.

7.4 The minimum rental period is two weeks.

7.5 The rental fee for sites is $50 for 1 day or 1 month to a maximum of 6 months.

7.6 Non-shareholders who are renting a site at Baywater Estates RV Resort Inc. may, at the discretion of the board, store their RV on a site, provided they will not occupy the RV during the storage period, and that they submit proof of $2 million dollars Liability Insurance to the Rental Representative. The rental fee for storage of RV units will be $25.00 per month, and all hydro charges are the responsibility of the Campsite's shareholder.

(7.3 – 7.6 Approved 2023 Spring Meeting)

8.0 RV UNITS/TRAILER UNITS/TENT TRAILER UNITS

8.1 All RV Units are subject to approval by the Board of Directors or the Campsite Committee.

8.2 No RV Units over 38' feet in length shall be kept or allowed on Campsites numbered 1 to 48 without the approval of the Board of Directors. RV units over 38 feet in length are allowed and may be kept on Campsites numbered 49 to 72. ***(Approved 2018 AGM Meeting)***

8.3 RV units are not to be parked closer than 6.5 feet from any road in order to allow RV access to neighbouring sites. All RV units shall be located at least one and one-half feet (1.5 feet) from adjoining sites, measured from extended pull outs, which space shall be kept clear.

8.4 All RV Units shall be placed at least 14 feet from the waterfront to maintain an unobstructed view from the Clubhouse and all waterfront Campsites. All waterfront RV units shall be placed perpendicular to the shoreline.

8.5 Dual or single owners – only one permanent RV or large tenting unit can be on a site at a time. One visiting RV or large tenting unit, as approved by the area representative or Board of Directors, may be allowed for no longer than two weeks. Additional tents or RV units are not permitted for renters.

8.6 Each recreational unit trailer and vehicle must display a valid licence plate at all times or provide proof of liability insurance for at least TWO MILLION DOLLARS ($2,000,000.00). Proof of insurance shall be provided to the Board of Directors upon request.

8.7 Acceptable RV Skirting is skirting that is removable. RV wheels are to always remain attached. Acceptable skirting materials are Vinyl or Wood. ***(Approved Dec 2021 by Campsite Committee)***

9.0 MAINTENANCE OF SITES

9.1 Individual sites must be kept safe, clean, neat and free of litter and debris at all times. Notice will be given to any camper shareholder who the Board of Directors deem not in compliance with this requirement; if the problem is not rectified within 7 days, the Board of Directors shall take steps to remedy the problem at the Camper Shareholders expense.

9.2 It is the responsibility of Camper Shareholders to place all refuse in the bins provided. All campers are encouraged to recycle.

9.3 Outdoor clothes lines are to be used only for towels and swimming apparel.

9.4 Refrigerators and freezers must be securely locked or kept in the Camper Shareholders shed or other animal proof location.

9.5 All grey water shall be disposed of in the sewer system. All campers shall use septic safe/environmentally safe cleaning products.

9.6 The operation of portable electric generators will not be permitted except in the case of a power outage.

9.7 Any changes to water or electric power service must be approved by the Board of Directors and done by a qualified person.

9.8 No trees shall be removed without the approval of the Board of Directors. A replanting program as approved by the Board of Directors will follow any tree removal.

9.9 All mature trees and indigenous trees in the park (i.e. those over 20' tall) will be managed by the Executive. Should you have any concerns about trees located on your site or on a "common area" identify the tree and forward your concerns to the Baywater Estates Executive at baywaterestates2@gmail.com The board will periodically obtain an arborist report to assess specific trees at no cost to the shareholder. If the report recommends alterations to the tree including removal, this will be commissioned by the Board again at no cost to the shareholder. All smaller trees, shrubs, hedges, and landscaping on a shareholder's site will be their responsibility and are to be maintained at their cost. ***(Approved 2024 AGM Meeting).***

9.10 As a general guideline, when standing on your site and facing the access road, the hedge on your right would be the one that would be your responsibility. Some sites, which are beside an access road or common area, shareholders may choose to install an additional hedge. If they do, then these hedges would also be their responsibility.

Placement of Hedges:

a) Water side – centreline of hydro post
b) Forest side – 18" from hydro post

Some exceptions exist, site boundaries have been confirmed by the survey commissioned in 2022 (water side) and 2023 (forest side).

Height of Hedges:

a) Water side – Water views are important to all waterside sites and as such all hedges are not to be over 4' high. Exceptions may be considered by the Campsite Committee upon request.
b) Forest side – Protection of water views are not possible on the forest side or required, as such, hedges can be up to 8' high. Hedge height on the forest side must be discussed with and have agreement with your neighbouring shareholder. ***(Approved 2024 AGM Meeting)***

9.11 Sites must be cleaned in the spring and the fall. The deadline for spring cleanup is the May 24th weekend and for the fall cleanup is November 11th of each year. Any sites not cleaned by the deadline date will be cleaned by Baywater Estates RV Resort Inc. and the costs will be assessed to the respective Camper Shareholder.

9.12 Camper Shareholders are responsible for protecting their property from winter storms, freezing and wet conditions that occur in winter and are responsible for damage caused by these conditions.

9.13 No tarps or frames of any kind will be left covering RV units, and sheds during the period from April 25 to October 15 of each year.

9.14 Camper Shareholders are responsible for any vandalism or damage caused by Camper Shareholders, visitors or their guests and shall be assessed the cost of repairs plus a $100.00 administration fee.

10.0 STRUCTURES

10.1 No structures shall be erected except for one cedar shed per site with the approval of the Board of Directors. On sites 1-22 on the water side, the sheds shall not be larger than 36 square feet (6 feet x 6 feet) outside measurement and no higher than 7 feet. On sites 23 – 72 on the Forest side, the sheds shall not be larger than 64 square feet (8 feet x 8 feet) outside measurement, and with 4 x 12 pitch. Structures must be placed on Camper Shareholder's own sites unless the Board of Directors approves otherwise. The

roof overhang must not extend beyond the boundary of the site. Sheds are to be used for storage only, NOT to be used as a bunkhouse. ***(Approved 2018 AGM Meeting)***

- Shed roofing materials include cedar shakes, asphalt shingles or metal roofing in dark brown or black colours only.
- Shed siding materials include cedar and/or Hardie Plank (or equivalent) in cedar like colours. ***(Approved 2020 AGM Meeting)***

10.2 Trailer Pads shall be constructed of asphalt, gravel, concrete, or crushed rock and must be contained on the camper-shareholder's site. Decks shall be constructed of wood, or such other material approved by the Board of Directors and shall have a maximum height of two feet unless otherwise approved by the Board of Directors.

10.3 Approval of a section representative and the Board of Directors must be obtained before any fence or barrier can be erected, including hedging. It is the intent of the developer that Baywater Estates RV Resort Inc. stay "green" and therefore the erection of fences will only be permitted under exceptional circumstances. Any barrier, including hedging and fencing, is not to exceed 4 feet in height unless prior approval is obtained through the Board of Directors or Campsite Committee. No fence will be erected with 6.5 feet of waterfront. Hedges or greenery must be properly groomed and maintained.

10.4 Except for a small sign containing the name, section letter and site number, no signs of any kind shall be erected on individual sites. "For Sale" signs may only be placed on the sign board provided by the Campsite Committee for that purpose.

10.5 Intent of Gazebo's is to be a more robust system for weather protection than what is currently permitted with collapsible canvas tent frames. For Forest Side Sites only (22 to 72), qualifying and approved gazebos may be erected. Maximum gazebo size allowed is 10 feet by 12 feet *(NOTE: revised to 10' x 10' as that is the maximum size allowed by Nanaimo Regional District).* Colour must be Dark Brown to Black. Except for normal use during site occupancy, gazebo's not to be used for long term storage of any kind (enclosed or open). Gazebos are not to be used as enclosed rooms, nor for overnight accommodation at any time. Gazebos are to be securely installed and fastened to the ground. Centre post to be installed over winter to minimize potential for collapse. Curtains, screens, etc. to be removed when the campsite is not in use for 2 weeks or longer. Gazebo's must follow all existing rules related to site amendments, including the submission of a written request with a site map showing gazebo location, to the Campsite Committee for approval. ***(Approved 2020 AGM Meeting)***

11.0 FIRES

11.1 No open fires shall be permitted except in approved fire sites or barbeque facilities or in a location specifically provided by the Board of Directors and the Campsite Committee. The Board of Directors will control and regulate campfires during the fire season.

11.2 Barbeque or fire pits must be approved by the Campsite Committee and installed at the Camper Shareholder's expense.

11.3 Barbecue or fire pits must be kept clean and free of leftover food, grease and garbage.

11.4 Camper Shareholders are to provide their own firewood and firewood may only be kept on the Camper Shareholder's own site.

11.5 Camper Shareholders must provide their own firewood for use in the member's lounge fireplace and the firewood must be clean, dry and seasoned split logs.

12.0 PARKING

12.1 All visitors must park outside the gate or on host camper shareholder's site or at such other locations as the Board of Directors may designate.

12.2 No vehicles shall be parked on roadways, in front of any Campsite or any other area that might interfere with another Camper Shareholder's use or enjoyment of their Campsite or of any other facility.

12.3 There is a need to respect all neighbouring shareholders and campers in Baywater Estates RV Resort. Campsites and the park are not to be used as a storage area for vehicles, campers, storage trailers, boats and the like. In all sites, a maximum of 2 vehicles (i.e. car or truck) per site will be allowed. No shareholder's vehicle(s) can be

parked in designated Baywater visitor parking areas long term. Visitors are to use the visitor parking area should the shareholder's site not be able to accommodate or fit visitor vehicles on their site.

All permitted boats as per the boat storage rule must be under 22'. Boats cannot block roadways and must fit fully on your site. All boats in the park must comply with the boat rules already approved by the CSH's. Small boats (14' and under and not on a trailer) can be stored in the "tinnie" boat storage area located on the waterside. This is on a first come first served basis.

The maximum size allowed for utility and cargo trailers is 5'x10'. Commercial vehicles (i.e. large cargo trailers, gravel trucks, etc.) are not to be stored in the park. The park is for recreational use only.

All vehicles and boat trailers kept in the park must be insured. ***(Approved 2024 AGM Meeting)***

13.0 SPEED LIMIT ON CAMPGROUND

13.1 The speed limit on all roads within the campground is 5 Miles or 10 km's per hour. Baywater Estates RV Resort Inc. is not a racetrack or motocross course.

14.0 MOTORIZED VEHICLES

14.1 Only two motorcycles are permitted per campsite.

14.2 Motor vehicles and motorbikes of any kind must have licence, registration, liability insurance, adequate mufflers and must not be leaking fluids of any kind.

14.3 No inoperable motorized vehicles shall be kept on site. It is a requirement of the Regional District of Nanaimo that wheels must not be removed from recreational vehicles.

14.4 Vehicles of any kind are not to be used on the property except for access to and egress from a Campsite, laundry or member's lounge or such areas as designated by the Board of Directors.

14.5 Campers are to refrain from doing mechanical repairs at their Campsites, except as approved by the Campsite Committee.

15.0 STORAGE/BOAT STORAGE

15.1 Boat and boat trailers are be stored in areas designated by the Board of Directors.

15.2 With the division of the back lands, there is no more additional room available for boat storage. The inescapable fact is we no longer have the room to store boats, utility trailers and other equipment.

- Phase 1 (Sites 1-22): There is simply no room for trailer boats to be accommodated within this area.
- Phase 2 (Sites 23-48): Boats & Utility Trailers must be parked as to not hinder traffic flow through park roadways. This roadway is significantly wider to accommodate some parallel parking.
- Phase 3 (Sites 49-72): Due to their larger size, these sites ***may*** have space to park boats and utility trailers while the site occupier is using their boat. Boats must be parked in such a manner as to not restrict traffic flow through the park roadways. ***(Approved 2020 AGM Meeting)***

16.0 NON-SMOKING AREAS

16.1 All common facilities such as the Clubhouse, washroom and laundry facilities are designated as non-smoking areas.

17.0 SUPERVISION OF CHILDREN

17.1 Children under 12 must be supervised by an adult.

18.0 PETS

18.1 All pets must be kept leashed and not allowed to become a nuisance to other Camper Shareholders or persons. Pet owners must clean up after their animals. All actions of pets are the responsibility of the pet owner.

19.0 FIREARMS/WEAPONS/UNLAWFUL ACTIVITY

19.1 Firearms or weapons of any kind are prohibited anywhere on the property.

19.2 The use of lands or the conducting of any activity upon the lands that is in any way illegal or unlawful is prohibited.

These rules are provided to enhance the quality and enjoyment of your stay at our beautiful ocean front resort. Please help us to ensure that all campers may benefit from the rest and relaxation, peaceful surroundings and great outdoor lifestyle offered by Baywater Estates RV Resort Inc.

We welcome any suggestions aimed at making Baywater Estates RV Resort Inc. am even safer and more enjoyable play to stay.