



Siskin Lane Disclosure Statement

Official Version

April 18, 2006

Renewal Land Company

Disclosure Statement dated April 14, 2006

DISCLOSURE STATEMENT
OF
RENEWAL LAND COMPANY LTD.
(Developer)
FOR
“SISKIN LANE”

Mailing Address:
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Vancouver, British Columbia V6B 2M9

Real Estate Agent:
Discovery Islands Realty
Box 649, Quathiaski Cove
Quadra Island, British Columbia
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Address for Service:
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Vancouver, British Columbia V6E 3P3

This Disclosure Statement has been filed with the Superintendent of Real Estate, but neither the Superintendent, nor any other authority of the government of the Province of British Columbia, has determined the merits of any statement contained in the Disclosure Statement, or whether the Disclosure Statement contains a misrepresentation or otherwise fails to comply with the requirements of the *Real Estate Development Marketing Act*. It is the responsibility of the developer to disclose plainly all material facts, without misrepresentation.

RIGHT OF RESCISSION

Under section 21 of the *Real Estate Development Marketing Act*, the purchaser or lessee of a development unit may rescind (cancel) the contract of purchase and sale or contract to lease by serving written notice on the developer or the developer's brokerage, within seven (7) days after the later of the date the contract was entered into or the date the purchaser or lessee received a copy of this Disclosure Statement.

A purchaser may serve a notice of rescission by delivering a signed copy of the notice in person or by registered mail to:

- (a) the developer at the address shown in the disclosure statement received by the purchaser;
- (b) the developer at the address shown in the purchaser's purchase agreement;
- (c) the developer's brokerage, if any, at the address shown in the disclosure statement received by the purchaser; or
- (d) the developer's brokerage, if any, at the address shown in the purchaser's purchase agreement.

The developer must promptly place the purchasers' deposits with a brokerage, lawyer or notary public who must place the deposits in a trust account in a savings institution in British Columbia. If a purchaser rescinds their purchase agreement in accordance with the Act and regulations, the developer or the developer's trustee must promptly return the deposit to the purchaser.

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LIST OF SCHEDULES

SCHEDULE "A"	-	Copy of Bare Land Strata Plan
SCHEDULE "B"	-	Form V Schedule of Unit Entitlement
SCHEDULE "C"	-	Budget and Monthly Maintenance Fees
SCHEDULE "D"	-	Sales Contract
SCHEDULE "E"	-	Rental Disclosure
SCHEDULE "F"	-	Form Y - Schedule of Bylaws
SCHEDULE "G"		Health Covenant for Septic Fields
SCHEDULE "H"		Conservation Covenant
SCHEDULE "I"		Forest Land Stewardship Zoning Bylaw

1. THE DEVELOPER

RENEWAL LAND COMPANY LTD.

1.1 Incorporation

Renewal Land Company Ltd. was incorporated in British Columbia on May 1, 2003, under incorporation number BC0668917.

1.2 Assets

Renewal Land Company Ltd. was not incorporated specifically for the purpose of developing the properties described herein and has other assets apart from these properties.

1.3 Registered and Records Office

2010 – 1055 West Georgia Street
Vancouver, British Columbia V6E 3P3

1.4 Directors

Joel Solomon	President
Martha A. Burton	Secretary

(the “Developer”)

2. GENERAL DESCRIPTION

2.1 General Description of the Development

(1) Legal Description

The existing legal descriptions of the properties which will comprise the bare land strata development (the “Development”) and be offered for sale pursuant to this Disclosure Statement are as follows:

PID: 026-091-488
Lot 1, Sections 6 And 7, Cortes Island, Sayward District, Plan VIP77516

(“Northern Parcel 1”)

PID: 009-782-281
Parcel B (DD 142243I) of the South East 1/4 of Section 7, Cortes Island Sayward District, except part in Plan 15428

(“Northern Parcel B”)

PID: 000-913-961

The North East 1/4 of Section 3, Cortes Island, Sayward District, As Shown on Plan Deposited Under DD 515541, Except in South 10 Chains of the West 10 Chains Thereof, and Except Those Parts in Plans 9746, 31660 and 36602

(the "Southern Parcel")

(the Northern Parcel 1, Northern Parcel B and Southern Parcel are hereinafter collectively the "Lands")

The Developer is in the process of consolidating the Lands into five (5) parcels, as follows:

- Parcel A – A fee simple lot outside the Development, which the Developer will offer for individual sale at a later date.
- Parcel B – A fee simple lot outside the Development, which the Developer will offer for individual sale at a later date.
- Parcel C – A fee simple lot outside the Development which the Developer has sold to the landowners who own the lands adjacent to this lot, which is to be subdivided as Parcel C.
- Parcel D – The area of land to be subdivided from the above described Lands as Parcel D, which will comprise the Siskin Lane Development (the Parcel D lands are hereinafter the "Siskin Lane Development").
- Parcel E – An area of green space adjacent to Parcel D, the Siskin Lane Development, totaling approximately 15% of the whole of the Lands which the Developer has arranged to donate to the Regional-District of Comox-Strathcona as park lands.

The information set forth in this Disclosure Statement pertains solely to the Siskin Lane Development.

(2) Street Address/Location of the Development

Sutil Point Road, Cortes Island, British Columbia

(3) General Description

The Siskin Lane Development is a bare land strata subdivision comprised of a total of 23 bare land strata lots situated on Cortes Island, British Columbia.

There will be a total of 23 bare land strata lots (collectively referred to as the "Strata Lots" and individually referred to as a "Strata Lot") which will comprise the Development and be offered for sale pursuant to this Disclosure Statement. Each of the 23 Strata Lots will be individually owned together with a proportionate share in the common property of the Development and the other assets of the Strata Corporation (the "Common Property"). The owners of the Strata Lots will own the Common Property as tenants in common. Each Strata Lot has an equal share in ownership of the Common Property

This is a bare land strata development and there are occupancy restrictions as set out in the zoning by-laws of the Regional District of Comox-Strathcona and more specifically, as detailed in a Conservation Covenant (defined in Subsection (4) below) registered on title to the Siskin Lane Development and discussed in detail below. In addition, the Development will comply with the Forest Land Stewardship Zoning Bylaw of the Regional District of Comox-Strathcona, which Zoning Bylaw is attached as Schedule "I" hereto.

Attached hereto as **SCHEDULE "A"** is the draft **BARE LAND STRATA PLAN** proposed to be filed in the Victoria Land Title Office to create the subject Strata Lots. The Developer reserves the right to make modifications or changes to the Strata Plan prior to filing the Strata Plan in the Land Title Office.

(4) Conservation Covenant

The Developer will have registered on title to the Siskin Lane Development in favour of The Land Conservancy of British Columbia a Section 219 Conservation Covenant under the British Columbia *Land Title Act* (the "Conservation Covenant"), attached as Schedule "H" hereto and discussed in detail in Section 2.2 below.

2.2 Permitted Use

(1) Zoning

The Development is zoned to permit residential use and forest management. The Strata Lots are intended for residential use only and are subject to the Regional District of Comox-Strathcona's zoning bylaws and regulations. The Development is subject to the Forest Land Stewardship Bylaw of the Regional District of Comox-Strathcona, attached as Schedule "I" hereto.

(2) Conservation Covenant – General Description

The Siskin Lane Development on Cortes Island, on which the Development has been constructed, contain significant natural amenities, including flora, fauna and old growth forest attributes, various diverse ecosystems and other natural features, the preservation of which is in the interest of the Developer, purchasers of Strata Lots in the Development as well as the general public.

In the interest of ensuring the future protection, conservation, maintenance and enhancement of the Siskin Lane Development, the Developer has worked with The Land Conservancy of British Columbia ("TLC") to have registered against title to the Siskin Lane Development a Section 219 Conservation Covenant under the British Columbia *Land Title Act*. The Conservation Covenant will be registered in favour of TLC.

The Conservation Covenant on the Siskin Lane Development is a unique feature of the Development. It is designed to provide protection to the valuable forest land and ecological habitats found on Cortes Island. It includes several provisions in respect of the use and enjoyment of the lands and in particular, various restrictions on the use of the Siskin Lane Development by the Developer and all future land owners, as outlined in this Disclosure Statement.

The Conservation Covenant categorizes the Siskin Lane Development into three (3) classified areas of use: Residential Use Areas, Residential Conservation Areas and a Forest Conservation

Area (each of which has the meaning as defined in the Conservation Covenant). Restrictions on the use of the Siskin Lane Development as a whole and the specific restrictions within the classified areas of the Siskin Lane Development are discussed in further detail in the Subsections below. Each of these restrictions on use have been carefully tailored to reflect the objectives of the Conservation Covenant, which include the following (all capitalized terms have the meaning as defined in the Conservation Covenant):

- protection, conservation, maintenance and enhancement of the natural environment, ecosystems and biodiversity of the Forest Conservation Area;
- restoration of Mature Forest and Old Growth Forest structure and attributes and maintenance of such Forests in perpetuity on the Forest Conservation Area;
- limitation of the non-forested land and of young forests;
- protection of trees with special wildlife habitat values, including large mature and old trees;
- permit the construction of residential dwellings and outbuildings that are in harmony with the natural landscape with minimal impact of residential use on the environment, ecosystems and Biodiversity; and
- prevention of any occupation or use of the Siskin Lane Development that will significantly impair or interfere with the Natural State of the Siskin Lane Development or the Amenities, except as expressly permitted by the Conservation Covenant.

(3) Summary of Use Restrictions - Conservation Covenant and Bylaws

This is a bare land strata subdivision and there are use restrictions as set out in the Conservation Covenant that will be registered on title to the Siskin Lane Development. Such restrictions on the use of the Siskin Lane Development by Strata Lot owners are also reflected and summarized in the Bylaws of the Strata Corporation, attached as Schedule "F" and defined in Section 3.5 herein.

In accordance with Regional District of Comox-Strathcona Bylaw 2455, both the Conservation Covenant and the Bylaws permit only one residential dwelling unit to be located on each Strata Lot.

In keeping with the Developer's aim to maintain the quality of the Siskin Lane Development and ensure the long-term protection of the forest areas and natural ecosystems of Cortes Island, the Conservation Covenant sets out a list of restrictive uses of the Siskin Lane Development as well as designated restrictions relating to land use within the following three specifically classified areas of the Siskin Lane Development: the Residential Use Areas, the Residential Conservation Areas and a Forest Conservation Area (which have the meanings defined in the Conservation Covenant). The Conservation Covenant also provides for a Rent Charge (as defined in the Conservation Covenant) to be provided to TLC as a penalty for any violations of the Conservation Covenant by the Developer or by subsequent land owners.

A. General Restrictions of use pertaining to the whole of the Siskin Lane Development

The following is a list of restrictions on use of the Siskin Lane Development, including use of the Strata Lots and Common Property in the Development, as set out in Section 5 of the

Conservation Covenant, Schedule "H", and summarized in the Bylaws of the Strata Corporation, Schedule "F":

- (a) The Siskin Lane Development shall not be further subdivided;
- (b) The Owner shall not, except with the prior written approval of the Covenant Holder (TLC) in their Sole Discretion, perform or allow the performance of any of the restricted activities or uses of the Siskin Lane Development set out in Schedule B to the Conservation Covenant
- (c) The Owner shall not seek rezoning of the Siskin Lane Development to any industrial or commercial use;
- (d) The following materials shall not be applied to the Siskin Lane Development:
 - (i) Any herbicide, insecticide, fungicide or pesticide;
 - (ii) Any materials which are persistent in the environment or break down into compounds which are persistent and damaging.
- (e) No easements or Rights of Way may be registered on the land without permission of the Covenant Holder. Any easements or Rights of Way must be in compliance with the terms and intent of the Conservation Covenant;
- (f) No new road shall be built, laid out or established on the Siskin Lane Development;
- (g) No activity or action on the Siskin Lane Development or use of the Siskin Lane Development shall be performed or permitted which may be expected to be detrimental or adverse to ground and surface water conservation in quantity, quality, or timing in flow;
- (h) No hunting or trapping, for commercial or sport purposes shall be performed or permitted on the Siskin Lane Development;
- (i) No firearms of any kind shall be discharged or permitted to be discharged on the Siskin Lane Development; and
- (j) No industrial activity is allowed on the Siskin Lane Development except where related to the forest management activities expressly permitted in Schedule B of the Conservation Covenant.

B. Residential Use Areas

Each Strata Lot in the Development will have an area designated by the Conservation Covenant as a Residential Use Area, to allow for owners to utilize their Strata Lots for residential development and use while striving to minimize the impact of such development and residential land use. Within each of the Residential Use Areas, owners are permitted to clear forest, and construct homes, outbuildings and gardens, subject to the following restrictions:

- (a) No more than 75% of the trees greater than 25 cm Diameter at Breast Height shall be removed, where the 75% figure is calculated based on the number of trees on the date specified in the Conservation Covenant;
- (b) No wood may be harvested for firewood use except for the collection of naturally occurring windfalls unless the harvested wood is from a tree permitted to be removed under Schedule B Section 1.2(a) in the Conservation Covenant;

- (c) The Owner must maintain a record of the number of trees removed and make this available to the Covenant Holder and Strata Council on request;
- (d) The combined total footprint of the residential dwelling unit and all outbuildings and associated structures shall not exceed 5000 square feet per Residential Use Area;
- (e) No in-ground swimming pools shall be allowed;
- (f) Driveways must be built with permeable materials;
- (g) Any other acts which, in the opinion of the Covenant Holder acting reasonably, may have a detrimental impact on a Residential Use Area, shall be prohibited;
- (h) The Conservation Covenant encourages owners to minimize removal of native flora or fauna; and
- (i) The Owner must notify the Covenant Holder in writing when construction of a residential dwelling is to commence, as per the Conservation Covenant.

C. Residential Conservation Areas

As discussed in the Conservation Covenant, the purpose of the Residential Conservation Areas is to protect and restore certain forested areas of the Siskin Lane Development, including old growth forests, and to maintain the privacy of land owners and preserve forested corridors for wildlife. Both the Conservation Covenant and Bylaws of the Strata Corporation prohibit any development or construction within a 15 metre designated green space area adjacent to the inside of each Strata Lot, which green space shall be conserved as a Residential Conservation Area. Within all areas designated as Residential Conservation Areas, the following restrictions apply:

- (a) No more than 25% of trees greater than 25cm Diameter at Breast Height may be removed, where the 25% figure is calculated based on the number of trees on the date specified in the Conservation Covenant;
- (b) The Owner must maintain a record of the number of trees removed and make this available to the Covenant Holder and Strata Council on request;
- (c) No wood may be harvested for firewood use except for the collection of naturally occurring windfalls unless the harvested wood is from a tree permitted to be removed under Schedule B, Section 2.1(a) of the Conservation Covenant;
- (d) No fires shall be allowed; and
- (e) No structures shall be built, including fences.

D. Forest Conservation Area

The purpose of designating an area of the Siskin Lane Development as a Forest Conservation Area is to ensure the protection, conservation, maintenance and enhancement of the natural environment, ecosystems and biological diversity of the area. To achieve this, the Conservation Covenant and Bylaws provide for the following restrictions of use within this designated area of the Siskin Lane Development:

- (a) No residential dwellings, accessory buildings or any other structures may be constructed, except for buildings or structures in the Community Garden Area that are in accordance with Schedule C, Section 3 of the Conservation Covenant;
- (b) No timber may be harvested prior to the year 2065, after which time any timber harvesting must be in compliance with the terms of the Conservation Covenant and the Forest Ecosystem Management Plan; and
- (c) No firewood may be harvested or collected except as permitted under the Forest Ecosystem Management Plan. Any such harvest will constitute part of the allowable timber harvest on the Forest Conservation Area and must be in compliance with the terms of the Conservation Covenant and the associated Forest Ecosystem Management Plan.
- (d) No rubbish, ashes, garbage, waste or other material foreign to the Land may be deposited in or on the Forest Conservation Area except that which is allowed by Schedules B and C of the Conservation Covenant;
- (e) No fires shall be allowed;
- (f) No motorized recreational access is allowed, including but not limited to 4 wheel drive vehicles or all terrain vehicles; and
- (g) Any other acts which, in the opinion of the Covenant Holder, acting reasonably, may have a detrimental impact on the composition, structure and functioning of the Forest Conservation Area, are prohibited.

Please refer to both the Conservation Covenant and Bylaws for further provisions, information and discussion of issues relating to the use, enjoyment and conservation of the Siskin Lane Development by owners of Strata Lots in the Development.

2.3 Building Construction

The Developer will not be responsible for construction of any improvements on the Strata Lots. The Developer has arranged for the provision of various utilities to the Strata Lots as discussed in detail in Section 3.8 herein.

The Development has received final approval from the Ministry of Transportation under file 01-003-22216. As this is a bare land strata subdivision, a building permit was not required for the Development. The Development does not have a statutory building scheme.

2.4 Phasing

This Development is not part of a phased Condominium/Strata Plan under the *Strata Property Act*.

3. STRATA INFORMATION

3.1 Unit Entitlement

The unit entitlement of each Strata Lot is a figure indicating the share of an owner in the Common Property, common facilities, and other assets of the Development (the "Unit

Entitlement”). It is also the figure used to determine the owner's contribution toward the common expenses incurred in respect of the Common Property.

The Unit Entitlement of each bare land Strata Lot in the Siskin Lane Development is one (1), which provides for an equal contribution to common expenses by each Strata Lot. The proposed **FORM V – SCHEDULE OF UNIT ENTITLEMENT** is attached as **SCHEDULE “B”** and lists the proposed unit entitlement for each Strata Lot.

3.2 Voting Rights

Pursuant to the *Strata Property Act*, each Strata Lot will have one (1) vote. As all of the Strata Lots have the equal number of votes it is not necessary for the Developer to file a Form W, Schedule of Voting Rights, with the Land Title Office.

3.3 Common Property and Facilities

Each of the Strata Lots will share the cost of the maintenance and repair of the Common Property. The Common Property will be controlled and managed by the strata corporation formed by the filing of the strata plan (the “Strata Corporation”). The following facilities in the Siskin Lane Development form part of the Common Property:

- (a) public trails/walkways;
- (b) roadways;
- (c) water holding pond adjacent to Strata Lot 18;
- (d) community garden; and
- (e) the Emergency Access Lane (as defined in Subsection (i) of Section 3.8 below, and discussed in Section 4.2(1)(a) herein).

3.4 Limited Common Property

Limited common property is an area within the Common Property that may be used exclusively by one or more Strata Lot owners. Pursuant to the provisions of the Bylaws contained in the *Strata Property Act*, the owners who have limited common property designated for their exclusive use have the responsibility to maintain and repair the limited common property.

There is presently no limited common property designated in the Development. The Developer may cause the Strata Corporation to designate some areas of the common property as limited common property.

3.5 Bylaws

The bylaws for the Strata Corporation will be the Schedule of **BYLAWS** contained in the attached **SCHEDULE “F”** (the “Bylaws”). Among other things, these Bylaws allow the Developer to have access to the Development for the purpose of selling the Strata Lots.

The Bylaws of the Strata Corporation summarize the various restrictions on the use of the lands within each of the classified areas of the Siskin Lane Development, including the Strata Lots and Common Property, as set out in the Conservation Covenant (and discussed in Section 2.2 herein).

3.6 Parking

Each Strata Lot will have its own driveway providing for access to the Strata Lot. Parking for the Strata Lots in the Development will be located on each of the Strata Lots, including the driveways thereto. There will not be a separate common parking area designated for visitors. The Developer has constructed partial, rough driveways on some of the Strata Lots. Owners will be responsible for any further construction of driveways.

3.7 Budget

(1) Strata Lot Expenses

The electricity, telephone and utilities will be separately metered or assessed to each Strata Lot and are the responsibility of each Strata Lot owner.

There are various common expenses for Strata Lot owners enumerated in the Strata Budget, **Schedule "C"** attached hereto, and discussed in Subsection (3) below.

The common expenses set out in the Strata Budget are expenses that are common to each Strata Lot and are therefore costs which will be apportioned between each of the Strata Lots in the Development, in accordance with a Schedule of Monthly Maintenance Fees for each Strata Lot.

Attached as **SCHEDULE "C"** with the Budget, is a Schedule setting out an **ESTIMATION OF THE MONTHLY MAINTENANCE FEES** for each Strata Lot, based upon the Unit Entitlement of each Strata Lot. As the Unit Entitlement of each bare land Strata Lot is one (1), each Strata Lot will pay Monthly Maintenance Fees of \$44.39, as indicated in Schedule "C".

(2) Property Taxes

Each Strata Lot owner shall be responsible for real property taxes for his or her Strata Lot and his or her proportionate interest in the Common Property. Property taxes are levied by and payable to the Regional District of Comox-Strathcona.

(3) Operating Budget

The Developer will, at the time of the first conveyance of a Strata Lot to a Purchaser, contribute to the contingency reserve fund an amount not less than five percent (5%) of the estimated operating expenses, as set out in the interim budget attached as Schedule "C", in the event that the first conveyance of a Strata Lot occurs within one year of the deposit of the Strata Plan, and in the event that the first conveyance of a Strata Lot occurs after one year following the deposit of the Strata Plan, an amount equal to the lesser of five percent (5%) of the estimated annual operating expenses set out in the interim budget, multiplied by the number of years since the deposit of the Strata Plan, and twenty-five percent (25%) of the annual operating expenses set out in the interim budget.

An **ESTIMATED BUDGET** for the Development for the typical full year of operating expenses of the Strata Corporation and an allocation of the Budget amongst the individual bare land Strata Lot owners, based on current costs, is attached as **SCHEDULE "C"**.

The estimated budget includes an amount to be deposited to the contingency reserve fund for the Strata Corporation. The Developer will be contributing to the contingency reserve fund as required by the *Strata Property Act*.

(4) Expense of Strata Corporation

Pursuant to Section 14 of the *Strata Property Act*, if the Strata Corporation's expenses exceed the estimated expenses in the Budget attached hereto as **Schedule "C"**, then the Developer must pay the excess costs to the Strata Corporation for up to one (1) year. In addition, there are provisions for fines to be paid to the Strata Corporation.

The Developer must pay the Strata Corporation's expenses up to the end of the month in which there is the first conveyance of a Strata Lot to a purchaser, as required by Section 7 of the *Strata Property Act*.

3.8 Utilities and Services

The Development will be serviced by electricity, fire and police protection as described more particularly below:

(a) Water

The Developer has provided a drilled water well on each of the Strata Lots in the Development (collectively the "Wells"), except for on Strata Lot 1 and Strata Lot 21. The owners of Strata Lot 1 and Strata Lot 21 will be responsible for arranging for their own water source.

Each owner of a Strata Lot in the Development will incur the initial activation costs for the Well, including the cost of installation of a pump and any ongoing Well maintenance costs.

All of the existing Wells have been tested to ensure that they meet Canadian Drinking Water Regulations and Guidelines. Individual water testing results and well logs for each Well are available on the Developer's website at www.cortesisland.com/renewal, and from Discovery Islands Realty.

(b) Electricity

The Development is serviced with electricity by BC Hydro & Power Authority ("BC Hydro"), and the electrical system has been provided at the cost of the Developer. The power and telephone lines are located underground and have been provided to the boundary line of each Strata Lot. Each Strata Lot owner will be responsible for extending the power and telephone lines from the boundary of the Strata Lot to the individual's residential dwelling unit.

Electricity will then be supplied to each Strata Lot upon the owner's application for services to BC Hydro, and payment of the required application and hook-up charges to BC Hydro. Each Strata Lot will be individually metered and it will be the responsibility of the Strata Lot owner to pay for metered electricity charges as periodically assessed by BC Hydro.

(c) Sewage

In accordance with the requirements of the Vancouver Island Health Authority each of the Strata Lots in the Development is required to have a designated area for sewage disposal.

Pursuant to a restrictive covenant filed on title to the Siskin Lane Development in favour of the Vancouver Island Health Authority (the "Health Covenant"), each Strata Lot has a dedicated septic covenant area for the installation and maintenance of up to two (2) potential septic systems for use in sewage disposal – a primary field area and a back-up field area in the event of a failure. The Health Covenant is attached as Schedule "G" hereto and describes in detail the requirements for the installation, use and maintenance of septic fields by owners. The dedicated septic covenant areas within each Strata Lot are clearly noted on the ground with survey pins and white stakes marked "COV", and are shown in heavy black outline on the Reference Plan attached to the Health Covenant, Schedule "G" hereto.

Owners of Strata Lots in the Development will at all times be responsible to follow procedures for septic systems as prescribed by the Vancouver Island Health Authority. Further information for set up and maintenance may be obtained from the Vancouver Island Health Authority.

In addition, the Health Covenant restricts any construction within the designated health covenant areas on each Strata Lot. However, owners may be permitted at their own cost to re-locate the designated health covenant area within which the septic field must be located, to another area which meets the requirements of the local Vancouver Island Health Authority. Owners will be responsible for complying with all requirements of the Vancouver Island Health Authority regarding septic fields and sewage disposal if they choose to try and re-locate their health covenant area. If the health authority grants such permission, it will be the owner's responsibility to arrange for both removal of the original Health Covenant, and registration of a new health covenant on the approved new covenant area.

(d) Natural Gas

The Development will not be serviced with natural gas.

(e) Street Lighting

There will not be lighting provided along the roadways, public trails or walkways in the Development.

(f) Garbage Collection

There is no garbage collection service within the Development. Owners of Strata Lots will be responsible for their own garbage removal and disposal. Owners may make their own arrangements for garbage collection with respect to private services available on Cortes Island.

(g) Fire and Police Protection

Fire protection will be provided by the Cortes Island Volunteer Fire Department which is located approximately 2 kilometers from the Development. There are no fire hydrants located in the Development. However, the Fire Department will have access both to the fire pond and fire sump located on Strata Lot 18, which are designated for restricted use and maintenance for fire

protection, and to various other water sources in and around the Development.

Police protection will be provided by the nearest detachment of the Royal Canadian Mounted Police, located on neighbouring Quadra Island.

(h) Telephone

Telephone service by Telus Communications Ltd. will be made available to the Development. The Development may also be within the service range of some major cellular service providers in British Columbia.

The power and telephone lines are located underground and have been provided to the boundary line of each Strata Lot. Each Strata Lot owner will be responsible for extending the power and telephone lines from the boundary of the Strata Lot to the individual's residential dwelling unit.

(i) Access

Access to the Siskin Lane Development is available from Sutil Point Road onto Siskin Lane, the only road in the Development. For emergency use only, access is available by an emergency access lane (the "Emergency Access Lane") that runs from the Siskin Lane cul-de-sac, between Strata Lots 9 and 10 of the Development through to Hayes Road.

The Developer intends to have registered against title to the Siskin Lane Development in favour of the Regional District of Comox-Strathcona a Statutory Right of Way over the Emergency Access Lane, for the purpose of restricting the operation, use and maintenance of the Emergency Access Lane to emergency purposes only. The Emergency Access Lane will remain gated and locked at both ends except during emergency use. At no time will the emergency access lane be paved over or allow for permitted use as a public through road.

3.9 Strata Management Contracts

The Developer will enter into a property management agreement for a one year term.

When appropriate to do so, the Developer also intends to cause the Strata Corporation to enter into a road maintenance agreement to provide for the ongoing maintenance and repair of Siskin Lane.

3.10 Insurance

Fire and Liability

The Developer will place, on behalf of the Strata Corporation, insurance coverage in respect of the Development, in the form of a Commercial General Liability Policy covering loss or damage by fire and other standard risks, a liability policy covering liability of standard risks to \$5,000,000.00, and a liability policy of \$600,000.00 to cover damage to road infrastructure. The insurance will include coverage for "major perils", such as fire, lightning, smoke, windstorm, hail, explosion, water escape, strikes, riots or civil commotion, impact by aircraft and vehicles, vandalism and malicious acts, all as defined in Regulation 9.1(2) of the *Strata Property Act*.

Each purchaser will be responsible for insuring all improvements on his or her Strata Lot, including appliances, against damage or loss by fire, theft, and other perils and for liability for injury to persons inside his Strata Lot when the transfer from the Developer is completed.

3.11 Rental Disclosure Statement

Under Section 139 of the *Strata Property Act*, a developer must disclose to any purchaser the intention to lease Strata Lots in order to ensure that such Strata Lots may be leased in the future.

A **FORM J - RENTAL DISCLOSURE STATEMENT** will be filed with the Superintendent of Real Estate, a copy of which is attached hereto as **SCHEDULE "E"**. The Developer intends to sell all of the Strata Lots, but reserves the right to lease any of them.

4. TITLE AND LEGAL MATTERS

4.1 Legal Description

The existing legal descriptions of the properties which will comprise the Development and be offered for sale pursuant to this Disclosure Statement are as follows:

PID: 026-091-488
Lot 1, Sections 6 And 7, Cortes Island, Sayward District, Plan VIP77516

(the "Northern Parcel")

PID: 009-782-281
Parcel B (DD 142243I) of the South East 1/4 of Section 7, Cortes Island Sayward District, except part in Plan 15428

("Northern Parcel B")

PID: 000-913-961
The North East 1/4 of Section 3, Cortes Island, Sayward District, As Shown on Plan Deposited Under DD 515541, Except the South 10 Chains of the West 10 Chains Thereof, and Except Those Parts in Plans 9746, 31660 and 36602

(the "Southern Parcel")

(the Northern Parcel 1, Northern Parcel B and the Southern Parcel are hereinafter collectively the "Lands")

The Developer is in the process of consolidating the Lands into five (5) parcels, as detailed in Section 2.1 herein.

4.2 Ownership

The Developer is the registered owner of the Lands.

4.3 Existing Encumbrances and Legal Notations

The following encumbrances are registered against title to the Lands:

(1) Financial

As to Northern Parcel 1:

Rent Charge EV142252 in favour of The Land Conservancy of British Columbia

Mortgage EV143390 and Assignment of Rents EV143391 in favour of Vancouver City Savings Credit Union

Mortgage EV143392 and Assignment of Rents EV143393 in favour of Vancity Capital Corporation

Mortgage EW119261 and Assignment of Rents EW119262 in favour of Vancouver City Savings Credit Union

Mortgage EW150579 and Assignment of Rents EW150580 in favour of Vancouver City Savings Credit Union

Mortgage EW150581 and Assignment of Rents EW150582 in favour of VanCity Capital Corporation

As to Northern Parcel B:

Rent Charge EW16459 in favour of TLC The Land Conservancy of British Columbia

Mortgage EW119261 and Assignment of Rents EW119262 in favour of Vancouver City Savings Credit Union

As to the Southern Parcel:

Rent Charge EV142255 in favour of The Land Conservancy of British Columbia

Mortgage EV143390 and Assignment of Rents EV143391 in favour of Vancouver City Savings Credit Union

Mortgage EV143392 and Assignment of Rents EV143393 in favour of VanCity Capital Corporation

At the closing of the sale of the Strata Lots to each purchaser, the Developer will make arrangements with the Strata Lot owner to have the financial charges in favour of VanCity Capital Corporation and Vancouver City Savings Credit Union discharged from title to the Siskin Lane Development upon completion of the Contract of Purchase and Sale attached as Schedule "D".

(2) Legal Notations

As to Northern Parcel 1:

This Title may be affected by The Forest Land Reserve Act, see EN16484

Easement EV26975 over SW 1/4 of Sec. 6, Cortes Island, Sayward District except part in Parcel D (DD50858I) and 15428 and 43119

As to Northern Parcel B:

This Title may be affected by The Forest Land Reserve Act, see EN16484

Easement EV26976 over SW 1/4 of Sec. 6, Cortes Island, Sayward District except part in Parcel D (DD50858I) and 15428 and 43119

As to the Southern Parcel:

Re clauses (e) and (f) of Section 23(1) Land Title Act, See DF S83711, Filed 05/08/1987 (and see EB38301, Same Area)

This title may be affected by The Forest Land Reserve Act, see EN16484

(3) Non Financial

As to Northern Parcel 1:

Right of Way 401774G in favour of British Columbia Hydro and Power Authority

Easement EV26976 appurtenant to PCL B (DD142243I) of the SE 1/4 of Sec. 7, Cortes Island, Sayward District except Plan 15428

Covenant EV142250 in favour of The Land Conservancy of British Columbia

Statutory Right of Way EV142251 in favour of The Land Conservancy of British Columbia

Statutory Right of Way EX122087 in favour of British Columbia Hydro and Power Authority

Statutory Right of Way EX122088 in favour of Telus Communications Inc.

As to Northern Parcel B:

Covenant EW16457 in favour of TLC the Land Conservancy of British Columbia

Statutory Right of Way EW16458 in favour of the TLC The Land Conservancy of British Columbia

Statutory Right of Way EX122087 in favour of British Columbia Hydro and Power Authority

Statutory Right of Way EX122088 in favour of Telus Communications Inc.

As to the Southern Parcel:

Right of Way 401775G in favour of British Columbia Hydro and Power Authority

Covenant EV142253 in favour of the TLC the Land Conservancy of British Columbia

Statutory Right of Way EV142254 in favour of the TLC The Land Conservancy of British Columbia

Statutory Right of Way EX122087 in favour of British Columbia Hydro and Power Authority

Statutory Right of Way EX122088 in favour of Telus Communications Inc.

4.4 Proposed Encumbrances

The Developer will file all such rights of way, easements, restrictive covenants, dedications and other rights or restrictions required by the Ministry of Transportation and Highways, the Regional District of Comox-Strathcona, British Columbia Hydro and Power Authority, Telus, the Vancouver Island Health Authority or any other applicable governmental authority or public utility deemed necessary or advisable by the Developer in connection with the Development.

Specifically, the Developer intends to file on title to the Siskin Lane Development, concurrently with the deposit of the Strata Plan in the Victoria Land Title Office, the following right of way agreements, easement agreements and restrictive covenants.

(1) Statutory Rights of Way

The Developer intends to have registered on title to the Siskin Lane Development the following:

- (a) a Statutory Right of Way over a portion of the Common Property and a portion of Strata Lots 9 and 10 in favour of the Regional-District of Comox-Strathcona, for the purpose of restricting the operation, use and maintenance of the Emergency Access Lane which runs from the Siskin Lane cul-de-sac, between Strata Lots 9 and 10 of the Development, through to Hayes Road, for access and egress to the Development for emergency purposes only. The permitted and restricted uses of the Emergency Access Lane is discussed further in Subsection (i) of Section 3.8 herein;
- (b) a Statutory Right of Way over a portion of Strata Lot 18 in favour of the Regional-District of Comox-Strathcona for the purpose of granting access for the repair, replacement, upgrading, installation, protection, cleaning and maintenance of the fire sump and fire pond area located on Strata Lot 18, for use in emergency fire protection in the Development; and

- (c) a Statutory Right of Way over portions of the Common Property and Strata Lot 2, Strata Lot 3, Strata Lot 10, Strata Lot 19 and Strata Lot 21 in favour of the Regional-District of Comox-Strathcona for the purpose of providing for the non-motorized use and enjoyment of public trails located throughout the Development.

(2) Easements

The Developer intends to file certain easements on title to the Siskin Lane Development. These easements are required over a small area of a Strata Lot in favour of a neighbouring Strata Lot for the restricted purpose of allowing an owner to obtain access to the driveway of the owner's Strata Lot and, in certain instances as set out below, to an owner's utility connections which have been installed within a small area on the neighbouring Strata Lot.

The following easements will be registered on title to the Siskin Lane Development:

- (a) Easement over a portion of a Strata Lot 2 in favour of Strata Lot 3 to provide access to the Strata Lot 3 driveway;
- (b) Easement over a portion of Strata Lot 3 in favour of Strata Lot 2 to provide access to the Strata Lot 2 driveway and to the utility connections for Strata Lot 2 located on Strata Lot 3;
- (c) Easement over a portion of Strata Lot 4 in favour of Strata Lot 5 to provide access to the Strata Lot 5 driveway and to the utility connections for Strata Lot 5 located on Strata Lot 4;
- (d) Easement over a portion of Strata Lot 7 in favour of Strata Lot 6 to provide access to the Strata Lot 6 driveway and to the utility connections for Strata Lot 6 located on Strata Lot 7;
- (e) Reciprocal Easements over portions of Strata Lot 9 and Strata 10 in favour of Strata Lots 9 and 10 to provide access to the Strata Lot 9 and Strata Lot 10 driveways;
- (f) Easement over a portion of Strata Lot 12 and Strata Lot 13 in favour of Strata Lot 11 to provide access to the Strata Lot 11 driveway;
- (g) Easement over a portion of Strata Lot 13 in favour of Strata Lot 12 to provide access to the Strata Lot 12 driveway;
- (h) Easement over a portion of Strata Lot 13 in favour of Strata Lot 14 to provide access to the Strata Lot 14 driveway;
- (i) Easement over a portion of Strata Lot 16 in favour of Strata Lot 15 to provide access to the Strata Lot 15 driveway;
- (j) Easement over a portion of Strata Lot 17 in favour of Strata Lot 18 to provide access to the Strata Lot 18 driveway and to the utility connections for Strata Lot 18 located on Strata Lot 17; and
- (k) Easement over a portion of Strata Lot 18 in favour of Strata Lot 17 to provide access to the Strata Lot 17 driveway.

(3) Restrictive Covenants

The Developer also intends to file against title to the Siskin Lane Development:

- (a) a Health Covenant in favour of the Vancouver Island Health Authority over a small portion of each of the 23 Strata Lots in the Development for the purpose of designating a primary and secondary area on each Strata Lot for use as a sewage disposal area. The Health Covenant is attached as Schedule "G" hereto;
- (b) a Covenant in favour of the Strata Corporation over a portion of Strata Lot 18 for the purpose of restricting the owner of Strata Lot 18 from covering over, or using the fire pond located adjacent to the fire sump on Strata Lot 18, which fire pond will be restricted for use in emergency fire protection in the Development;
- (c) a Conservation Covenant in favour of TLC (The Land Conservancy of British Columbia) under the British Columbia *Land Title Act*, as discussed in detail in Section 2.2 herein; and
- (d) a Covenant in favour of the registered owners of Lot 12 and Lot 13, which are situated adjacent to the west side of the Siskin Lane Development and between which Lots runs Hayes Road and the gated entrance for the Emergency Access Lane, for the purpose of restricting the operation, use and maintenance of the Emergency Access Lane for emergency access and egress only.

4.5 Outstanding or Contingent Litigation or Liabilities

The Developer is unaware of any outstanding or contingent litigation or liabilities affecting the Development.

4.6 Environmental Matters

The Developer is not aware of any dangers or requirements imposed by the Regional District of Comox-Strathcona or other governmental authorities connected with the Development with respect to flooding or drainage hazards. The Developer is not aware of any dangers or any requirements imposed by the Regional District of Comox-Strathcona or other governmental authorities connected with the Development in respect of the condition of the soil or sub-soil of the Siskin Lane Development.

5. CONSTRUCTION AND WARRANTIES

5.1 Construction Dates

The construction of services to the Development, and utility connections required for use by the Strata Lots, is complete.

5.2 Warranties

(1) Homeowner Protection Act

The Developer is offering for sale serviced bare land Strata Lots and as such will not be providing coverage pursuant to the provisions of the *Homeowner Protection Act*.

The Developer neither gives nor implies any other form of warranties.

Except as set forth in this Disclosure Statement, there are no warranties of any kind regarding the Development.

6. APPROVALS AND FINANCES

6.1 Development Approval

The Development has received final subdivision approval from the Ministry of Transportation pursuant to development approval number 01-003-22216.

The Development will comply with all building restrictions, zoning bylaws and regulations, restrictions set out in the covenants, easements, statutory rights of way and the Conservation Covenant (Schedule "H" attached hereto) and other restrictions governing the use of the Development, and any Strata Lot therein.

6.2 Construction Financing

Under section 12 of the *Real Estate Development Marketing Act* a developer must not market a bare land strata lot unless the developer has made adequate arrangements to ensure payment of the cost of utilities and other services associated with the bare land strata lots. The Developer will satisfy the requirements of the Superintendent of Real Estate in relation to this requirement as they relate to the Development.

Once the developer has obtained a satisfactory financing commitment, the developer is deemed to have made adequate arrangements for the purpose of installing utilities and services associated with the bare land Strata Lots. In this case, no further terms and conditions are applicable to the marketing of the Strata Lots.

6.3 Purchase Financing

The Developer has made no arrangement on behalf of any purchaser or prospective purchaser to finance the purchase of any Strata Lot.

7. MISCELLANEOUS

7.1 Deposits

All deposits and other monies received shall be held in the trust account of the selling agent, the conveyancing solicitor, or the conveyancing notary public, in the manner required by the *Real Estate Development Marketing Act*.

In the event the Developer complies with Section 19 of the *Real Estate Development Marketing Act* as it relates to securing the deposit, all purchasers of a Strata Lot will, pursuant to the Contract of Purchase and Sale attached hereto as Schedule "D", authorize the holder of the deposit to release the deposit to the Developer for use in completion of the Development.

7.2 Purchase Agreement

The Developer intends to offer each of the Strata Lots for sale. A copy of the **CONTRACT OF PURCHASE AND SALE** which the Developer proposes to use is attached hereto as **SCHEDULE "D"**.

Developer's Option to Repurchase

Pursuant to the Addendum to the Contract of Purchase and Sale, attached as Schedule "D", in the event that within the first twenty-four (24) months from the date of purchase of a Strata Lot in the Development an owner has not yet constructed a residential dwelling unit nor made any substantial improvements on the Strata Lot, and such owner is offering the Strata Lot for sale, the Developer will have the option to repurchase the Strata Lot from the owner for the original sale price at which the owner purchased the Strata Lot from the Developer.

7.3 Developer's Commitments

(1) Obligation to Hold First Annual Meeting

Under Section 16 of the *Strata Property Act*, the developer must hold the first annual general meeting of the Strata Corporation within six weeks of the earlier of the date on which fifty (50%) percent plus one of the Strata Lots have been conveyed to purchasers, and the date that is nine months after the first conveyance of a Strata Lot to a purchaser. If the developer fails to hold the first annual general meeting within this time frame, the developer, pursuant to Section 3.1(2) of the Regulations of the *Strata Property Act*, is required to pay the Strata Corporation \$1,000 for a delay of up to thirty days, and a further \$1,000 for each additional delay of seven days.

(2) Documents to be Delivered to the Strata Corporation

The Developer will deliver to the Strata Corporation at the first annual general meeting of the Strata Corporation, all of the documents required to be delivered to the Strata Corporation pursuant to Sections 20(2) and 35 of the *Strata Property Act*, which documents shall include:

- (a) all plans required to obtain a building permit and any amendments to the building permit plans;
- (b) any documents in the Developer's possession that indicate the location of pipes, wires, cables, chutes, ducts or other service facilities that are not shown on a plan;
- (c) all contracts entered into by the Strata Corporation;
- (d) any Disclosure Statement filed under the *Real Estate Development Marketing Act*, and any Rental Disclosure Statement;
- (e) the registered Strata Plan from the Land Title Office;
- (f) the names and addresses of contractors, subcontractors and persons primarily responsible for supplying labour or materials to the project;
- (g) the names and addresses of any technical consultants, if any;

- (h) the name and address of the project manager; and
- (i) all warranties, manuals, schematic drawings, operating instructions, service guides, manufacturers' documentation and other similar information relating to common property or common assets.

7.4 Other Material Facts

(a) Manager's Residence

There will be not a manager's or caretaker's residence in the Development.

(b) Real Estate Agent

The Developer has appointed Discovery Islands Realty as its agent in relation to marketing the Development.

(c) Signage and Display Suites

The Developer shall be entitled to place and keep on the Common Property for so long as the Developer continues to market any Strata Lots in the Development, such signage as the Developer requires in its absolute discretion and to maintain display strata lots as required by the Developer in its absolute discretion.

(d) Interest Upon Destruction

A Strata Corporation may be voluntarily wound up for such reasons as the destruction of the strata lots or the voluntary cancellation of the Strata Plan. A liquidator may be appointed to wind up the Strata Corporation pursuant to Section 277 of the *Strata Property Act* if a resolution to cancel the Strata Plan and appoint a liquidator is passed by unanimous vote at an Annual or Special General Meeting of the Strata Corporation. In such event each Strata Lot owner's share of the proceeds of distribution of the Development shall be determined in accordance with the following formula:

$$\frac{\text{most recent assessed value of an owner's strata lot}}{\text{most recent assessed value of all the strata lots in the Strata Plan excluding any strata lots held by or on behalf of the Strata Corporation}}$$

If there is no assessed value for a Strata Lot owner's strata lot or for any strata lot in the Strata Plan, an appraised value:

- (i) that has been determined by independent appraiser; and
- (ii) is approved by resolution passed by a 3/4 vote at an Annual or Special General Meeting of the Strata Corporation

may be used in place of the assessed value for the purposes of the formula stated above.

DEEMED RELIANCE

Section 22 of the *Real Estate Development Marketing Act* provides that every purchaser who is entitled to receive this Disclosure Statement is deemed to have relied on any false or misleading statement of material fact contained in this Disclosure Statement, if any, and any omission to state a material fact.


The Developer, its directors, and any person who has signed or authorized the filing of this Disclosure Statement, are liable to compensate the purchaser for any misrepresentation, subject to any defences available under section 22 of the Act.

DECLARATION


The foregoing statements disclose, without misrepresentation, all material facts relating to the Development referred to above, and proposed to be sold, as required by the *Real Estate Development Marketing Act* of British Columbia as of April 13, 2006.

RENEWAL LAND COMPANY LTD.
by its authorized signatory(ies):

Directors in their Personal Capacity:



JOEL SOLOMON



JOEL SOLOMON



MARTHA A. BURTON



MARTHA A. BURTON

The Developer's address for service is P.O. Box 11140, 2010 - 1055 West Georgia Street, Vancouver, British Columbia V6E 3P3.

SOLICITOR'S CERTIFICATE

IN THE MATTER OF THE *REAL ESTATE DEVELOPMENT MARKETING ACT* AND THE DISCLOSURE STATEMENT OF RENEWAL LAND COMPANY LTD. FOR PROPERTY DESCRIBED AS:

PID: 026-091-488
Lot 1, Sections 6 And 7, Cortes Island, Sayward District, Plan VIP77516

PID: 009-782-281
Parcel B (DD 142243I) of the South East 1/4 of Section 7, Cortes Island
Sayward District, except part in Plan 15428

PID: 000-913-961
The North East 1/4 of Section 3, Cortes Island, Sayward District, As Shown on Plan
Deposited Under DD 515541, Except in South 10 Chains of the West 10 Chains Thereof,
and Except Those Parts in Plans 9746, 31660 and 36602

I, MURRAY A. BRAATEN, Solicitor, a member of the Law Society of British Columbia, having read over the above-described Disclosure Statement dated April 14, 2006 made any required investigations in public offices and reviewed same with the Developer therein named, hereby certify that the facts contained in Sections 4.1, 4.2 and 4.3 of the Disclosure Statement are correct.

DATED at Vancouver, British Columbia, this 14th day of April, 2006.



MURRAY BRAATEN

SCHEDULE "A"

BARE LAND STRATA PLAN OF LOT D, PLAN VIP _____, SECTIONS 3, 6 AND 7, CORTES ISLAND, SAYWARD DISTRICT

STRATA PLAN _____

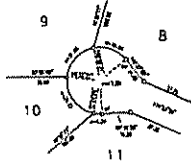
Drawings are prepared to the Survey of Land File 0714, 1984.



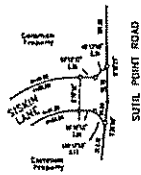
Scale 1:2500

- All dimensions shown are in metres
- Boundary lines are shown
- Boundary lines are shown
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Inset A

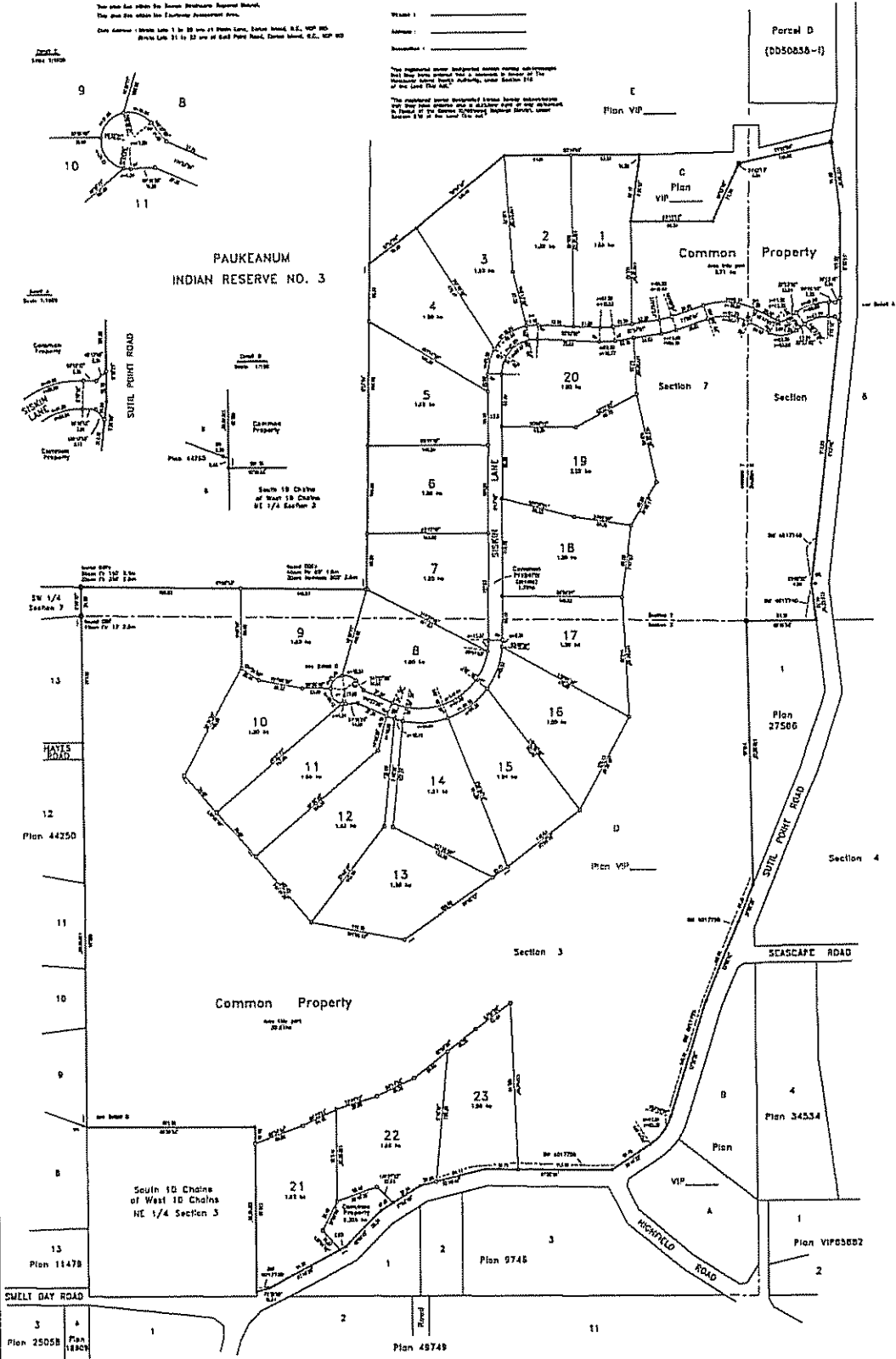


Inset B



PAUKEANUM INDIAN RESERVE NO. 3

South 10 Chains of West 10 Chains NE 1/4 Section 3



Surveyor: _____

Authorised Signatory _____

Address: _____

Witness: _____

Address: _____

Date: _____

Approved by the Survey of Land File 0714, 1984.

Scale 1:2500

Drawings are prepared to the Survey of Land File 0714, 1984.

Surveyor: _____

Authorised Signatory _____

Address: _____

Witness: _____

Address: _____

Date: _____

Approved by the Survey of Land File 0714, 1984.

Scale 1:2500

Drawings are prepared to the Survey of Land File 0714, 1984.

SCHEDULE "B"

Strata Property Act

FORM V

SCHEDULE OF UNIT ENTITLEMENT

STRATA PLAN CONSISTING OF RESIDENTIAL STRATA LOTS

The unit entitlement for each residential strata lot is one of the following [check appropriate box], as set out on the following table:

- (a) the habitable area of the strata lot, in square metres, rounded to the nearest whole number as determined by a British Columbia land surveyor as set out in section 246(3)(a)(i) of the *Strata Property Act*.

Certificate of British Columbia Land Surveyor

I, _____, a
British Columbia land surveyor, certify that the following
table reflects the total area of each residential strata lot.

Date: _____ [month, day, year]

Signature

OR

- x (b) a whole number that is the same for all of the residential strata lots as set out in section 246(3)(a)(ii) of the *Strata Property Act*.

OR

- (c) a number that is approved by the Superintendent of Real Estate in accordance with section 246(3)(a)(iii) of the *Strata Property Act*.

Signature of Superintendent of Real Estate

Strata Lot No.	Sheet No.	Habitable Area in m ²	Unit Entitlement	%* of Total Unit Entitlement of Residential Strata Lots **	%* of Total Unit Entitlement of All Strata Lots**
1			1		
2			1		
3			1		
4			1		
5			1		
6			1		

7			1		
8			1		
9			1		
10			1		
11			1		
12			1		
13			1		
14			1		
15			1		
16			1		
17			1		
18			1		
19			1		
20			1		
21			1		
22			1		
23			1		
Total number of strata lots: 23		Total unit entitlement of residential strata lots: 23			

- * expression of percentage is for informational purposes only and has no legal effect
- ** not required for a phase of a phased strata plan

Schedule of Unit Entitlement approved by the Superintendent of Real Estate in accordance with section 246(5) of the *Strata Property Act*.

Signature of Superintendent of Real Estate

Date: _____ [month, day, year]

Signature of Owner Developer

SCHEDULE "C"
BUDGET
& MAINTENANCE FEES

BUDGET 2006-2007

Siskin Lane Strata
Cortes Island

MONTHLY MAINTENANCE FEES

Revenue
strata fees

	Lot #	Unit Entitlement	Operating Fund	Contingency Reserve Fund	Unit Total Monthly Fee
	1	1	\$ 42.28	\$ 2.11	\$ 44.39
	2	1	\$ 42.28	\$ 2.11	\$ 44.39
	3	1	\$ 42.28	\$ 2.11	\$ 44.39
	4	1	\$ 42.28	\$ 2.11	\$ 44.39
	5	1	\$ 42.28	\$ 2.11	\$ 44.39
	6	1	\$ 42.28	\$ 2.11	\$ 44.39
	7	1	\$ 42.28	\$ 2.11	\$ 44.39
	8	1	\$ 42.28	\$ 2.11	\$ 44.39
	9	1	\$ 42.28	\$ 2.11	\$ 44.39
	10	1	\$ 42.28	\$ 2.11	\$ 44.39
	11	1	\$ 42.28	\$ 2.11	\$ 44.39
	12	1	\$ 42.28	\$ 2.11	\$ 44.39
	13	1	\$ 42.28	\$ 2.11	\$ 44.39
	14	1	\$ 42.28	\$ 2.11	\$ 44.39
	15	1	\$ 42.28	\$ 2.11	\$ 44.39
	16	1	\$ 42.28	\$ 2.11	\$ 44.39
	17	1	\$ 42.28	\$ 2.11	\$ 44.39
	18	1	\$ 42.28	\$ 2.11	\$ 44.39
	19	1	\$ 42.28	\$ 2.11	\$ 44.39
	20	1	\$ 42.28	\$ 2.11	\$ 44.39
	21	1	\$ 42.28	\$ 2.11	\$ 44.39
	22	1	\$ 42.28	\$ 2.11	\$ 44.39
	23	1	\$ 42.28	\$ 2.11	\$ 44.39
					<u>\$ 1,020.95</u>

	Monthly Expenses	Annual Expense Total
Bank Charges	\$ 29.17	\$ 350.00
Property Management (1)	\$ 414.00	\$ 4,968.00
Common Property Maintenance Insurance (2)	\$ 83.33	\$ 1,000.00
Strata Road and Fire Lane Maintenance	\$ 154.17	\$ 1,850.00
Conservation Covenant fees (3)	\$ 208.33	\$ 2,500.00
Community Garden	\$ 41.67	\$ 500.00
	\$ 972.33	\$ 11,668.00

Contingency Reserve Fund (4)	\$ 48.62	\$ 583.40
Total	\$ 1,020.95	\$ 12,251.40

note (1)
note (2)
note (3)
note (4)

estimated fee for strata property management is \$13-\$18 per unit per month. Budget based on \$18 to allow for remoteness of Cortes. Common Property, General Liability and Directors & Officers Conservation covenant fees are payable to The Land Conservancy of BC or its successor, in accordance with the terms of the Land Title Act Section 219 Conservation Covenant registered on title. Contingency Reserve Fund is equivalent to 5% of the annual operating expenses.



CONTRACT OF PURCHASE AND SALE

PREPARED BY: DISCOVERY ISLANDS REALTY LTD. DATE: _____
(BROKERAGE - PLEASE PRINT)

ADDRESS: BOX 649 QUATHIASKI COVE PC: V0P 1N0 PHONE: 285-2800

PER: VICKI DE BOER MLS® No.: _____
(LICENSEE - PLEASE PRINT)

SELLER: <u>RENEWAL LAND COMPANY LTD.</u> SELLER: _____ ADDRESS: <u>610-220 CAMBIE STREET</u> <u>VANCOUVER BC</u> _____ PC: <u>V6B 2M9</u> PHONE: _____ RESIDENT OF CANADA <input checked="" type="checkbox"/> NON-RESIDENT OF CANADA <input type="checkbox"/> <small>as defined under the <i>Income Tax Act</i>.</small>	BUYER: _____ BUYER: _____ ADDRESS: _____ _____ PC: _____ PHONE: _____ OCCUPATION: _____
---	--

PROPERTY:

UNIT NO.	ADDRESS OF PROPERTY	
<u>Strata Lot _____</u> ;	_____	
CITY/TOWN/MUNICIPALITY	POSTAL CODE	PID
<u>Cortes Island</u>		<u>026-091-488 / 009-782-281 / 000-913-961</u>
LEGAL DESCRIPTION		
<u>Lot 1, Sections 6 & 7, Cortes Isl., SD, Plan VIP77516 / Parcel B(DD142243I) of SE1/4 of Sec. 7, Cortes Isl., SD, Except part in Plan 15428 / NE1/4 of Sec. 3, Cortes Isl., SD, as shown on Plan (see Addendum ctd.)</u>		

The Buyer agrees to purchase the Property from the Seller on the following terms and subject to the following conditions:

1. **PURCHASE PRICE:** The purchase price of the Property will be

DOLLARS \$ _____ (Purchase Price)

2. **DEPOSIT:** A deposit of \$ _____ which will form part of the Purchase Price, will be paid on the following terms:

DEPOSIT PAYABLE WITHIN 24 HOURS OF WRITTEN ACCEPTANCE OF THIS OFFER

All monies paid pursuant to this section (Deposit) will be delivered in trust to DISCOVERY ISLANDS REALTY

_____ and held in trust in accordance with the provisions of the *Real Estate Services Act*. In the event the Buyer fails to pay the Deposit as required by this Contract, the Seller may, at the Seller's option, terminate this Contract. The party who receives the Deposit is authorized to pay all or any portion of the Deposit to the Buyer's or Seller's conveyancer (the "Conveyancer") without further written direction of the Buyer or Seller, provided that: (a) the Conveyancer is a Lawyer or Notary; (b) such money is to be held in trust by the Conveyancer as stakeholder pursuant to the provisions of the *Real Estate Services Act* pending the completion of the transaction and not on behalf of any of the principals to the transaction; and (c) if the sale does not complete, the money should be returned to such party as stakeholder or paid into Court.

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INITIALS

3. **TERMS AND CONDITIONS:** The purchase and sale of the Property includes the following terms and is subject to the following conditions:

ADDENDUMS DATED _____ ARE INCORPORATED INTO AND FORM PART OF THIS CONTRACT
SCHEDULE 'A' IS INCORPORATED INTO AND FORMS PART OF THIS CONTRACT

Each condition, if so indicated, is for the sole benefit of the party indicated. Unless each condition is waived or declared fulfilled by written notice given by the benefiting party to the other party on or before the date specified for each condition, this Contract will be terminated thereupon and the Deposit returnable in accordance with the *Real Estate Services Act*.

4. **COMPLETION:** The sale will be completed on see Addendums, yr. 2006 (Completion Date) at the appropriate Land Title Office.

5. **POSSESSION:** The Buyer will have vacant possession of the Property at 12 noon on the day following completion, yr. 2006 (Possession Date) OR, subject to the following existing tenancies, if any: BARE LAND

6. **ADJUSTMENTS:** The Buyer will assume and pay all taxes, rates, local improvement assessments, fuel, utilities and other charges from, and including, the date set for adjustments, and all adjustments both incoming and outgoing of whatsoever nature will be made as of see addendum, yr. 2006 (Adjustment Date).

7. **INCLUDED ITEMS:** The Purchase Price includes any buildings, improvements, fixtures, appurtenances and attachments thereto, and all blinds, awnings, screen doors and windows, curtain rods, tracks and valances, fixed mirrors, fixed carpeting, electric, plumbing, heating and air conditioning fixtures and all appurtenances and attachments thereto as viewed by the Buyer at the date of inspection, INCLUDING:

BARE LAND STRATA DEVELOPMENT

BUT EXCLUDING: _____

8. **VIEWED:** The Property and all included items will be in substantially the same condition at the Possession Date as when viewed by the Buyer on _____, yr. 2006.

9. **TITLE:** Free and clear of all encumbrances except subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown, registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities, existing tenancies set out in Clause 5, if any, and except as otherwise set out herein.

10. **TENDER:** Tender or payment of monies by the Buyer to the Seller will be by certified cheque, bank draft, cash or Lawyer's/Notary's trust cheque.

11. **DOCUMENTS:** All documents required to give effect to this Contract will be delivered in registrable form where necessary and will be lodged for registration in the appropriate Land Title Office by 4 pm on the Completion Date.

INITIALS

12. **TIME:** Time will be of the essence hereof, and unless the balance of the cash payment is paid and such formal agreement to pay the balance as may be necessary is entered into on or before the Completion Date, the Seller may, at the Seller's option, terminate this Contract, and, in such event, the amount paid by the Buyer will be absolutely forfeited to the Seller in accordance with the *Real Estate Services Act*, on account of damages, without prejudice to the Seller's other remedies.
13. **BUYER FINANCING:** If the Buyer is relying upon a new mortgage to finance the Purchase Price, the Buyer, while still required to pay the Purchase Price on the Completion Date, may wait to pay the Purchase Price to the Seller until after the transfer and new mortgage documents have been lodged for registration in the appropriate Land Title Office, but only if, before such lodging, the Buyer has: (a) made available for tender to the Seller that portion of the Purchase Price not secured by the new mortgage, and (b) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration, and (c) made available to the Seller, a Lawyer's or Notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds pursuant to the Canadian Bar Association (BC Branch) (Real Property Section) standard undertakings (the "CBA Standard Undertakings").
14. **CLEARING TITLE:** If the Seller has existing financial charges to be cleared from title, the Seller, while still required to clear such charges, may wait to pay and discharge existing financial charges until immediately after receipt of the Purchase Price, but in this event, the Seller agrees that payment of the Purchase Price shall be made by the Buyer's Lawyer or Notary to the Seller's Lawyer or Notary, on the CBA Standard Undertakings to pay out and discharge the financial charges, and remit the balance, if any, to the Seller.
15. **COSTS:** The Buyer will bear all costs of the conveyance and, if applicable, any costs related to arranging a mortgage and the Seller will bear all costs of clearing title.
16. **RISK:** All buildings on the Property and all other items included in the purchase and sale will be, and remain, at the risk of the Seller until 12:01 am on the Completion Date. After that time, the Property and all included items will be at the risk of the Buyer.
17. **PLURAL:** In this Contract, any reference to a party includes that party's heirs, executors, administrators, successors and assigns; singular includes plural and masculine includes feminine.
18. **REPRESENTATIONS AND WARRANTIES:** There are no representations, warranties, guarantees, promises or agreements other than those set out in this Contract and the representations contained in the Property Disclosure Statement if incorporated into and forming part of this Contract, all of which will survive the completion of the sale.
19. **PERSONAL INFORMATION:** The Buyer and the Seller hereby consent to the collection, use and disclosure by the Brokerages and by the managing broker(s), associate broker(s) and representative(s) of those Brokerages (collectively the "Licensee(s)") described in Clause 20, the real estate boards of which those Brokerages and Licensees are members and, if the Property is listed on a Multiple Listing Service®, the real estate board that operates that Multiple Listing Service®, of personal information about the Buyer and the Seller:
- A. for all purposes consistent with the transaction contemplated herein;
 - B. if the Property is listed on a Multiple Listing Service®, for the purpose of the compilation, retention and publication by the real estate board that operates the Multiple Listing Service® and other real estate boards of any statistics including historical Multiple Listing Service® data for use by persons authorized to use the Multiple Listing Service® of that real estate board and other real estate boards;
 - C. for enforcing codes of professional conduct and ethics for members of real estate boards; and
 - D. for the purposes (and to the recipients) described in the brochure published by the British Columbia Real Estate Association entitled *Working With A REALTOR*.

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INITIALS

20. **AGENCY DISCLOSURE:** The Seller and the Buyer acknowledge having received, read and understood the brochure published by the British Columbia Real Estate Association entitled *Working With a REALTOR* and acknowledge and confirm as follows:

A. the Seller has an Agency relationship with
DISCOVERY ISLANDS REALTY LTD. and VICKI DE BOER
BROKERAGE LICENSEE

B. the Buyer has an Agency relationship with
_____ and _____
BROKERAGE LICENSEE

C. the Buyer and the Seller have consented to a limited dual agency relationship with
_____ and _____
BROKERAGE LICENSEE

LICENSEE

having signed a Limited Dual Agency Agreement dated _____

If only (A) has been completed, the Buyer is acknowledging no agency relationship. If only (B) has been completed, the Seller is acknowledging no agency relationship.

21. **ACCEPTANCE IRREVOCABLE (Buyer and Seller):** The Seller and the Buyer specifically confirm that this Contract of Purchase and Sale is executed under seal. It is agreed and understood that the Seller's acceptance is irrevocable, including without limitation, during the period prior to the date specified for the Buyer to either:

- A. fulfill or waive the terms and conditions herein contained; and/or
- B. exercise any option(s) herein contained.

22. **THIS IS A LEGAL DOCUMENT. READ THIS ENTIRE DOCUMENT AND INFORMATION PAGE BEFORE YOU SIGN.**

23. **OFFER:** This offer, or counter-offer, will be open for acceptance until _____ o'clock _____ m. on _____, yr. **2006** (unless withdrawn in writing with notification to the other party of such revocation prior to notification of its acceptance), and upon acceptance of the offer, or counter-offer, by accepting in writing and notifying the other party of such acceptance, there will be a binding Contract of Purchase and Sale on the terms and conditions set forth.

X _____
WITNESS BUYER  _____
PRINT NAME

X _____
WITNESS BUYER  _____
PRINT NAME

24. **ACCEPTANCE:** The Seller (a) hereby accepts the above offer and agrees to complete the sale upon the terms and conditions set out above, (b) agrees to pay a commission as per the Listing Contract, and (c) authorizes and instructs the Buyer and anyone acting on behalf of the Buyer or Seller to pay the commission out of the cash proceeds of sale and forward copies of the Seller's Statement of Adjustments to the Cooperating/Listing Brokerage, as requested, forthwith after completion.

Seller's acceptance is dated _____, yr. **2006**

X _____
WITNESS SELLER  _____
PRINT NAME

X _____
WITNESS SELLER  _____
PRINT NAME

INFORMATION ABOUT THE CONTRACT

THIS INFORMATION IS INCLUDED FOR THE ASSISTANCE OF THE PARTIES ONLY. IT DOES NOT FORM PART OF THE CONTRACT AND SHOULD NOT AFFECT THE PROPER INTERPRETATION OF ANY OF ITS TERMS.

- 1. CONTRACT:** This document, when signed by both parties, is a legally binding contract. READ IT CAREFULLY. The parties should ensure that everything that is agreed to is in writing.
- 2. DEPOSIT(S):** Section 28 of the *Real Estate Services Act* requires that money held by a brokerage in respect of a real estate transaction for which there is an agreement between the parties for the acquisition and disposition of the real estate be held by the brokerage as a stakeholder. The money is held for the real estate transaction and not on behalf of one of the parties. If a party does not remove a subject clause, the brokerage requires the written agreement of both parties in order to release the deposit. If both parties do not sign the agreement to release the deposit, then the parties will have to apply to court for a determination of the deposit issue.
- 3. COMPLETION:** (Clause 4) Unless the parties are prepared to actually meet at the Land Title Office and exchange title documents for the Purchase Price, it is, in every case, advisable for the completion of the sale to take place in the following sequence:
 - (a) The Buyer pays the Purchase Price or down payment in trust to the Buyer's Lawyer or Notary (who should advise the Buyer of the exact amount required) several days before the Completion Date, and the Buyer signs the documents.
 - (b) The Buyer's Lawyer or Notary prepares the documents and forwards them for signature to the Seller's Lawyer or Notary who returns the documents to the Buyer's Lawyer or Notary.
 - (c) The Buyer's Lawyer or Notary then attends to the deposit of the signed title documents (and any mortgages) in the appropriate Land Title Office.
 - (d) The Buyer's Lawyer or Notary releases the sale proceeds at the Buyer's Lawyer's or Notary's office.

Since the Seller is entitled to the Seller's proceeds on the Completion Date, and since the sequence described above takes a day or more, it is strongly recommended that the Buyer deposits the money and the signed documents AT LEAST TWO DAYS before the Completion Date, or at the request of the Conveyancer, and that the Seller delivers the signed transfer documents no later than the morning of the day before the Completion Date.

While it is possible to have a Saturday Completion Date using the Land Title Office's Electronic Filing System, parties are strongly encouraged **NOT** to schedule a Saturday Completion Date as it will restrict their access to fewer lawyers or notaries who operate on Saturdays; lenders will generally not fund new mortgages on Saturdays; lenders with existing mortgages may not accept payouts on Saturdays; and other offices necessary as part of the closing process may not be open.

- 4. POSSESSION:** (Clause 5) The Buyer should make arrangements through the real estate licensees for obtaining possession. The Seller will not generally let the Buyer move in before the Seller has actually received the sale proceeds. Where residential tenants are involved, Buyers and Sellers should consult the *Residential Tenancy Act*.
- 5. TITLE:** (Clause 9) It is up to the Buyer to satisfy the Buyer on matters of zoning or building or use restrictions, toxic or environmental hazards, encroachments on or by the Property and any encumbrances which are staying on title before becoming legally bound. It is up to the Seller to specify in the Contract if there are any encumbrances, other than those listed in Clause 9, which are staying on title before becoming legally bound. If you as the Buyer are taking out a mortgage, make sure that title, zoning and building restrictions are all acceptable to your mortgage company. In certain circumstances, the mortgage company could refuse to advance funds. If you as the Seller are allowing the Buyer to assume your mortgage, you may still be responsible for payment of the mortgage, unless arrangements are made with your mortgage company.
- 6. CUSTOMARY COSTS:** (Clause 15) In particular circumstances there may be additional costs, but the following costs are applicable in most circumstances:

Costs to be Borne by the Seller	Costs to be Borne by the Buyer	
Lawyer or Notary Fees and Expenses:	Lawyer or Notary Fees and Expenses:	- appraisal (if applicable),
- attending to execution of documents.	- searching title,	- Land Title Registration fees.
Costs of clearing title, including:	- investigating title,	Fire Insurance Premium.
- discharge fees charged by	- drafting documents,	Sales Tax (if applicable).
encumbrance holders,	- Land Title Registration fees.	Property Transfer Tax.
- prepayment penalties.	Survey Certificate (if required).	Goods and Services Tax.
Real Estate Commission.	Costs of Mortgage, including:	
Goods and Services Tax.	- mortgage company's Lawyer/Notary.	

- 7. RISK:** (Clause 16) The Buyer should arrange for insurance to be effective on the earlier of the Completion Date or the date the Buyer pays the balance of the funds into trust. The Seller should maintain the Seller's insurance in effect until the later of the date the Seller receives the proceeds of sale, or the date the Seller vacates the property.
- 8. FORM OF CONTRACT:** This Contract of Purchase and Sale is designed primarily for the purchase and sale of freehold residences. If your transaction involves:
 - a house or other building under construction
 - a business
 - a lease
 - other special circumstancesadditional provisions, not contained in this form, may be needed, and professional advice should be obtained. A Property Disclosure Statement completed by the Seller may be available.
- 9. ALTERNATE DISPUTE RESOLUTION:** Parties to this contract may pursue alternate dispute resolution if a dispute arises after completion of the transaction. It is recommended that the parties first mediate the dispute. Failing agreement to mediate, or if the mediation fails, then disputes can be submitted to an arbitration under the *Commercial Arbitration Act*. BCREA member boards can provide guidance on the selection of mediation and arbitration services in your area.



CONTRACT OF PURCHASE AND SALE ADDENDUM

M.L.S.® NO. _____ DATE _____

RE: ADDRESS: STRATA LOT ____; _____

LEGAL DESCRIPTION: (ctd. from p.1) deposited under DD515541, Except in S. 10 Chains of W. 10 Chains Thereof, and Except those parts in Plans 9746, 31660 and 36602 PID#: _____

FURTHER TO THE CONTRACT OF PURCHASE AND SALE DATED _____

MADE BETWEEN _____ AS BUYER, AND

RENEWAL LAND COMPANY LTD. _____ AS SELLER AND COVERING

THE ABOVE-MENTIONED PROPERTY, THE UNDERSIGNED HEREBY AGREE AS FOLLOWS:

SCHEDULE 'A'

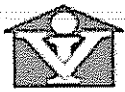
Seller's Representations: The representations and warranties contained herein will survive completion and the conveyance of the Strata Lot to the Buyer for a period of one year thereafter. The Seller hereby represents and warrants that it is not a non-resident of Canada within the meaning of the Income Tax Act of Canada. This Contract will be governed by and construed in accordance with the laws of British Columbia and the courts of British Columbia will have exclusive jurisdiction in connection herewith. If the Buyer is comprised of more than one person, the covenants and obligations of all parties comprising the Buyer are joint and several.

Strata Bylaws: The Buyer covenants to observe and abide by all of the Bylaws of the Strata Corporation as amended from time to time and the provisions of the Conservation Covenant (both as defined in the Disclosure Statement).

Regional District Bylaws: The Buyer has received a copy of the local zoning bylaws and is aware that some land use restrictions apply.

Completion and Adjustment date: The Buyer will pay the balance of the Purchase Price by certified cheque on the Completion Date, which will be that date which is not less than 15 days after written notice to the Buyer that the Strata Plan for the development has been registered in the Land Title Office, provided that no sales will be required to complete prior to June 1, 2006. In the event that Completion has not occurred by July 31, 2006 (the "Outside Completion Date"), this Contract will be terminated and the Deposit, and any interest accrued thereon, will be returned to the Buyer, unless the parties agree in writing to extend the Completion date, provided that if the Seller is delayed from filing the Strata Plan in the Land Title Office as a result of any circumstance whatsoever beyond the reasonable control of the Seller, then the Outside Completion Date will be extended for a period equivalent to such period of delay.

X WITNESS	BUYER		PRINT NAME
X WITNESS	BUYER		PRINT NAME
X WITNESS	SELLER		PRINT NAME
X WITNESS	SELLER		PRINT NAME



CONTRACT OF PURCHASE AND SALE ADDENDUM

M.L.S.® NO. _____ DATE _____

RE: ADDRESS: STRATA LOT _____; _____
 LEGAL DESCRIPTION: (ctd. from p.1) deposited under DD515541, Except in S. 10 Chains of W. 10 Chains
 Thereof, and Except those parts in Plans 9746, 31660 and 36602 PID#: _____

FURTHER TO THE CONTRACT OF PURCHASE AND SALE DATED _____
 MADE BETWEEN _____ AS BUYER, AND
RENEWAL LAND COMPANY LTD. AS SELLER AND COVERING
 THE ABOVE-MENTIONED PROPERTY, THE UNDERSIGNED HEREBY AGREE AS FOLLOWS:

SCHEDULE 'A'

Assignment: The Buyer may not directly or indirectly assign the Buyer's interest in this Contract or direct the Seller to transfer title to the Strata Lot to any third party without the Seller's prior written consent.

Option to Purchase: The Buyer hereby agrees that in the event the Buyer offers for sale the Strata Lot within two [2] years from the Completion Date and in the event that during that two [2] year period the Buyer has not yet constructed a residential dwelling unit nor made any substantial improvements on the Strata Lot, the Seller shall have the option [the "Option"] to repurchase the Strata Lot from the Buyer on the following terms:

1. at a purchase price equal to the purchase price for the Strata Lot set out in this Contract;
2. with a closing date being 30 days after the date of exercise of the Option;
3. to be in the form and on the terms set out in the Option Agreement prepared by the Seller, which Option Agreement the Buyer shall execute and deliver to the Seller in registerable form on the Completion Date.

Conservation Covenant: The Buyer acknowledges that the Buyer has received a copy of the Section 219 Conservation Covenant to be registered against title to the Siskin Lane Development, and the Buyer understands the restrictions such Covenant places on land use and ownership, as well as the legal obligation imposed on each owner of a Strata Lot to comply with the terms of the Covenant.

Each Buyer understands that he/she is obligated to provide TLC The Land Conservancy with current contact information within four (4) weeks of the Completion Date.

X WITNESS	BUYER		PRINT NAME
X WITNESS	BUYER		PRINT NAME
X WITNESS	SELLER		PRINT NAME
X WITNESS	SELLER		PRINT NAME



CONTRACT OF PURCHASE AND SALE ADDENDUM

M.L.S.® NO. _____ DATE _____

RE: ADDRESS: STRATA LOT ____; _____
 LEGAL DESCRIPTION: (ctd. from p.1) deposited under DD515541, Except in S. 10 Chains of W. 10 Chains
 Thereof, and Except those parts in Plans 9746, 31660 and 36602 PID#: _____

FURTHER TO THE CONTRACT OF PURCHASE AND SALE DATED _____
 MADE BETWEEN _____ AS BUYER, AND
RENEWAL LAND COMPANY LTD. AS SELLER AND COVERING
 THE ABOVE-MENTIONED PROPERTY, THE UNDERSIGNED HEREBY AGREE AS FOLLOWS:

The Buyer confirms having obtained, or waived the option to obtain, independent GST advice concerning the obligation to pay GST, and the Buyer acknowledges that he/she will be responsible to pay any GST, and apply for any GST rebate in connection with the purchase of a Strata Lot.

It is the Buyer's responsibility to pay Provincial Property Transfer Tax in the amount of 1% on the first \$200,000 and 2% on the remainder of the Purchase Price.

The Buyer has received a copy of the survey map and is aware it is the Buyer's responsibility to confirm the exact boundaries on the Residential Use Area of the Strata Lot as well as the boundaries of the Residential Conservation Area (as defined in the Disclosure Statement).

The Buyer acknowledges that the Buyer has received a copy of the Well log, Canadian Drinking Standards water report and a Certificate of Potability for the Well on this property (as defined in the Disclosure Statement).

With respect to Clause 9 on page 2 of the Contract, the Buyer agrees to accept Title to the Strata Lot free and clear of all encumbrances except those items specifically set forth in Clause 9, and subject to the non-financial encumbrances set out in the Disclosure Statement.

Receipt for Disclosure Statement: The Buyer acknowledges that the Buyer has received a copy of and has been given an opportunity to read the disclosure statement and any amendments thereto (the "Disclosure Statement"), and the Rental Disclosure Statement, and that this Contract constitutes a receipt in respect thereof. The Buyer also has had opportunity to ask questions of, and receive answers from the Developer concerning the Development, and to obtain such additional information necessary to verify the accuracy of the information contained in the Disclosure Statement in order for the Buyer to evaluate the merits and risks of the purchaser of the Strata Lot.

X	WITNESS	BUYER		PRINT NAME
X	WITNESS	BUYER		PRINT NAME
X	WITNESS	SELLER		PRINT NAME
X	WITNESS	SELLER		PRINT NAME

SCHEDULE "E"

Strata Property Act

FORM J

RENTAL DISCLOSURE STATEMENT

(Section 139)

Re: Strata Plan VIS _____

PID: 026-091-488 Lot 1, Sections 6 And 7, Cortes Island, Sayward District, Plan VIP77516

PID: 009-782-281 Parcel B (DD 142243I) of the South East 1/4 of Section 7, Cortes Island Sayward District, except part in Plan 15428

PID: 000-913-961 The North East 1/4 of Section 3, Cortes Island, Sayward District, As Shown on Plan Deposited Under DD 515541, Except in South 10 Chains of the West 10 Chains Thereof, and Except Those Parts in Plans 9746, 31660 and 36602

1. The development described above includes 23 Bare Land Strata Lots.
2. The Bare Land Strata Lots described below are rented out by the owner developer as of the date of this statement and the owner developer intends to rent out each Strata Lot until the date set out opposite its description.

Description of Strata Lot	Date Rental Period Expires
<i>nil</i>	<i>n/a</i>

3. In addition to the number of Bare Land Strata Lots rented out by the owner developer as of the date of this statement, the owner developer reserves the right to rent out a further 23 Bare Land Strata Lots, as described below, until the date set out opposite each Strata Lot's description.

Description of Strata Lot	Date Rental Period Expires
<i>Strata Lots 1 through 23</i>	<i>January 1, 2106</i>

4. There is no bylaw of the strata corporation that restricts the rental of Strata Lots.

Date: _____, 2006.

Signature of Owner Developer

SCHEDULE "F"

Strata Property Act

FORM Y

OWNER DEVELOPER'S NOTICE OF DIFFERENT BYLAWS

(Section 245(d), Regulations section 14.6(2))

Re: Strata Plan VIS _____, being a strata plan of

[parcel identifiers]

[legal descriptions of strata lots]

The following or attached bylaws differ from the Standard Bylaws under the *Strata Property Act* (the "Act"), as permitted by Section 120 of the Act.

Schedule of Bylaws

Definitions

1. "Act" means British Columbia's *Strata Property Act*, SBC 1998 c.43, and associated regulations;
2. "Breast Height" means a point on a tree at 1.3 metres above the point of germination, measured along the axis of vertical growth;
3. "Conservation Covenant" means the Conservation Covenant enabled under Section 219 of British Columbia's *Land Title Act* and registered on title for all Strata Lots and common property that collectively comprise the Siskin Lane Strata. A copy of the Conservation Covenant is attached hereto in Exhibit A and incorporated herein;
4. "Diameter at Breast Height" means the diameter of a tree at Breast Height;
5. "Emergency Access Lane" means the existing lane as shown in Exhibit C to be used for the purpose of emergency access and egress only, in accordance with the terms and conditions of the Conservation Covenant and section 3 of these bylaws;
6. "Forest Conservation Area" means that part of the common property that is used for Forest Ecosystem Management as shown in Exhibit C attached hereto;
7. "Land" means the Siskin Lane Strata Development, including both Strata Lots and common property, as shown in Exhibit C attached hereto;
8. "Residential Conservation Area" means that part of each Strata Lot that is used for conservation as shown in Exhibit D attached hereto and includes the fifteen metre area adjacent to the inside of each Strata Lot property line;
9. "Residential Use Area" means that part of each Strata Lot that is used for a residential dwelling units, outbuildings and gardens as shown in Exhibit D attached hereto;
10. "Residential Dwelling Unit" means as defined in the Comox-Strathcona Regional District Bylaw 2455; a self-contained unit consisting of one or more rooms designed, occupied or intended for occupancy as a separate household for one family containing not more than one set of kitchen and cooking facilities,

sleeping facilities and/or sanitary facilities. Sanitary facilities may also include outhouse facilities where permitted by Ministry of Health or Waste Management Branch.

11. "The Land Conservancy" ("TLC") means The Land Conservancy of British Columbia, a society registered in British Columbia (Registration No.S-36826) and includes its permitted successors and assignees.

Division 1 -- Duties of Owners, Tenants, Occupants and Visitors

1. Strata fees

- 1.1 Each Owner shall pay the strata fee assessment to the Strata Corporation, in twelve (12) equal payments, unless otherwise stated, to be paid in advance on the first day of each month. From time to time, the Strata may direct that payments of strata fee assessments be remitted to any other person, firm or corporation.
- 1.2 The Strata Corporation is responsible for submitting an annual fee to The Land Conservancy of British Columbia, or their successor, as required under the terms of the Conservation Covenant, attached hereto as Exhibit A and incorporated herein by reference. The Strata Corporation must collect this fee as part of the strata fees. This fee is payable to The Land Conservancy by January 31st each calendar year for the current calendar year's obligation.
- 1.3 Each Owner shall contribute on a monthly basis 1/12 of their pro rata share of the TLC payment during the preceding year in anticipation of the January 31st payment.

2. Liens

- 2.1 The Strata may register a certificate of Lien against a Strata Lot, when an Owner fails to pay the strata fees or a fine incurred under Section 25.1 of these bylaws, or a special levy or the Strata Lot's share of a judgment against the Strata.
- 2.2 The costs of registering a Lien against a Strata Lot or enforcing a lien may be added to the amount owing to the Strata under a Certificate of Lien.

3. Use, Repair and Maintenance of Emergency Access

- 3.1 The Emergency Access Lane is to be used for emergency purposes only. All other motorized use is prohibited. A map of the Emergency Access Lane is included here as Exhibit B.
- 3.2 The Emergency Access Lane cannot exceed 4 metres in width and cannot be paved or covered with any impermeable material.
- 3.3 The Emergency Access Lane must be gated and locked at all times.
- 3.4 The Strata Corporation is responsible for keeping the Emergency Access Lane accessible for emergency vehicle use at all times.

4. Use of Property

- 4.1 In accordance with the Conservation Covenant, the following restrictions apply to the Land:

- (a) No part of the Land may be subdivided;
- (b) No more than one Residential Dwelling Unit is permitted on each Strata Lot;
- (c) The Owner shall not seek rezoning of the Land to any industrial or commercial use;
- (d) The following materials shall not be applied to the Land:
 - (i) Any herbicide, insecticide, fungicide or pesticide;
 - (ii) Any materials which are persistent in the environment or break down into compounds which are persistent and damaging.
- (e) No easements or Rights of Way may be registered on the Land without permission of The Land Conservancy of BC, or their successor. Any easements or Rights of Way must be in compliance with the terms and intent of the Conservation Covenant;
- (f) No in-ground swimming pools shall be allowed;
- (g) No hunting or trapping, for commercial or sport purposes shall be performed or permitted on the Property; and,
- (h) No firearms of any kind shall be discharged or permitted to be discharged on the Property.

4.2 An Owner, tenant, occupant or visitor must not use a Strata Lot, the common property or common assets in a way that:

- (a) causes a nuisance or hazard to another person;
- (b) causes unreasonable noise;
- (c) unreasonably interferes with the rights of other persons to use and enjoy the common property, common assets or another strata lot;
- (d) is illegal, including violations of the terms and conditions of the Conservation Covenant; or,
- (e) is contrary to a purpose for which a Strata Lot or common property is intended as shown expressly or by necessary implication on or by the strata plan.

5. Use of Strata Lots and Common Property

5.1 Owners are responsible for ensuring that all ditches and culverts on their Strata Lot are well maintained and able to perform their intended drainage functions.

5.2 In respect to those areas identified on the Strata Plan as Residential Use Areas, the following restrictions apply:

- (a) No more than 75% of the trees greater than 25 cm Diameter at Breast Height shall be removed, where the 75% figure is based on the number of trees as described in the Conservation Covenant and associated Baseline Report for each Strata Lot;
- (b) The Owner must maintain a record of the number of trees removed and make this available to

the Covenant Holder and the Strata Council on request;

- (c) No wood may be harvested for firewood use except for the collection of naturally occurring windfalls unless the harvested wood is from a tree permitted to be removed in accordance with Section 5.1(a) above;
- (d) The combined total structural footprint of all dwellings, outbuildings and associated structures may not exceed 5000 square feet; and
- (e) Driveways must be built with permeable materials.

5.3 In respect to those areas identified on the Plan as Residential Conservation Areas, including the fifteen metre area adjacent to the inside of each Strata Lot property line, the following restrictions apply:

- (a) No more than 25% of trees greater than 25cm Diameter at Breast Height may be removed, where the 25% figure is based on the number of trees as described in the Conservation Covenant and associated Baseline Report for each Strata Lot;
- (b) The Owner must maintain a record of the number of trees removed and make this available to the Covenant Holder and the Strata Council on request;
- (c) No wood may be harvested for firewood use except for the collection of naturally occurring windfalls unless the harvested wood is from a tree permitted to be removed in accordance with Section 5.2(a) above;
- (d) No fires shall be allowed; and
- (e) No structures shall be built, including fences.

5.4 In accordance with the Conservation Covenant, the following restrictions apply to the area designated as Forest Conservation Area:

- (a) Camping, open fires and any form of motorized recreation are prohibited;
- (b) Public access is permitted on designated public trails in accordance with the Statutory Right of Way registered in favour of the Comox-Strathcona Regional District and attached hereto as Exhibit E;
- (c) No residential dwellings, accessory buildings or any other structures may be constructed, except for buildings or structures in the Community Garden Area that are in accordance with the terms and conditions of the Conservation Covenant;
- (d) No timber may be harvested prior to the year 2065, after which time any timber harvesting must be in compliance with the terms and conditions of the Conservation Covenant and the associated Forest Ecosystem Management Plan;
- (e) Any forest stewardship activities must be in compliance with the Conservation Covenant; and,
- (f) No motorized recreational access is allowed, including but not limited to 4 wheel drive vehicles or all terrain vehicles.

6. Livestock and Domestic Animals

- 6.1 Any livestock must be kept contained within the Residential Use Area of individual Strata Lots and measures must be taken to ensure no impact on water quality or riparian areas within both the Strata Lot and the Siskin Lane property.
- 6.2 Domestic animals must not be permitted to trespass on other Strata Lots.

7. Public Trails

- 7.1 In accordance with the Statutory Right of Way registered in favour of the Comox-Strathcona Regional District, several kilometres of public trails have been established on the Siskin Lane Strata property. Exhibit E includes a copy of the Statutory Right of Way for public trails and an associated map of the public trails.
- 7.2 No fencing is permitted within the Statutory Right of Way.
- 7.3 Trails must be maintained and managed in accordance with the terms and conditions of the Statutory Right of Way. The Strata is not responsible for trail maintenance for public trails.

8. Inform Covenant Holder

- 8.1 Within 4 weeks of becoming an Owner, an Owner must inform the Covenant Holder of the Owner's name, Strata Lot number and mailing address outside the strata plan, if any.
- 8.2 The Owner must notify the Covenant Holder in writing when construction of a Residential Dwelling Unit is to commence and must certify that the Residential Dwelling Unit is in compliance with the terms and conditions of the Conservation Covenant.

9. Inform Strata Corporation

- 9.1 Within 4 weeks of becoming an Owner, an Owner must inform the Strata Corporation of the Owner's name, Strata Lot number and mailing address outside the strata plan, if any.
- 9.2 On request by the Strata Corporation, a tenant must inform the Strata Corporation of his or her name.

10. Obtain Approval before Altering Common Property

- 10.1 An Owner must obtain the written approval of the Strata Corporation before making an alteration to common property or common assets.
- 10.2 The Strata Corporation may require that the Owner agree, in writing, to take responsibility for any expenses relating to the alteration, whether the expenses are incurred by the Owner or the Strata Corporation.
- 10.3 The Strata Corporation must certify, in writing, that the proposed alteration is in accordance with the terms and conditions of the Conservation Covenant.

10.4 The Owner must inform the Covenant Holder about the proposed alteration and that it is in accordance with the terms and conditions of the Conservation Covenant.

11. Permit Entry to Strata Lot and Common Property

11.1 An Owner, tenant, occupant or visitor must allow a person authorized by the Strata Corporation to enter any Strata Lot:

- (a) in an emergency, without notice, to ensure safety or prevent significant loss or damage; and,
- (b) at a reasonable time, on 48 hours' written notice, to inspect, repair or maintain common property, common assets and any portions of a Strata Lot that are the responsibility of the Strata Corporation to repair and maintain under these bylaws or insure under section 149 of the Strata Property Act.

11.2 The notice referred to in subsection 11.1(b) must include the date and approximate time of entry, and the reason for entry.

11.3 An Owner, tenant, occupant or visitor of a Strata Lot, and the Strata Corporation, must allow representatives from The Land Conservancy of BC or its successors to enter the Property for monitoring of the Conservation Covenant or other purposes in accordance with the terms and conditions of the Conservation Covenant.

Division 2 -- Powers and Duties of Strata Corporation

1. Maintenance of Property by Strata Corporation

1.1 The Strata Corporation must repair and maintain all of the common assets of the Strata Corporation so that they are kept in a safe and useable state and are able to perform their intended functions, including but not limited to:

- a. the Siskin Lane strata road;
- b. any ditches and culverts on common property;
- c. all aspects of a building or structure on common property;
- d. fences, railings and similar structures that enclose any building or structure on common property;
- e. infrastructure related to the community garden area; and,
- f. the Emergency Access Lane.

Division 3 – Council

1. Council Size

- 1.1 The council must have at least 3 and not more than 7 members.

2. Council Members' Terms

- 2.1 The term of office of a council member ends at the end of the annual general meeting at which the new council is elected.
- 2.2 An Owner will not be eligible to serve on the Council for more than three consecutive years.
- 2.3 An Owner will not be eligible to stand for nomination and election to Council if at the date of the nomination and election the Owner is in arrears of any strata fee or special assessments and fines outstanding on the Strata Lot account.

3. Removing Council Member

- 3.1 The Strata Corporation may, by a resolution passed by a majority vote at an annual or special general meeting, remove one or more council members.
- 3.2 After removing a council member, the Strata Corporation must hold an election at the same annual or special general meeting to replace the council member for the remainder of the term.

4. Replacing Council Member

- 4.1 If a council member resigns or is unwilling or unable to act for a period of 4 or more months, the remaining members of the council may appoint a replacement council member for the remainder of the term.
- 4.2 A replacement council member may be appointed from any person eligible to sit on the council.
- 4.3 The council may appoint a council member under this section even if the absence of the member being replaced leaves the council without a quorum.
- 4.4 If all the members of the council resign or are unwilling or unable to act for a period of 4 or more months, persons holding at least 25% of the Strata Corporation's votes may hold a special general meeting to elect a new council by complying with the provisions of the Strata Property Act, the regulations and the bylaws respecting the calling and holding of meetings.

5. Officers

- 5.1 At the first meeting of the council held after each annual general meeting of the Strata Corporation, the council must elect, from among its members, a president, a vice president, a secretary and a treasurer.

- 5.2 A person may hold more than one office at a time, other than the offices of president and vice president.
- 5.3 The vice president has the powers and duties of the president:
- (a) while the president is absent or is unwilling or unable to act; or,
 - (b) for the remainder of the president's term if the president ceases to hold office.
- 5.4 If an officer other than the president is unwilling or unable to act for a period of 4 or more months, the council members may appoint a replacement officer from among themselves for the remainder of the term.

6. Calling Council Meetings

- 6.1 Any council member may call a council meeting by giving the other council members at least three week's notice of the meeting, specifying the reason for calling the meeting.
- 6.2 The notice may be delivered via electronic mail, Canada Post or verbally.
- 6.3 A council meeting may be held on less than three week's notice if:
- (a) all council members consent in advance of the meeting; or,
 - (b) the meeting is required to deal with an emergency situation, and all council members either:
 - (i) consent in advance of the meeting; or,
 - (ii) are unavailable to provide consent after reasonable attempts to contact them.
- 6.4 The council must inform Owners about a council meeting as soon as feasible after the meeting has been called.

7. Requisition of Council Hearing

- 7.1 By application in writing, stating the reason for the request, an Owner or tenant may request a hearing at a council meeting.
- 7.2 If a hearing is requested under subsection 19.1, the council must hold a meeting to hear the applicant within one month of the request.
- 7.3 If the purpose of the hearing is to seek a decision of the council, the council must give the applicant a written decision within one week of the hearing.

8. Quorum of Council

- 8.1 A quorum of the council is three if Council is five or less, and four if Council is six or seven.

8.2 Council members must be present in person or on the phone at the council meeting to be counted in establishing quorum.

9. Council Meetings

9.1 At the option of the council, council meetings may be held by electronic means, so long as all council members and other participants can communicate with each other. If a council meeting is held by electronic means, council members are deemed to be present in person.

9.2 Owners and tenants may attend council meetings as observers.

9.3 Despite subsection 21.2, no observers may attend those portions of council meetings that deal with any of the following:

- (a) bylaw contravention hearings under section 135 of the Strata Property Act;
- (b) rental restriction bylaw exemption hearings under section 144 of the Strata Property Act; or,
- (c) any other matters if the presence of observers would, in the council's opinion, unreasonably interfere with an individual's privacy.

10. Voting at Council Meetings

10.1 At council meetings, decisions must be made by a majority of council members present in person at the meeting.

10.2 If there is a tie vote at a council meeting, the president may break the tie by casting a second, deciding vote.

10.3 The results of all votes at a council meeting must be recorded in the council meeting minutes.

11. Council to Inform Owners of Minutes

11.1 The council must inform Owners of the minutes of all council meetings within 4 weeks of the meeting, whether or not the minutes have been approved.

12. Delegation of Council's Powers and Duties

12.1 Subject to subsections 24.2, 24.3 and 24.4, the council may delegate some or all of its powers and duties to one or more council members or persons who are not members of the council, and may revoke the delegation.

12.2 The council may delegate its spending powers or duties, but only by a resolution that:

- (a) delegates the authority to make an expenditure of a specific amount for a specific purpose; or,

(b) delegates the general authority to make expenditures in accordance with subsection 24.3.

12.3 A delegation of a general authority to make expenditures must:

(c) set a maximum amount that may be spent; and,

(d) indicate the purposes for which, or the conditions under which, the money may be spent.

12.4 The council may not delegate its powers to determine, based on the facts of a particular case:

(e) whether a person has contravened a bylaw or rule,

(f) whether a person should be fined, and the amount of the fine; or,

(g) whether a person should be denied access to a common property facility.

13. Spending Restrictions

13.1 A person may not spend the Strata Corporation's money unless the person has been delegated the power to do so in accordance with these bylaws.

13.2 Despite subsection 25.1, a council member may spend the Strata Corporation's money to repair or replace common property or common assets if the repair or replacement is immediately required to ensure safety or prevent significant loss or damage.

14. Limitation on Liability of Council Member

14.1 A council member who acts honestly and in good faith is not personally liable because of anything done or omitted in the exercise or intended exercise of any power or the performance or intended performance of any duty of the council.

14.2 Subsection 26.1 does not affect a council member's liability, as an Owner, for a judgment against the Strata Corporation.

Division 4 -- Enforcement of Bylaws and Rules

1. Maximum Fine

1.2 The Strata Corporation may fine an Owner a maximum of:

(a) \$200 for each contravention of a bylaw; and,

(b) \$50 for each contravention of a rule.

2. Continuing Contravention

- 2.1 If an activity or lack of activity that constitutes a contravention of a bylaw or rule continues, without interruption, for longer than 7 days, a fine may be imposed every 7 days.
- 2.2 If an Owner performs, or fails to perform, work on or to a Strata Lot which act or failure to act constitutes a violation of a bylaw or rule, for a period of seven days or more following receipt of notice of such contravention from the Strata Corporation, the Strata Corporation may remedy the contravention or perform the work required on or to the Strata Lot.
- 2.3 If the Owner appeals the notice of bylaw contravention or work order imposed by the Strata Corporation, and advises the strata corporation in writing of the appeal, the Strata Corporation must wait for the results of the appeal.
- 2.4 Except in an emergency, the Strata Corporation must notify the Owner in writing of its intention to do the work required on or to a Strata Lot which the owner has failed to do, at least one week before starting the work.
- 2.5 The Owner must reimburse the strata corporation for any money the strata corporation spends doing the work on or to the strata lot under this section.

Division 5 -- Annual and Special General Meetings

1. Person to Chair Meeting

- 1.1 Annual and special general meetings must be chaired by the president of the council.
- 1.2 If the president of the council is unwilling or unable to act, the meeting must be chaired by the vice president of the council.
- 1.3 If neither the president nor the vice president of the council chairs the meeting, a chair must be elected by the eligible voters present in person or by proxy from among those persons who are present at the meeting.

2. Participation by Other Than Eligible Voters

- 2.1 Tenants and occupants may attend annual and special general meetings, whether or not they are eligible to vote.
- 2.2 Persons who are not eligible to vote, including tenants and occupants, may participate in the discussion at the meeting.
- 2.3 Persons who are not eligible to vote, including tenants and occupants, must leave the meeting if requested to do so by a resolution passed by a majority vote at the meeting.

3. Voting

- 3.1 At an annual or special general meeting, voting cards must be issued to eligible voters.
- 3.2 At an annual or special general meeting a vote is decided on a show of voting cards, unless an eligible voter requests a precise count.
- 3.3 If a precise count is requested, the chair must decide whether it will be by show of voting cards or by roll call, secret ballot or some other method.
- 3.4 The outcome of each vote, including the number of votes for and against the resolution if a precise count is requested, must be announced by the chair and recorded in the minutes of the meeting.
- 3.5 If there is a tie vote at an annual or special general meeting, the president, or, if the president is absent or unable or unwilling to vote, the vice president, may break the tie by casting a second, deciding vote.
- 3.6 Despite anything in this section, an election of council or any other vote must be held by secret ballot, if the secret ballot is requested by an eligible voter.

4. Order of Business

- 4.1 The order of business at annual and special general meetings is as follows:
 - (a) certify proxies and corporate representatives and issue voting cards;
 - (b) determine that there is a quorum;
 - (c) elect a person to chair the meeting, if necessary;
 - (d) present to the meeting proof of notice of meeting or waiver of notice;
 - (e) approve the agenda;
 - (f) approve minutes from the last annual or special general meeting;
 - (g) deal with unfinished business;
 - (h) receive reports of council activities and decisions since the previous annual general meeting, including reports of committees, if the meeting is an annual general meeting;
 - (i) ratify any new rules made by the Strata Corporation under section 125 of the Strata Property Act;
 - (j) report on insurance coverage in accordance with section 154 of the Strata Property Act, if the meeting is an annual general meeting;
 - (k) approve the budget for the coming year in accordance with section 103 of the Strata Property Act, if the meeting is an annual general meeting;
 - (l) deal with new business, including any matters about which notice has been given under section

- 45 of the Strata Property Act;
- (m) elect a council, if the meeting is an annual general meeting;
- (n) terminate the meeting.

Division 6 -- Voluntary Dispute Resolution

1. Voluntary Dispute Resolution

- 1.1 A dispute among Owners, tenants, the Strata Corporation or any combination of them may be referred to a dispute resolution committee by a party to the dispute if:
 - (a) all the parties to the dispute consent, and
 - (b) the dispute involves the Strata Property Act, the regulations, the bylaws or the rules.
- 1.2 A dispute resolution committee consists of:
 - (a) one Owner or tenant of the Strata Corporation nominated by each of the disputing parties and one Owner or tenant chosen to chair the committee by the persons nominated by the disputing parties, or
 - (b) any number of persons consented to, or chosen by a method that is consented to, by all the disputing parties.
- 1.3 The dispute resolution committee must attempt to help the disputing parties voluntarily end the dispute.

Division 7 -- Marketing Activities by Owner Developer

1. Display Lot

- 1.1 An Owner Developer who has an unsold Strata Lot may carry on sales functions that relate to its sale, including the posting of signs.
- 1.2 An Owner Developer may use a Strata Lot, that the Owner developer owns or rents, as a display lot for the sale of other Strata Lots in the strata plan.

Date: _____

Signature of Owner Developer

The following pages are included as Exhibits to the Siskin Lane Strata Bylaws:

Exhibit A: Land Title Act Section 219 Conservation Covenant for Siskin Lane Strata

(the Conservation Covenant is attached as Exhibit "H" to the Disclosure Statement)

Exhibit B: Map of Emergency Access Lane

(this Map is attached as Schedule E to the Conservation Covenant, which is Schedule "H" to the Disclosure Statement)

Exhibit C: Map of Siskin Lane Strata including Strata Lots and Common Property

Exhibit D: Map of Residential Conservation Areas and Residential Use Areas

Exhibit E: Statutory Right of Way for Public Trails and associated Map of Trails

(the above Exhibits C, D and E are available for viewing on Renewal Land Company's website:
www.cortesisland.com/renewal)

SCHEDULE "G"
HEALTH COVENANT

LAND TITLE ACT
FORM C (Section 233(1))
Province of British Columbia

GENERAL INSTRUMENT – PART 1

(This area for Land Title Office use)

Page 1 of 12 pages

1. APPLICATION: (Name, address, phone number and signature of applicant, applicant's solicitor or agent)

_____, c/o LANDO & COMPANY, Barristers &
Solicitors, (Client #010394), P.O. Box 11140, 2010 – 1055 West Georgia
Street, Vancouver, British Columbia, V6E 3P3 Telephone: 682-6821
File Ref: 48814/12– **Health Covenant for Septic Fields**

Signature of Authorized Agent

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

SEE SCHEDULE SEE SCHEDULE

3. NATURE OF INTEREST: *

DESCRIPTION
SEE SCHEDULE

DOCUMENT REFERENCE
SEE SCHEDULE

PERSON ENTITLED TO INTEREST
SEE SCHEDULE

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

- (a) Filed Standard Charge Terms D.F. No.
(b) Express Charge Terms Annexed as Part 2
(c) Release There is no Part 2 of this instrument

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument. If (c) is selected, the charge described in Item 3 is released or discharged as a charge on the land described in Item 2.

5. TRANSFEROR(S):

SEE SCHEDULE

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

VANCOUVER ISLAND HEALTH AUTHORITY, a body designated by the Minister of Sustainable Resource Management under Section 219 (3) (c) of the *Land Title Act*, and having its offices at #200, 1100 Island Highway, Campbell River, British Columbia, V9W 8C6

7. ADDITIONAL OR MODIFIED TERMS: *

N/A

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

	Execution Date		
Officer Signature(s)	Y	M	D
_____	2006		Party(ies) Signature(s) RENEWAL LAND COMPANY LTD. by its authorized signatory(ies)
			_____ Print Name Authorized Signatory

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act* R.S.B.C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

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

** If space insufficient, continue executions on additional page(s) in Form D.

OFFICER SIGNATURE(S)

EXECUTION DATE

PARTY SIGNATURE(S)

Y M D

2006		
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VANCOUVER CITY SAVINGS CREDIT UNION

by its signatory(ies)

Print Name:

Print Name:

(as to both signatures)

OFFICER SIGNATURE(S)

EXECUTION DATE

PARTY SIGNATURE(S)

Y M D

2006		
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VANCITY CAPITAL CORPORATION

by its authorized signatory(ies)

Print Name
Authorized Signatory

Print Name
Authorized Signatory

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the **Evidence Act R.S.B.C. 1996, c. 124**, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the **Land Title Act** as they pertain to the execution of this instrument.

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

OFFICER SIGNATURE(S)

EXECUTION DATE

PARTY SIGNATURE(S)

Y M D

2006		
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**VANCOUVER ISLAND HEALTH
AUTHORITY**

by its authorized signatory(ies)

Print Name:

as represented by the Ministry of Transportation

(as to both signatures)

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the **Evidence Act** R.S.B.C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the **Land Title Act** as they pertain to the execution of this instrument.

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM,
MORTGAGE FORM OR GENERAL DOCUMENT FORM.

2. **PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:***

(PID)	(LEGAL DESCRIPTION)
_____	Strata Lot 1, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 2, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 3, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 4, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 5, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 6, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 7, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 8, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 9, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 10, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 11, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 12, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 13, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 14, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 15, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 16, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 17, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 18, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 19, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 20, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 21, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 22, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 23, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Lot A, Plan VIP _____, Sections 3, 6 and 7, Cortes Island, Sayward District
_____	Lot B, Plan VIP _____, Sections 3, 6 and 7, Cortes Island, Sayward District

LAND TITLE ACT
FORM E

SCHEDULE

Page 5 of 12 pages

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM OR GENERAL DOCUMENT FORM.

3. NATURE OF INTEREST:*

DESCRIPTION	DOCUMENT REFERENCE	PERSON ENTITLED TO INTEREST
S.219 Covenant (Health Covenant – Septic Fields)	Page 7	TRANSFEEE
Priority Agreement granting S.219 Covenant priority over Mortgage EV143390 as extended by EW150579 and Assignment of Rents EV143391 as extended by EW150580; and over Mortgage EW119261 as extended by _____ and Assignment of Rents EW119262 as extended by _____	Page 10	TRANSFEEE
Priority Agreement granting S.219 Covenant priority over Mortgage EV143392 as extended by EW150581 and Assignment of Rents EV143393 as extended by EW150582	Page 11	TRANSFEEE

5. TRANSFEROR(S):*

RENEWAL LAND COMPANY LTD. (Inc. No. BC0668917) of 610 – 220 Cambie Street, Vancouver, British Columbia V6B 2M9 (as to grant of Covenants)

VANCOUVER CITY SAVINGS CREDIT UNION (Inc. F197) having a branch office and postal address at 183 Terminal, Vancouver, British Columbia, V6A 4G2 (as to Priority Agreement)

VANCITY CAPITAL CORPORATION, (Inc. No. 530632) having an office at 700 – 815 West Hastings Street, Vancouver, British Columbia V6E 1B4 (as to Priority Agreement)

PART 2 – TERMS OF INSTRUMENT

RESTRICTIVE COVENANT

(Health Covenant for Septic Fields)

This Agreement is made as of _____, 2006

BETWEEN:

RENEWAL LAND COMPANY LTD., (Inc. No. BC0668917) a company incorporated under the laws of British Columbia and having a registered and records office at 610 – 220 Cambie Street, Vancouver, BC V6B 2M9

(the “Grantor”)

VANCOUVER ISLAND HEALTH AUTHORITY, a body designated by the Minister of Sustainable Resource Management under Section 219 (3) (c) of the *Land Title Act*, and having its offices at #200, 1100 Island Highway, Campbell River, British Columbia, V9W 8C6

(the “Grantee”)

WHEREAS:

- A. The Grantor is the registered owner in fee simple of those lands and premises situated on Cortes Island, in the Province of British Columbia, more particularly know and described as:

PID:

LEGAL DESCRIPTION:

_____	Strata Lot 1, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 2, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 3, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 4, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 5, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 6, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
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_____	Strata Lot 11, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 12, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 13, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 14, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
_____	Strata Lot 15, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____

- _____ Strata Lot 16, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
- _____ Strata Lot 17, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
- _____ Strata Lot 18, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
- _____ Strata Lot 19, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
- _____ Strata Lot 20, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
- _____ Strata Lot 21, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
- _____ Strata Lot 22, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
- _____ Strata Lot 23, Sections 3, 6 and 7, Cortes Island, Sayward District, Strata Plan VIS _____
- _____ Lot A, Plan VIP _____, Sections 3, 6 and 7, Cortes Island, Sayward District
- _____ Lot B, Plan VIP _____, Sections 3, 6 and 7, Cortes Island, Sayward District

(collectively the "Lands");

- B. The Grantee is the Vancouver Island Health Authority with offices at #200 – 1100 Island Highway, Campbell River, B.C. V9W 8C6;
- C. The Grantee has been designated by the Minister of Sustainable Resource Management under Section 219(3)(c) of the *Land Title Act*; and
- D. The Grantee requires and the Grantor has agreed to grant to the Grantee this covenant for the purpose of ensuring the reservation and designation of specific areas of the Lands as sewage disposal areas pursuant to the terms herein set forth.

NOW THEREFORE, in consideration of the premises and the covenants herein contained and for other valuable consideration, receipt and sufficiency of which is hereby acknowledged by the parties, the parties hereto covenant and agree with the other as follows:

The Grantor covenants and agrees:

- 1. The Grantor covenants and agrees:
 - (a) to set aside, reserve and use only for sewage disposal purposes those parts of the Lands designated as "sewage disposal areas" as shown outlined in heavy black on each of Strata Lots 1 through 23 and Lots A and B, marked as AREAS 1 through 28, respectively, on the Reference Plan prepared by Michael S. Manson B.C.L.S., dated January 20th, 2006, and registered in the Victoria Land Title Office under Plan number _____, a reduced copy of which is attached hereto as Schedule "A", which "sewage disposal areas" are collectively referred to in this Agreement as the "Covenant Areas";
 - (b) that any sewage disposal system installed, constructed or brought on to the Lands shall be located only within the Covenant Areas unless written permission is given to the Grantor by the Grantee to locate a sewage disposal system in another location on the Lands;
 - (c) If a sewage disposal system is permitted under paragraph 1(b) to be located other than within the Covenant Areas, the Covenant Areas shall nevertheless continue to be set aside and reserved in accordance with subparagraph 1(a) hereof; and

- (d) for the purpose of this Agreement, the terms “sewage disposal” and “sewage disposal system” shall have the meaning ascribed to them by the Sewerage System Regulation under the British Columbia *Health Act* or any successor legislation.
2. The Grantor and the Grantee agree that the enforcement of this Agreement shall be entirely within the discretion of the Grantee and that the execution and registration of this covenant against the title to the Lands shall not be interpreted as creating any duty on the part of the Grantee to the Grantor or to any other person to enforce any provision, or the breach of any provision, of this Agreement.
 3. Nothing contained or implied herein will prejudice or affect the rights and powers of the Grantee in the exercise of its functions under any public and private statutes, bylaws, orders and regulations, all of which may be fully and effectively exercised in relation to the Lands as if this Agreement had not been executed and delivered by the Grantor.
 4. The Grantor hereby releases and forever discharges the Grantee of and from any claim, cause of action, suit, demand, expenses, costs and legal fees whatsoever which the Grantor can or may have against the said Grantee for any loss or damage or injury that the Grantor may sustain or suffer arising out of the issuance of a permit under this Agreement or arising out of any breach, violation or non-performance of any term, condition, covenant or other provision of this Agreement.
 5. The Grantor hereby covenants and agrees to indemnify and save harmless the Grantee from any and all claims, causes of action, suits demands, expenses, costs and legal fees whatsoever that anyone might have as owner, occupier or user of the Land, or by a person who has an interest in or comes onto the Land, or by anyone who suffers loss of life or injury to his person or property, that arises out of the issuance of a permit under this Agreement or arising out of any breach, violation or non-performance of any term, condition, covenant or other provision of this Agreement.
 6. It is mutually understood, acknowledged and agreed by the parties hereto that the Grantee has made no representations, covenants, warranties, guarantees, promises or Agreements (oral or otherwise) with the Grantor other than those contained in this Agreement.
 7. This Agreement shall be registered as a first charge against the Lands and the Grantor agrees to execute and deliver all other documents and provide all other assurances necessary to give effect to the covenants contained in this Agreement.
 8. The Grantor shall pay the legal fees of the Grantee in connection with the preparation and registration of this Agreement and shall provide the Grantee with a registered copy of it.
 9. The Grantor covenants and agrees for itself, its heirs, executors, successors and assigns, that it will at all times perform and observe the requirements and restrictions hereinbefore set out and they shall be binding upon the Grantor as personal covenants only during the period of its respective ownership of any interest in the Lands.
 10. The restrictions and covenants herein contained shall be covenants running with the Land and shall be perpetual, and shall continue to bind all of the Lands when subdivided, and shall be registered in the Victoria Land Title Office pursuant to Section 219 of the *Land Title Act* as covenants in favour of the Grantee as a first charge against the Lands.
 11. This Agreement shall enure to the benefit of the Grantee and shall be binding upon the parties hereto and their respective heirs, executors, successors and assigns.

12. Where ever the expressions "Grantor" and Grantee" are used herein, they shall be construed as meaning the plural, feminine or body corporate or politic where the context or the parties so require.
13. The Grantor agrees to do or cause to be done all things and execute all other documents and provide all other assurances necessary to give effect to the covenants contained in this Agreement.
14. This Agreement will be interpreted according to the laws of the Province of British Columbia.

IN WITNESS WHEREOF the parties hereto hereby acknowledge that this Agreement has been duly executed and delivered by the parties executing Forms C and D (pages 1, 2 and 3) attached hereto.

CONSENT AND PRIORITY AGREEMENT

WHEREAS Vancouver City Savings Credit Union. (the "Chargeholder") is the holder of Mortgages and Assignments of Rents, which Mortgages and Assignments of Rents are registered respectively in the Victoria Land Title Office under instrument numbers EV143390 as extended by EW150579, EW119261 as extended by _____; EV143391 as extended by EW150580, and and EW119262 as extended by _____ (together, the "Charges") encumbering the Lands described in the attached Section 219 Covenant.

THEREFORE THIS CONSENT AND PRIORITY AGREEMENT WITNESSETH THAT:

1. The Chargeholder hereby consents to the granting and registration of the attached Section 219 Covenant and the Chargeholder hereby agrees that the Section 219 Covenant shall be binding upon its interest in and to the Lands described in the Section 219 Covenant.
2. The Chargeholder hereby grants to the grantee of the Section 219 Covenant priority for the Section 219 Covenant over the Chargeholder's right, title and interest in and to the Lands described in the Section 219 Covenant and the Chargeholder does hereby postpone the Charges and all of its right, title and interest thereunder to the Section 219 Covenant as if the Section 219 Covenant had been executed, delivered and registered prior to the execution, delivery and registration of the Charges and prior to the advance of any funds thereunder.

IN WITNESS WHEREOF the Chargeholder has executed the Consent and Priority Agreement of the Form D above.

CONSENT AND PRIORITY AGREEMENT

WHEREAS VanCity Capital Corporation (the "Chargeholder") is the holder of Mortgages and Assignments of Rents, which Mortgages and Assignments of Rents are registered respectively in the Victoria Land Title Office under instrument numbers EV143392 as extended by EW150581; and EV143393 as extended by EW150582 (together, the "Charges") encumbering the Lands described in the attached Section 219 Covenant.

THEREFORE THIS CONSENT AND PRIORITY AGREEMENT WITNESSETH THAT:

1. The Chargeholder hereby consents to the granting and registration of the attached Section 219 Covenant and the Chargeholder hereby agrees that the Section 219 Covenant shall be binding upon its interest in and to the Lands described in the Section 219 Covenant.

2. The Chargeholder hereby grants to the grantee of the Section 219 Covenant priority for the Section 219 Covenant over the Chargeholder's right, title and interest in and to the Lands described in the Section 219 Covenant and the Chargeholder does hereby postpone the Charges and all of its right, title and interest thereunder to the Section 219 Covenant as if the Section 219 Covenant had been executed, delivered and registered prior to the execution, delivery and registration of the Charges and prior to the advance of any funds thereunder.

IN WITNESS WHEREOF the Chargeholder has executed the Consent and Priority Agreement of the Form D above.

REFERENCE PLAN OF COVENANT OVER STRATA LOTS 1 TO 23, STRATA PLAN VIS _____
and LOTS A AND B, PLAN VIP _____, SECTIONS 3, 6 AND 7, CORTES ISLAND, SAYWARD DISTRICT

PLAN _____

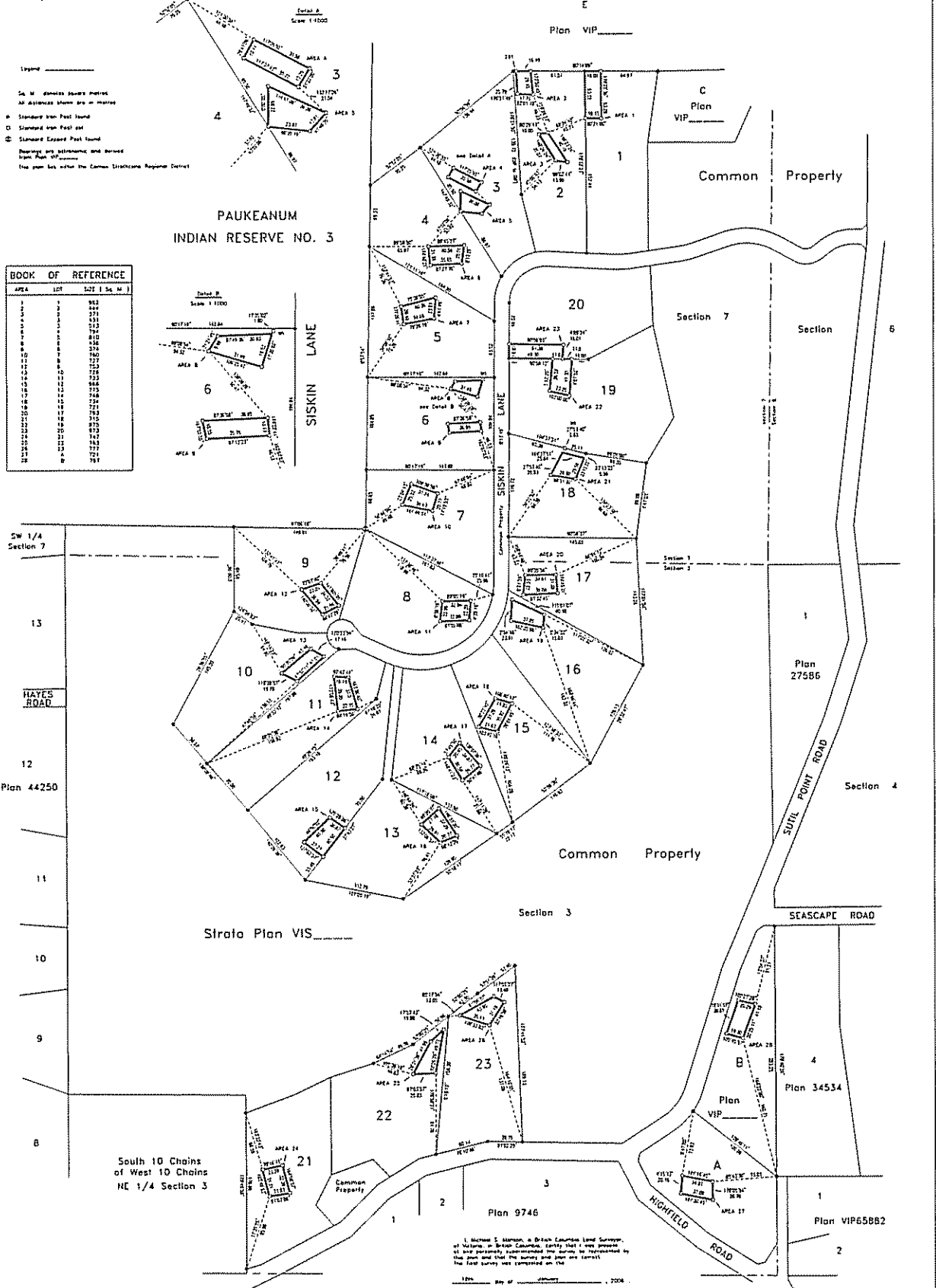
Inscribed in the Land Title Office of Victoria, B.C., the _____ day of _____, 2006



Scale 1:1000
0 20 40 60 80 100 120 140 160 180 200

- Legend
- SM: M. dimensioned survey points
 - All distances shown are in metres
 - Standard Iron Post found
 - Standard Iron Post set
 - Standard Copper Post found
- Boundaries are determined and derived from Plan VIP _____
The plan lies within the Courtenay Stratazone Regional District

BOOK OF REFERENCE		
AREA	LOT	SIZE (Sq. M.)
1	1	982
2	2	848
3	3	271
4	4	133
5	5	212
6	6	212
7	7	212
8	8	212
9	9	212
10	10	212
11	11	212
12	12	212
13	13	212
14	14	212
15	15	212
16	16	212
17	17	212
18	18	212
19	19	212
20	20	212
21	21	212
22	22	212
23	23	212
24	24	212
25	25	212
26	26	212
27	27	212
28	28	212



I, Nicholas S. Alston, a British Columbia Land Surveyor,
of Victoria, in British Columbia, certify that I was present
at the parcel(s) represented on this plan as represented by
this plan and that the survey and plan are correct.
The field survey was completed on the _____ day of _____, 2006.

The plan was prepared and checked, and the thickness laid under §
4142B, on the _____ day of _____, 2006.

SCHEDULE "H"
CONSERVATION COVENANT

LAND TITLE ACT
FORM C

Province of
British Columbia

GENERAL INSTRUMENT - PART I (This area for Land Title Office Use)

Page 1 of 38 Pages

1. Application: (Name, address, phone number and signature of applicant, applicant's solicitor or agent)

William C. Turner
TLC The Land Conservancy
2709 Shoreline Drive
Victoria, BC V9B 1M 5

Signature of William C. Turner

2. Parcel Identifier(s) and Legal Description(s) of Land:

The Common Property and Strata Lots 1-23 of Strata Plan VIS _____ Lot D, Sections 3, 6 and 7, Cortes Island, Sayward District.

3. Nature of Interest:*

DESCRIPTION	DOCUMENT REFERENCE (page and paragraph)	PERSON ENTITLED TO INTEREST
Section 219 Covenant	Entire instrument	Transferee
Section 218 Statutory Right of Way	Section 9	Transferee
Rent Charge	Section 11	Transferee

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

- (a) Filed Standard Charge Terms _____ D.F. No.
(b) Express Charge Terms Annexed as Part 2
(c) Release _____ There is no Part 2 of this instrument

A selection of (a) includes any additional or modified terms referred to in item 7 or in a schedule annexed to this instrument. If (c) is selected, the charge described in Item 3 is released or discharged as a charge on the land described in Item 2.

5. Transferor(s):*

RENEWAL LAND COMPANY, a company incorporated in British Columbia
(Incorporation No. 668917), 610-220 Cambie Street, Vancouver BC, V6B 2M9.

6. Transferee(s): (Including occupation(s), postal address(es) and postal code(s))*

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA, a society registered in British Columbia (Registration No. S-36826), 2709 Shoreline Dr, Victoria BC V9B 1M5

7. Additional or Modified Terms:*

N/A

LAND TITLE ACT
FORM C

Province of
British Columbia

GENERAL INSTRUMENT - PART I

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

EXECUTION DATE

Officer Signature(s):

Y M D
06 03 29

Party(ies) Signature(s)

RENEWAL LAND COMPANY by its
authorized signatory(s)

(as to signature)

06

TLC THE LAND CONSERVANCY OF
BRITISH COLUMBIA by its authorized
signatory(s)

Print name, address and occupation

William Turner

print name

(as to both signatures)

OFFICER CERTIFICATION: Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1979, c. 116 to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

- * If space is insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.
- ** If space is insufficient, continue executions on additional pages in Form D

TERMS OF INSTRUMENT - PART 2

**Section 219 Conservation Covenant and
Section 218 Statutory Right of Way**

The Agreement is dated for reference the ___ day of April, 2006, is

BETWEEN:

RENEWAL LAND COMPANY (Incorporation No. 668917)
(the "Owner")

AND:

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA, (Reg. No. S-36826)
("The Land Conservancy")

WHEREAS:

- A. The Owner is the registered owner of the Land;
- B. The Land contains significant amenities, including flora, fauna and natural features, of great importance to the Owner, to the Covenant Holder, and to the public;
- C. Forest land stewardship and the sustainable use of forests entails protecting and maintaining the integrity of forest ecosystems;
- D. Past logging and clearing on the Land has greatly reduced the naturally occurring extent (quantity and density) of Mature Forest and Old Growth Forest and has impacted the integrity of the forest ecosystems on the Land;
- E. The depletion of Mature and Old Growth Forest is potentially detrimental to the many native species that require Mature and Old Growth Forest habitats;
- F. A statutory right of way pursuant to s. 218 of the *Land Title Act of British Columbia* in favour of the Covenant Holder is necessary for the operation and maintenance of the undertakings of the Covenant Holder;
- G. TLC The Land Conservancy of British Columbia has been designated by the then Minister of Environment, Lands and Parks as a person authorized to accept covenants under s. 219 of the *Land Title Act of British Columbia* and as a person authorized to accept statutory rights of way pursuant to s. 218 of the *Land Title Act of British Columbia*;

In consideration of the payment of two dollars (\$2.00) now paid by the Covenant Holder to the Owner (the receipt and sufficiency of which is acknowledged by the Owner), and in consideration of the promises exchanged below, the parties agree as follows, in accordance with sections 218 and 219 of the *Land Title Act* (British Columbia):

1. Definitions and Interpretation

1.1 In this Agreement:

- (a) "Amenity" includes any natural, scientific, environmental, wildlife, plant life or cultural value relating to the Land;
- (b) "Biodiversity" means the variety of life and its processes, and encompasses genetic, species, assemblage, ecosystem and landscape levels of biological organization and their structural, compositional and functional components;
- (c) "Breast Height" means a point on a tree at 1.3 metres above the point of germination, measured along the axis of vertical growth;
- (d) "Business Day" means, a day on which the Land Title Office in New Westminster BC, or its successor, is open;
- (e) "Community Garden Access Trail" means a trail established to provide access to the Community Garden Area in accordance with Schedule C of this Agreement;
- (f) "Community Garden Area" means that part of the Land that is used for gardening or orchards in accordance with Schedule C of this Agreement;
- (g) "Covenant Holder" means, unless the context otherwise requires, TLC The Land Conservancy of British Columbia;
- (h) "CPI" means the All-Items Consumer Price Index published by Statistics Canada, or its successor in function, for Vancouver, British Columbia, where 2005 equals 100;
- (i) "Diameter at Breast Height" means the diameter of a tree at Breast Height;
- (j) "Emergency Access Lane" means the existing trail as shown in Schedule E of this Agreement to be used for the purpose of emergency access and egress only.
- (k) "Forest Ecosystem Management" means an adaptive approach to managing human activities that seeks to ensure the co-existence of healthy, fully functioning ecosystems and human communities;
- (l) "Forest Ecosystem Management Plan" means a plan for the management of the Forest Conservation Area, including but not limited to timber harvesting activities, that has been prepared in accordance with Schedule B of this Agreement;

- (m) "Forest Conservation Area" means that part of the Land that is used for Forest Ecosystem Management as shown in Schedule D of this Agreement;
- (n) "Land" means the Common Property of Strata Plan VIS_____, Lot D, Sections 3,6, and 7, Cortes Island, Sayward District and Strata Lots 1-23, Strata Plan VIS_____, Lot D, Sections 3,6, and 7, Cortes Island, Sayward District, including those areas shown as Residential Conservation Area, Residential Use Area and Forest Conservation Area in Schedule D of this Agreement;
- (o) "Mature Forest" means a forest ecosystem containing a complex set of ecological conditions and attributes, including large standing and fallen trees, well-developed understory vegetation, gaps in the canopy, multiple canopy layers, a diversity of tree ages, diameter classes and degrees of decadence, large biomass of live and dead wood of varying sizes and degrees of decadence and a significant majority of old trees, where the significant majority of dominant and co-dominant trees are 80 years or older;
- (p) "Natural State" means the state of the Land as described in the Report with:
 - (i) such gradual changes thereto as occur over time as a result of natural processes, including windthrow and usual seasonal flooding and erosion; and
 - (ii) such changes thereto as may from time to time take place as a result of the use of the Land in compliance with the provisions of this Instrument;
- (q) "Notice of Enforcement" means a notice of enforcement given by the Covenant Holder in this Agreement;
- (r) "Old Growth Forest" means a forest ecosystem containing a complex set of ecological conditions and attributes, including large standing and fallen trees, well developed understory vegetation, gaps in the canopy, multiple canopy layers, a diversity of tree ages, diameter classes and degrees of decadence, large biomass of live and dead wood of varying sizes and degrees of decadence and a significant majority of old trees, where the significant majority of dominant and co-dominant trees are 140 years or older;
- (s) "Owner" means Renewal Land Company Ltd. and includes Successors of the Owner in this Agreement;
- (t) "Public Trails" means a network of recreational trails to be used for non-motorized purposes only, in accordance with a Statutory Right-of-Way held by the Comox-Strathcona Regional District, as shown in Schedule F of this Agreement;
- (u) "Rent Charge" means the rent charge granted by the Owner under section 11;

- (v) "Rent Charge Amount" means the amount set out in section 11.2, the payment of which is secured by the Rent Charge;
- (w) "Rent Charge Monitoring Fee" means the amount set out in section 11.3, the payment of which is intended to contribute to the annual costs of monitoring this Agreement;
- (x) "Report" means the baseline documentation report that describes the Land and the Amenities in the form of text, maps, photographs and other records of the Land and the Amenities as of the date of registration of this Agreement, a copy of which is on file with each of the parties at the addresses set out in this Agreement, and an overview of which is attached as Schedule A to this Agreement;
- (y) "Residential Conservation Area" means that part of the Land that is used for conservation as shown in Schedule D of this Agreement, including the fifteen metre area adjacent to the inside of each Strata Lot property line;
- (z) "Residential Dwelling Unit" means either a self-contained unit designed, occupied or intended for occupancy as a separate household for one family containing not more than one set of kitchen and cooking facilities, sleeping facilities and/or sanitary facilities or the most current definition used by the Comox-Strathcona Regional District for Cortes Island Zoning Bylaw purposes.
- (aa) "Residential Use Area" means that part of the Land that is used for a Residential Dwelling Unit and outbuildings and gardens as shown in Schedule D of this Agreement;
- (bb) "Siskin Lane Strata Subdivision" means the bare land strata described as Strata Plan VIS_____, Lot D, Sections 3,6 and 7, Cortes Island, Sayward District, encompassing all of the Land and includes those areas shown as Residential Conservation Area, Residential Use Area and Forest Conservation Area in Schedule D of this Agreement;
- (cc) "Successor" means a person who, at any time after registration of this Agreement, becomes the registered owner of the Land or any part of the land by any means, including a beneficial owner;
- (dd) "Sustainable" means meeting the needs of the present generation, while placing priority on the protection of natural systems and without exceeding the limits of natural systems to replenish themselves and maintain their structure, composition and function, without compromising the ability of future generations to meet their needs; and
- (ee) "The Land Conservancy" means TLC The Land Conservancy of British Columbia, a society registered in British Columbia (Registration No.S-36826) and includes its permitted successors and assignees as provided in Section 13.

1.2 Where this Agreement says something is in the "Sole Discretion" of a party, that thing is within the sole, absolute and unfettered discretion of that party.

1.3 This Agreement shall be interpreted in accordance with the laws of British Columbia and the laws of Canada applicable in British Columbia.

1.4 This Agreement is comprised of the recitation of the parties, the recitals to this Agreement, the Schedules to this Agreement and Part 1 of the *Land Title Act of British Columbia* Form C to which this Agreement is attached.

1.5 In this Agreement:

- (a) reference to the singular includes a reference to the plural, and vice versa, unless the context requires otherwise;
- (b) where a word or expression is defined in this Agreement, other parts of speech and grammatical forms of the same word or expression have corresponding meanings;
- (c) reference to a particular numbered section or article, or to a particular lettered Schedule, is a reference to the correspondingly numbered or lettered article, section or Schedule of this Agreement;
- (d) article and section headings have been inserted for ease of reference only and are not to be used in interpreting this Agreement;
- (e) the word "enactment" has the meaning given to it in the *Interpretation Act* (British Columbia) on the reference date of this Agreement;
- (f) reference to any enactment is a reference to that enactment as consolidated, revised, amended, re-enacted or replaced, unless otherwise expressly provided;
- (g) reference to a "party" or the "parties" is a reference to a party, or the parties, to this Agreement and their respective successors, assigns, trustees, administrators and receivers; and
- (h) reference to a "day", "month" or "year" is a reference to a calendar day, calendar month, or calendar year, as the case may be, unless otherwise expressly provided.

2. Representations and Warranties

2.1 TLC The Land Conservancy of British Columbia represents and warrants that the facts set out in Recital E are true as of the date of this Agreement.

2.2 The parties each agree that Recitals B and C are true as of the date of this Agreement.

3. Intent of Agreement

3.1 The parties each agree that the intent of this Agreement is as follows, and that this Agreement is to be interpreted, performed and applied accordingly:

- (a) To protect, conserve, maintain and enhance the natural environment, ecosystems and Biodiversity of the Forest Conservation Area, including the habitats, water, soil, scenic and spiritual values;
 - (b) To restore Mature Forest and Old Growth Forest structure and attributes and maintain them in perpetuity in the Forest Conservation Area;
 - (c) To limit the area of non-forested land and of young forests;
 - (d) To protect trees with special wildlife habitat values, including large mature and old trees;
 - (e) To practice Forest Ecosystem Management in the Forest Conservation Area according to the restrictions as described in Schedule B;
 - (f) To permit residential dwellings and outbuildings that are in harmony with the natural landscape and strive to minimize the impact of residential use on the environment, ecosystems and Biodiversity;
 - (g) To maintain three distinct land use areas on the Land, including Residential Use Areas, Residential Conservation Areas and a Forest Conservation Area; and
 - (h) To prevent any occupation or use of the Land that will significantly impair or interfere with the Natural State of the Land or the Amenities, except as expressly permitted in this covenant.
- 3.2 This Agreement shall be perpetual to reflect the public interest in the protection, conservation, maintenance and enhancement of the Land.

4. Baseline Documentation Report

- 4.1 The parties agree that the Land and the Amenities are described in the Report, a copy of which is on file with each of the parties at the addresses set out in this Agreement, an overview of which is attached as Schedule A to this Agreement.
- 4.2 The parties agree that the Report is intended to serve as an objective information baseline for monitoring compliance with the terms of this Agreement and the parties each agree that the Report and Schedule A provide an accurate description of the Land and the Amenities at the date of this Agreement.
- 4.3 The parties each acknowledge that the flora and fauna on the Land will evolve through natural succession over time and, unless otherwise expressly stated, references to the Report in this Agreement are intended to take into account the natural succession of the flora and fauna over time, without human intervention other than as expressly permitted by this Agreement.

5. Restrictions on all the Land

- 5.1 Subject to section 5.2, Owner's reserved rights are set out in Section 7 and Schedule C to this Agreement.
- 5.2 Except as expressly permitted in this Agreement, the Owner shall not do anything, omit to do anything, allow anything to be done, or allow the omission of anything, that does or could reasonably be expected to destroy, impair, diminish, negatively affect, or alter the Land or the Amenities from the condition described in the Report. Without restricting the above:
- (a) The Land shall not be subdivided;
 - (b) The Owner shall not, except with the prior written approval of the Covenant Holder, in their Sole Discretion, perform or allow the performance of any of the restricted activities or uses of the Land set out in Schedule B to this Agreement;
 - (c) The Owner shall not seek rezoning of the Land to any industrial or commercial use;
 - (d) The following materials shall not be applied to the Land:
 - (i) Any herbicide, insecticide, fungicide or pesticide;
 - (ii) Any materials which are persistent in the environment or break down into compounds which are persistent and damaging.
 - (e) No easements or Rights of Way may be registered on the land without permission of the Covenant Holder. Any easements or Rights of Way must be in compliance with the terms and intent of this covenant;
 - (f) No new road shall be built, laid out or established on the Land;
 - (g) No activity or action on the Land or use of the Land shall be performed or permitted which may be expected to be detrimental or adverse to ground and surface water conservation in quantity, quality, or timing in flow;
 - (h) No hunting or trapping, for commercial or sport purposes shall be performed or permitted on the Land;
 - (i) No firearms of any kind shall be discharged or permitted to be discharged on the Land;
 - (j) No industrial activity is allowed on the land except where related to the forest management activities expressly permitted in Schedule B;
 - (k) The Emergency Access Lane as shown in Schedule E shall not be used for any purpose other than emergency access and egress and without limiting the generality of the foregoing shall not at anytime be used as a public road or private strata road to access adjoining public or private roads. Provided further, the Emergency Access Lane shall not:

- (i) Exceed 4 metres in width;
- (ii) Be paved or covered with impermeable material; or
- (iii) Remain unlocked or un-gated at any time except for emergency use.

6. **Dispute Resolution**

- 6.1 If there is a disagreement regarding a breach of this Agreement which has occurred or is threatened, or if there is disagreement as to the meaning of this Agreement, the Owners or the Covenant Holder may give notice to the other parties requiring a meeting of all parties within 20 Business Days of receipt of the notice.
- 6.2 All activities giving rise to a breach or threatening a breach of this Agreement, or giving rise to a disagreement as to the meaning of this Agreement must immediately cease upon receipt of notice.
- 6.3 The parties must attempt to resolve the disagreement, acting reasonably and in good faith, within 20 Business Days of receipt of the notice.
- 6.4 If the parties are not able to resolve the disagreement within that time, the parties will initiate the procedures set out in the *Notice to Mediate (General) Regulations* (B.C Reg.4/2001, OC 5/2001) to the *Law and Equity Act* of British Columbia (RSBC 1996, CH. 253).
- 6.5 The costs of dispute resolution will be borne equally between the parties.

7. **Owner's Reserved Rights**

- 7.1 The Owner reserves all of its rights as owner of the Land, including the right to use, occupy and maintain the Land in any way that is not expressly restricted or prohibited by this Agreement, so long as the use, occupation or maintenance are consistent with the intent of this Agreement.
- 7.2 Subject to Section 5.1, the rights for each area as set out in Schedule C to this Agreement are expressly reserved to the Owner.
- 7.3 Subject to Section 7.4, nothing in this Agreement restricts or affects the right of the Owner or any other party to do anything reasonably necessary to:
 - (a) prevent, abate or mitigate any damage or loss to any real or personal property; or
 - (b) prevent potential injury or death to any individual.
- 7.4 If the Owner or any other party intends to do anything described in Section 7.3, the Owner shall give at least 30 days' prior written notice to the Covenant Holder, describing in reasonable detail the intended action, the reason for it, and its likely effect on the Land or the Amenities. Despite the rest of this Agreement, the Owner shall permit the Covenant Holder to enter upon and inspect the Land if any such action is proposed under

Section 7.3. The Covenant Holder may comment on the proposed action and the Owner and any other party must take those comments into consideration before doing anything under that section.

8. Owner's Obligations As To Taxes and Other Matters

- 8.1 The Owner retains all responsibilities and bears all costs and liabilities related to the ownership, use, occupation and maintenance of the Land, including any improvements expressly authorized by this Agreement.
- 8.2 The Owner shall indemnify the Covenant Holder, its directors, officers, employees, agents and contractors, from and against any and all liabilities, damages, losses, personal injury or death, causes of action, actions, claims, and demands by or on behalf of any person, arising out of any act or omission, negligent or otherwise, in the use, occupation and maintenance of the Land or the Amenities by the Owner.
- 8.3 The Owner is liable for any and all breaches of this Agreement, but the Owner is not liable for:
- (a) breaches of this Agreement which occur while the Owner is not the registered owner of any interest in the Land;
 - (b) injury or alteration to the Land or the Amenities resulting from natural causes, or causes beyond the Owner's reasonable control, including accidental fire, flood, storm, vandalism, trespass and earth movement, but excluding injury or alteration resulting from actions of the Owner or any other person acting with the actual or constructive knowledge of the Owner; or
 - (c) any prudent action taken by the Owner under emergency conditions to prevent, abate, or mitigate significant injury to the Land or the Amenities resulting from natural causes, including accidental fire, flood, storm and earth movement.
- 8.4 Without limiting the above, the Owner:
- (a) is solely responsible and liable for any loss or damage, or liability of any kind (whether civil, criminal or regulatory), in any way connected with the existence in, on, from, to or under the Land (whether through spill, emission, migration, deposit, storage or otherwise) of any pollutant, contaminant, waste, special waste, or any matter that impairs the environment; and
 - (b) shall indemnify the Covenant Holder from and against any loss, damage, liability, cause of action, action, penal proceeding, regulatory action, order, directive, notice or requirement, including those of any government agency, incurred, suffered, brought against or instituted against the Covenant Holder, in any way associated with anything described in section 8.4(a).
- 8.5 Where the Owner is not responsible for damage or theft due to trespass or vandalism, the Owner will take all reasonable steps to identify and

prosecute the person responsible and to seek financial restitution for the damage or theft.

- 8.6 The Owner shall pay when due all taxes, assessments, levies, fees and charges of whatever description which may be levied on or assessed against the Land and shall pay any arrears, penalties and interest in respect thereof.
- 8.7 The Owner shall indemnify the Covenant Holder from and against any fee, tax, or other charge which may be assessed or levied against the Owner or Covenant Holder pursuant to any enactment, including the *Income Tax Act* (Canada) with respect to the Land or with respect to this Agreement, including any fee, tax or other charge which may be assessed or levied against the Owner or the Covenant Holder as a result of the amendment or termination of this Agreement.
- 8.8 Any debts or other amounts due from the Owner to the Covenant Holder under this Agreement, if not paid within 30 days after notice, shall bear interest at the annual interest rate that is 3 percent greater than the prime rate of interest. For the purposes of this section, the "prime rate of interest" is the annual rate of interest charged from time to time by the Bank of Montreal, at its main branch in Vancouver, British Columbia, for demand Canadian dollar commercial loans made to its most creditworthy commercial customers and designated from time to time by the Bank of Montreal as its prime rate.
- 8.9 For clarity, the indemnities granted by the Owner to the Covenant Holder under this Agreement are indemnities granted as an integral part of the section 219 *Land Title Act of British Columbia* covenant created by this Agreement.

9. **Statutory Right of Way For Monitoring and Enforcement**

- 9.1 The Owner grants to the Covenant Holder a license, and a statutory right of way pursuant to s. 218 of the *Land Title Act*, permitting the Covenant Holder to do the following:
- (a) to enter upon and inspect the Land:
 - (i) at least once each calendar year, with the date for each inspection to be agreed upon by the parties before August 31 each year, but if the parties cannot agree on those days by August 31 in any year, the Covenant Holder is entitled to enter upon and inspect the Land in accordance with section 9.1(a)(ii); and
 - (ii) at all reasonable times upon prior notice by the Covenant Holder to the Owner of at least forty-eight (48) hours, unless, in the opinion of the Covenant Holder, there is an emergency or other circumstance which does not make giving such notice practicable, in the Sole Discretion of the Covenant Holder;

- (b) as part of inspection of the Land, to take samples, photographs and video recordings as may be necessary to monitor compliance and enforce the terms of this Agreement;
 - (c) to enter upon and protect, preserve, conserve, maintain, enhance, restore or rehabilitate, in the Covenant Holder's Sole Discretion and at the Covenant Holder's expense, the Land or the Amenities to as near the condition described in the Report as is practicable if an act of nature or human agency other than as described in section 9.1(d), destroys, impairs, diminishes or negatively affects or alters the Land or the Amenities from the condition described in the Report;
 - (d) in accordance with section 9.1, to enter upon and protect, preserve, conserve, maintain, enhance, restore or rehabilitate, in the Covenant Holder's Sole Discretion and at the Owner's expense, the Land or the Amenities to as near the condition described in the Report as is practicable, if an action of the Owner or any other person acting with the actual or constructive knowledge of the Owner:
 - (i) destroys, impairs, diminishes, negatively affects or alters the Land or the Amenities from the condition described in the Report; or
 - (ii) contravenes any term of this Agreement;
 - (e) to carry out or evaluate, or both, any program agreed upon among the parties for the protection, preservation, conservation, maintenance, enhancement, restoration or rehabilitation of all or any portion of the Land or the Amenities; and
 - (f) to place survey pegs or other markings on the Land or to increase the visibility of existing survey pegs or other markings.
- 9.2 The Covenant Holder may bring vehicles, as reasonably necessary, equipment and personal property onto the Land when exercising their rights under this Agreement.
- 9.3 For the purposes of sections 9.1(c) and (d), the Covenant Holder has the Sole Discretion to protect, preserve, conserve, maintain, enhance, restore or rehabilitate the Land or the Amenities.

10. **Enforcement Remedy of the Covenant Holder**

- 10.1 If the Covenant Holder, in its Sole Discretion, believes that the Owner has neglected or refused to perform any of the obligations set out in this Agreement or is in breach of any term of this Agreement, the Covenant Holder may serve on the Owner a notice setting out particulars of the breach and of the Covenant Holder's estimated maximum costs of remedying the breach. The Owner has 60 days from receipt of the notice to remedy the breach or make arrangements satisfactory to the Covenant

Holder for remedying the breach, including with respect to the time within which the breach shall be remedied.

- 10.2 If the Owner does not remedy a breach described within 60 days, the Covenant Holder is entitled to enter the Land and remedy the breach or carry out the arrangements and the Owner shall reimburse the Covenant Holder for any expenses incurred in doing so, up to the estimated maximum costs of remedying the breach as set out in the notice. Expenses incurred by the Covenant Holder under this section are a debt owed by the Owner to the Covenant Holder.

11. **Rent Charge and Its Enforcement**

- 11.1 As security for the performance of the Owner's obligations under this Agreement, the Owner grants to the Covenant Holder a perpetual rent charge against the Land, ranking prior to all other financial charges and encumbrances registered against the Land, including options to purchase and rights of first refusal. The Rent Charge is granted both under s. 219 of the *Land Title Act* (British Columbia) as an integral part of the statutory covenant created by this Agreement and as a fee simple rent charge at common law.
- 11.2 The Rent Charge secures payment to the Covenant Holder by the Owner of the sum of \$10,000.00 per year per violation, subject to adjustment under Section 11.4.
- 11.3 If no violation exists, a yearly Rent Charge Monitoring Fee of \$500 is due to the Covenant Holder by January 31st of each year.
- 11.4 The Rent Charge Amount is to be adjusted on January 1 of each year by increasing or decreasing, as the case may be, the Rent Charge Amount by the amount determined by multiplying the Rent Charge Amount on December 31 immediately preceding by the percentage increase or decrease, as the case may be, in the CPI between the previous January 1 and that December 31 and adding the amount so determined to the Rent Charge Amount as it stands on that December 31. If Statistics Canada, or its successor in function, ceases to publish a CPI or comparable indicator as determined by the Covenant Holder in its Sole Discretion, the parties agree that the factor to be used in determining the Rent Charge Amount for each year shall be 3%.
- 11.5 The Rent Charge Amount shall be increased by a sum equal to 150% of the market value at the date of any breach of this Agreement of any flora or fauna, soil, rock, gravel or minerals, which has been altered, damaged, destroyed, moved, harvested or removed.
- 11.6 The Covenant Holder shall be entitled to recover from the Owner all reasonable expenses incurred as a result of enforcement of the Rent Charge.
- 11.7 The Rent Charge is suspended unless and until the Owner is in breach of any provision of this Agreement and has not cured the breach, or is not

diligently proceeding to cure the breach in accordance with section 10 of this Agreement.

- 11.8 The Covenant Holder may enforce the Rent Charge by any combination, or all, of:
- (a) an action against the Owner for the Rent Charge Amount;
 - (b) distraint against the Land to the extent of the Rent Charge Amount;
 - (c) an action for appointment of a receiver in respect of the Land; or
 - (d) an order for sale of the Land.
- 11.9 If the Covenant Holder wishes to enforce the Rent Charge, it shall provide notice to that effect to the Owners. The Notice of Enforcement may be given at any time after notice of breach is given.

12. Successor of the Owner

- 12.1 This Agreement shall enure to the benefit of and be binding upon the Owner and the Owner's Successors.
- 12.2 The Owner shall not lease or license the Land or any part thereof unless the lease or license is expressly made subject to the provisions of this Agreement and unless the lease or license expressly entitles the Owner to terminate the lease or license and re-enter the Land if the tenant or licensee breaches any of the provisions of this Agreement. The tenant or licensee's liability for any injury, damage or alterations to the Land shall be the same as though he were the Land and the Owner shall be jointly and severally liable with the tenant or licensee for any breach of the Covenant by the tenant or licensee.
- 12.3 Failure by the Owner to comply with the provisions of this section shall not affect the enforceability of this Agreement against the Owner or any Successor.
- 12.4 The Owner shall inform the Covenant Holder within five (5) business days of any accepted offer of purchase and sale of the Land.
- 12.5 The Owner shall inform any potential purchaser of the Land of the existence of this Agreement.

13. Assignment of Agreement or Dissolution of the Covenant Holder

- 13.1 This Agreement shall be transferable by the Covenant Holder, but the Covenant Holder may assign its rights and obligations under this Agreement only to an entity or person qualified at the time of transfer to hold covenants under s. 219 of the *Land Title Act* and any applicable regulation under it. The Covenant Holder agrees that before it assigns its

rights and obligations under this section, it shall consult with the Owner, and consider the Owner's comments, with respect to the proposed assignee. The Covenant Holder must give notice to the Owner of the proposed assignment, setting out in reasonable detail the identity of the proposed assignee and the qualifications and experience of the proposed assignee relevant to performance by the assignee of the rights and obligations of the Covenant Holder under this Agreement. If the Owner does not provide comments to the Covenant Holder regarding the proposed assignee within 10 days after receipt from the Covenant Holder to the Owner under this section, the Owner is conclusively deemed to have declined to comment on the proposed assignee and to have consented to the assignment. For clarity, the Owner agrees that the Covenant Holder is only required to consult the Owner and that the Covenant Holder is entitled to assign its rights and obligations so long as it has consulted the Owner.

- 13.2 In the event of the winding-up or dissolution of the Covenant Holder, the Covenant Holder shall use its best efforts to assign and transfer all of its interest under this Agreement to a person or entity authorized to accept covenants under section 219 of the *Land Title Act*. If the Covenant Holder does not assign and transfer all of its interests under this Agreement as set out in this section, it shall be deemed to have assigned and transferred all of its interest under this Agreement to Her Majesty the Queen in Right of the Province of British Columbia, to hold temporarily until another Covenant Holder can be found. For clarity, the consultation process set out in section 13.1 does not apply to this section.

14. Notice

- 14.1 Any notice or other communication (collectively "notice") required or permitted under this Agreement shall be:

- (a) delivered in person; or
- (b) sent by pre-paid registered mail, return receipt requested, to the address of the parties at their respective addresses as set out in this Agreement.

- 14.2 If notice is delivered in person, the party receiving the notice shall forthwith acknowledge receipt of same in writing, and the notice shall be deemed to have been received on the earlier of the date of such acknowledgment and the date that is 5 days after the notice is sent.

- 14.4 The addresses of the parties' representatives for notice are as follows:

RENEWAL LAND COMPANY

610-220 Cambie Street

Vancouver, BC V6B 2M9

Telephone (604) 844-7474

Fascimile (604) 844-7441

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA

2709 Shoreline Drive

Victoria, BC V9B 1M5

14.3 Each party agrees to immediately give written notice to the others of any change in its address.

14.4 If a party refuses to sign an acknowledgment of receipt of notice, the person delivering the notice may swear an affidavit of service and the notice shall be deemed to have been received on the date of service set out in the affidavit.

15. Mortgages

15.1 In this section, "approve" and "approval" mean approval by the Covenant Holder of a first mortgage intended to be registered against the Land or any portion of the Land.

15.2 If the Owner is not in breach of this Agreement, the Covenant Holder shall approve a first mortgage if:

(a) the mortgage does not exceed 95% of the fair market value of the Land at the date of the approval, as determined by a qualified appraiser; and

(b) the mortgage is an arms-length transaction with a bona fide mortgage lender.

15.3 The Covenant Holder may, in their Sole Discretion, inspect the Land to determine if the Owner is in breach of any of the terms of this Agreement before granting approval and may withhold approval if there is any breach.

15.4 The Owner shall reimburse and indemnify the Covenant Holder for all reasonable expenses incurred by it as a result of a site visit to inspect the Land pursuant to this section.

16. Notice of Covenant

16.1 The Owner agrees to allow the Covenant Holder to publicize the existence of this Agreement in a tasteful manner.

16.2 Without restricting the generality of the foregoing, the Owner agrees to allow the Covenant Holder to erect a plaque or other signage on the Land, in a tasteful manner and at the Covenant Holder's expense, indicating that the Covenant Holder holds a covenant on the Land.

17. No Liability in Tort

17.1 The parties agree that this Agreement creates only contractual obligations and obligations arising out of the nature of this Agreement as a covenant under seal. Without limiting the generality of the foregoing, the parties agree that no tort or fiduciary obligations or liabilities of any kind are created or exist between the parties in respect of this Agreement and nothing in this Agreement creates any duty of care or other duty on any of the parties to anyone else. For clarity, the intent of this section is to, among other things, exclude tort liability of any kind and to limit the parties to their rights and remedies under the law of contract.

18. Waiver

18.1 An alleged waiver of any breach of this Agreement is effective only if it is an express written waiver signed by the Covenant Holder, and is only effective to the extent of that express waiver and does not operate as a waiver of any other breach.

19. Joint and Several Obligations

19.1 The obligations of the parties referred to in this Agreement as the Owner are joint and several.

20. Remedies not exhaustive

20.1 Exercise or enforcement by a party of any remedy or right under or in respect of this Agreement does not limit or affect any other remedy or right that party may have against the other parties in respect of or under this Agreement or its performance or breach.

21. Covenant runs with the Land

21.1 Unless it is otherwise expressly provided in this Agreement, every obligation and covenant of the Owner in this Agreement constitutes a personal covenant and also a covenant granted under s. 219 of the *Land Title Act* (British Columbia) and a statutory right of way granted under s. 218 of the *Land Title Act* in respect of the Land. This Agreement burdens the Land and runs with it and binds the successors in title to the Land. This Agreement burdens and charges all of the Land and any parcel into which it is subdivided by any means and any parcel into which the Land is consolidated.

22. Registration

22.1 The Owner agrees to do everything necessary at the Owner's expense to ensure that this Agreement, and the interests it creates, is registered against title to the Land, with, priority over all financial charges, liens and encumbrances registered or pending registration in the Land Title Office at the time of application for registration of this Agreement, including options to purchase and rights of first refusal.

23. Severance

23.1 If any part of this Agreement is held by a court to be invalid, illegal or unenforceable, that part is to be considered to have been severed from the rest of this Agreement and the rest of this Agreement is to remain in

force unaffected by that holding or by the severance of that part as if the part was never part of this Agreement.

24. No other Agreements

24.1 This Agreement is the entire Agreement between the parties and it terminates and supersedes all other Agreements and arrangements regarding its subject. A written instrument signed by all the parties may only change this Agreement.

25. Binding on successors

25.1 This Agreement binds the parties to it and their respective successors, heirs, executors and administrators.

26. Amendments

26.1 This Agreement is meant to be perpetual and may only be changed by a written instrument signed by all the parties.

27. Independent Advice

27.1 The Owner acknowledges and agrees that the Owner has sought and obtained to the Owner's satisfaction independent advice from an accountant or other income tax expert with respect to the income tax implications of this Agreement and acknowledges that it does not and has not relied on the Covenant Holder for advice in this regard and that they have given no representation or warranty in that regard.

27.2 The Owner acknowledges and agrees that the Owner has been advised by the Covenant Holder that the Owner should seek legal advice as to the meaning and effect of this Agreement and the Owner further acknowledges and agrees that no legal advisor of the Covenant Holder has advised the Owner on the meaning or effect of this Agreement or in connection with this Agreement.

28. Deed and contract

28.1 By executing and delivering this Agreement, each of the parties intends to create both a contract and a deed and covenant executed and delivered under seal.

29. Rights of Covenant Holder

29.1 A Covenant Holder, as a corporate entity, may exercise its rights under this Agreement through its directors, officers, employees, agents or contractors.

As evidence of their Agreement to be bound by the above terms, the parties each have executed and delivered this Agreement under seal by executing Part 1 of the *Land Title Act* Form C to which this Agreement is attached and which forms part of this Agreement.

SCHEDULE A

Attached to and forming part of the Covenant Agreement between RENEWAL LAND COMPANY, Owner, and TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA, Covenant Holder, dated the ___ day of April, 2006.

BASELINE DOCUMENTATION REPORT

1.0 Acknowledgment

- 1.1 The Owners hereby acknowledge and agree that the following is an accurate description of the Land, as of the reference date of this Agreement.
- 1.2 An extensive baseline document complete with plant inventory and photo-point monitoring stations will be filed with each of the parties within two (2) years of the signing of this Agreement.

2.0 Property location and description

- 2 The Land comprises the Siskin Lane Strata, Strata Plan VIS_____, and is located on Cortes Island, in the Sayward District. The Siskin Lane Strata includes 23 residential strata lots of approximately 1.5 hectares each and a Forest Conservation Area of 39.6 hectares, as shown in Schedule D to this Agreement. The Land is bounded by a Regional Park to the south, Sutil Point Road to the East and North, and private residential lots to the West. The Land is legally described as:
 - The Common Property and Strata Lots 1-23 of Strata Plan VIS _____ Lot D, Sections 3,6 and 7, Cortes Island, Sayward District.
- 2.1 To drive to the Land, travel south from the Cortes ferry terminal in Whaletown to Manson's Landing, approximately 20 kilometres. Continue south on Sutil Point Road to Siskin Lane, approximately 500 metres south of Cemetery Road. Turn right on Siskin Lane, which takes you into the strata. The Land includes all of the Siskin Lane Strata.

3.0 Significance of the Land and Amenities

The Land is part of the Eastern Very Dry Maritime Coastal Western Hemlock biogeoclimatic variant (CWHxm1).

4.0 The Management Vision

- 4.1** The purpose of this covenant is to protect the Land in perpetuity and restore Mature and Old Growth forest in the Forest Conservation Area, while permitting low-impact residential use within designated areas. The covenant is intended to guide ecologically-appropriate, sustainable forest management in designated areas, while encouraging residential use that is in harmony with the natural landscape and minimizes any negative impacts on the Land. Landowners will encourage and support the management vision, and the covenant holder will monitor on an annual basis.

5.0 Site history

- 5.1** The Land was owned by MacMillan Bloedel Ltd. for several decades. In the late 1990's it was partially harvested and subsequently sold to Weyerhaeuser Corporation. In 2003 the Land was sold to Renewal Land Company for the purposes of developing a conservation-based residential subdivision with a high degree of forest conservation, and low-impact residential use, as outlined in this Agreement.

6.0 List of buildings, structures and other improvements

- 1.** Cemetery Road – public road located outside the Land but within a 10m area of influence.
- 2.** Siskin Lane – gravel surfaced private strata road provides access to Strata Lots 1-20. Siskin Lane is a cul-de-sac with no through access.
- 3.** Public Trails – a network of Public Trails exists throughout the Land, as shown in Schedule F to this Agreement. All Public Trails are gravel and/or sawdust and are less than 3 metres in width. Trails are maintained by the Comox-Strathcona Regional District in accordance with a statutory right-of-way.
- 4.** Underground power and phone services have been installed within the Siskin Lane right-of-way. In addition, all strata lots except Lot 1 and Lot 21 have a drilled well. Driveways have been partially constructed to provide Owner access from Siskin Lane to potential homesites.
- 5.** A series of three drainage ponds, connected by a single drainage corridor, has been constructed from Lot 18 east onto the common property of the Forest Conservation Area. The purpose of the ponds is to mitigate any effects of stormwater run-off and ensure that water infiltrates into the common property rather than draining off-site.

6. A 4-metre wide, gravel Emergency Access Lane has been constructed from the western end of Siskin Lane (cul-de-sac) through to Hayes Road at the western boundary of the Land, as shown in Schedule E to this Agreement. The Emergency Access Lane is gated at both ends.
7. There is a small shallow gravel pit, referred to locally as "Jack's Pond" on the southern boundary, just east of the Sutil Point Road/Smelt Bay Road junction. The gravel pit is designated as Common Property within the Strata. The pit is up to 2m deep and approximately 70m east/west and 40m north south in dimension. It is bordered by Strata Lots 21 and 22. The pit typically has approximately 0.5 to 1.0 metres of standing water in the winter months and is dry in the summer months. There are signs of minor erosion around the edges that border Strata Lots 21 and 22.
8. There are above-ground power and telephone lines running the length of Sutil Point Road adjacent to the Land.
9. There are no buildings on the Land at the time of this Report.

7.0 Inventory

- 7.1 Topography: The topography is uniform, and generally flat to rolling, and ranges in elevation from a low of 55m in the southeast to a high of 80m along the western boundary. No streams or rock cliffs were noted on the Land.
- 7.2 Hydrology: No year-round streams were noted on the Land. Some ephemeral streams exist. The western boundary of the Land has seasonal standing water in areas. Some seasonal, small, sedge-dominated wet patches exist along western boundary of the Land.
- 7.3 Vegetation: No rare plant species were found on the Land. The forest cover is dominated by commercially thinned second-growth Douglas-fir (*Pseudotsuga menziesii*) and western redcedar (*Thuja plicata*) with small components of red alder (*Alnus rubra*), lodgepole pine (*Pinus contorta*), and western hemlock (*Tsuga heterophylla*). The majority of the forest was established following logging in the 1930's. There are several small patchcuts throughout the Land as a result of commercial thinning in the late 1990's. Forest cover within the patch cut areas is dominated by young western hemlock (*Tsuga heterophylla*) and Douglas-fir (*Pseudotsuga menziesii*) with a small component of western redcedar (*Thuja plicata*) and red alder (*Alnus rubra*).
- 7.4 Wildlife: No rare wildlife species or their habitats were found on the Land. The majority of the Land has very low densities of wildlife trees and large veteran trees. Wherever possible, large veteran trees should be retained

to act as wildlife trees. It is anticipated that the number of wildlife trees will increase over time as trees age, particularly within the Forest Conservation Area.

- 7.6 Soil: The soil parent materials are predominantly deep glacio-fluvial outwash, occasionally with a glacio-marine cap overlaying coarser materials. These soils are deep, coarse textured and rapidly drained except where impermeable layers occur and drainage is restricted. Root zone soil textures varied from LS (loamy sand) to S (sand) with coarse fragment content varying from 20 to 50%. No areas at significant risk of erosion were found on the Land.

END OF SCHEDULE A

SCHEDULE B

Attached to and forming part of the Covenant Agreement between RENEWAL LAND COMPANY, Owner, and TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA, Covenant Holder, dated the ___ day of April, 2006.

RESTRICTIONS ON RESIDENTIAL USE AREAS

In accordance with Section 5 of this Agreement, the purpose of the Residential Use Area is to allow residential development and residential land use, while striving to minimize the impact of residential development and residential use. Within the Residential Use Area, the Owner may allow some clearing of forest land, construction of a home and outbuildings, and associated uses such as gardens, all subject to the terms and restrictions of this covenant. All buildings and structures must be in quiet harmony with the natural features of the land. In addition to the restrictions in Section 5, the following restrictions apply:

- 1.1 The Residential Use Area for each strata lot shall be that portion of the Land that is identified as such on the plan attached as Schedule D of this Agreement.
- 1.2 In respect to those areas identified in Schedule D as Residential Use Area, the following restrictions apply:
 - (a) No more than 75% of the trees greater than 25cm Diameter at Breast Height shall be removed, where the 75% figure is based on the number of trees at the time of the Report;
 - (b) No wood may be harvested for firewood use except for the collection of naturally occurring windfalls unless the harvested wood is from a tree permitted to be removed under Schedule B Section 1.2(a) in this Agreement;
 - (c) The Owner must maintain a record of the number of trees removed and make this available to the Covenant Holder and Strata Council on request;
 - (d) The combined total structural footprint of the Residential Dwelling Unit and all outbuildings and associated structures shall not exceed 5000 square feet per Residential Use Area;
 - (e) No in-ground swimming pools shall be allowed;
 - (f) Driveways must be built with permeable materials; and,

- (g) Any other acts which, in the opinion of the Covenant Holder acting reasonably, may have a detrimental impact on a Residential Use Area, shall be prohibited.

- 1.3 Removal of native flora or fauna should be minimized.
- 1.4 The Owner must notify the Covenant Holder in writing when construction of a Residential Dwelling Unit is to commence and must certify that the Residential Dwelling Unit is in compliance with Schedule B, Section 1.2(d)

2. RESTRICTIONS ON RESIDENTIAL CONSERVATION AREAS

In accordance with Section 5 of this Agreement, the purposes of Residential Conservation Areas are to protect and restore Mature Forest and Old Growth Forest and as many old trees as possible, to maintain privacy and to preserve forested corridors across the landscape for connectivity and wildlife.

- 2.1 In respect to those areas identified in Schedule D as Residential Conservation Area, including the fifteen metre area adjacent to the inside of each Strata Lot property line, the following restrictions apply:
 - (a) No more than 25% of trees greater than 25cm Diameter at Breast Height may be removed, where the 25% figure is based on the number of trees at the time of the Report;
 - (b) The Owner must maintain a record of the number of trees removed and make this available to the Covenant Holder and Strata Council on request;
 - (c) No wood may be harvested for firewood use except for the collection of naturally occurring windfalls unless the harvested wood is from a tree permitted to be removed under Schedule B Section 2.1(a) in this Agreement;
 - (d) No fires shall be allowed; and,
 - (e) No structures shall be built.

3. RESTRICTIONS ON FOREST CONSERVATION AREA

In accordance with Section 5 of this Agreement, the purpose of the Forest Conservation Area is to protect, conserve, maintain and enhance the natural environment, ecosystems and biological diversity of the Forest Conservation Area, including the habitats, water, soil, scenic and spiritual values and allow limited timber harvesting according to the restrictions set out in this Agreement.

- 3.1 In respect to the area identified in Schedule D as Forest Conservation Area the following restrictions apply:
- (a) No Residential Dwelling Unit, accessory buildings or any other structures may be constructed, except for buildings or structures in the Community Garden Area that are in accordance with Schedule C, Section 3 of this Agreement;
 - (b) No timber may be harvested prior to the year 2065, after which time any timber harvesting must be in compliance with the terms of this Agreement and the associated Forest Ecosystem Management Plan;
 - (c) No firewood may be harvested or collected except as permitted under the Forest Ecosystem Management Plan. Any such harvest will constitute part of the allowable timber harvest on the Land under this Agreement and must be in compliance with the terms of this Agreement and the Forest Ecosystem Management Plan;
 - (d) No rubbish, ashes, garbage, waste or other material foreign to the Land may be deposited in or on the Forest Conservation Area except that which is allowed by this Agreement in Schedules B and C of this Agreement;
 - (e) No fires are permitted;
 - (f) No motorized recreational access is allowed, including but not limited to 4 wheel drive vehicles or all terrain vehicles; and,
 - (g) Any other acts which, in the opinion of the Covenant Holder, acting reasonably, may have a detrimental impact on the composition, structure and functioning of the Forest Conservation Area, are prohibited.
- 3.2 On or before December 31, 2007, the Owners shall provide a Forest Ecosystem Management Plan to the Covenant Holder, which includes a forest inventory and description of the character and condition of the forest in the Forest Conservation Area. The Forest Ecosystem Management Plan will explain how the purpose of the covenant will be achieved, and will detail uses and the types of activities for the Forest Conservation Area for a fifty-year period. The following restrictions apply to the Forest Ecosystem Management Plan and its actions:
- (a) The Forest Ecosystem Management Plan shall be revised as often as necessary or within ten years of registration, whichever comes first, and not less frequently than every ten years to incorporate new forest ecosystem management knowledge, including knowledge gained from monitoring of the Forest Conservation Area;

- (i) Amendments to the previous Forest Ecosystem Management Plan must be agreed upon by all parties;
- (b) The Forest Ecosystem Management Plan shall be consistent with the purpose and details of this Covenant;
- (c) The Forest Ecosystem Management Plan shall be prepared by a forest ecologist with demonstrated experience in forest ecosystem management who is acceptable to the covenant holder;
- (d) The Forest Ecosystem Management Plan must always include the following:
 - (i) Measures for ecological restoration as needed in the Forest Conservation Area;
 - (ii) A monitoring strategy that includes, but it not limited to, the following:
 - a. a list of ecological indicators to monitor and a rationale for the choice of indicators which clearly demonstrates how each indicator can be used to evaluate progress towards the overall management goals;
 - b. remedies that may be pursued if the results of monitoring indicate the intent of this Agreement is not being met or that selected indicators are inappropriate for measuring progress towards management goals.
 - c. the establishment and regular monitoring of photo points, and measures that will be taken to ensure the location of photo points is clearly recorded.
 - (iii) Measures that will be taken to identify, protect and recruit wildlife trees in order to ensure the continued existence of wildlife trees on the Forest Conservation Area, in accordance with the wildlife tree management information provided in the Report;
 - (iv) Measures to ensure that forest management activities will retain or encourage Mature and Old Growth forest characteristics and structural attributes; and,
 - (v) A map showing the areas that have Mature Forest or Old Growth Forest and indicating whether the total area of Mature Forest and Old Growth Forest constitutes a minimum of 85% of the Forest Conservation Area. Until the total area of Mature Forest and Old Growth Forest constitutes a minimum of 85% of the Forest Conservation Area timber harvesting is prohibited.
- (e) On or after the year 2065 the Forest Ecosystem Management Plan must also include the following:
 - (i) Measures to ensure that there is no removal of tree patches greater than 50 meters in diameter;

- (ii) Measures to ensure any annual cut is less than 50% of the actual 5 year annual increment growth over any 5 year period including windfalls;
 - (iii) Measures to ensure that the annual growth rate will be accurately assessed and re-evaluated as appropriate;
 - (iv) Measures to ensure any timber harvest is evenly distributed throughout the Forest Conservation Area over time;
 - (v) Measures to ensure there are adequate areas of Mature Forest and Old Growth Forest, where adequate means that at least 85% of the Forest Conservation Area has Mature Forest or Old Growth Forest at all times.
 - (vi) A map of present and proposed forest management activities.
- (f) The Forest Ecosystem Management Plan and every revision to it shall be submitted to TLC The Land Conservancy for approval. TLC The Land Conservancy shall have 60 Business Days to comment on and to evaluate the Forest Ecosystem Management Plan. If TLC The Land Conservancy fails to comment on the Forest Ecosystem Management Plan The Land Conservancy shall be deemed to have approved of it.
- (g) The Owner must maintain an accurate logbook of any timber removal including the location, species type, and scaled volume. These records must be provided to the Covenant Holder and the Strata Council upon request.

SCHEDULE C

Attached to and forming part of the Covenant Agreement between RENEWAL LAND COMPANY, Owner, and TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA, Covenant Holder, dated the ___ day of April, 2006.

1. RESERVED RIGHTS ON ALL RESIDENTIAL USE AREAS

1.1 In respect to those areas identified in Schedule D as Residential Use Area, the Owner reserves the following rights:

- (a) To construct, maintain, replace or enhance structures;
- (b) To create and maintain gardens;
- (c) To maintain, replace or enhance a single driveway and service corridor from Siskin Lane strata road to the residence, provided that said corridor does not exceed 6 metres in width;
- (d) To maintain an established network of Public Trails in accordance with a Statutory Right of Way held by the Comox-Strathcona Regional District, as shown in Schedule F;
- (e) To conduct home-based commercial activities that are not detrimental to the Land and Amenities and are consistent with maintaining the Land and Amenities in a Sustainable state; and,
- (f) To construct, maintain, replace or enhance a well or other water source and a septic system or other method of waste disposal.

2. RESERVED RIGHTS ON ALL RESIDENTIAL CONSERVATION AREAS

2.1 In respect to those areas identified in Schedule D as Residential Conservation Areas, the Owner reserves the following rights:

- (a) To construct a single driveway and service corridor to access the Residential Use Area provided that said driveway and corridor does not exceed 6 metres in width.
- (b) To maintain an established network of Public Trails in accordance with a Statutory Right-of-Way held by the Comox-Strathcona Regional District, as shown in Schedule F.

3. RESERVED RIGHTS ON FOREST CONSERVATION AREA

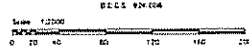
- 3.1 In respect to those areas identified in Schedule D as Forest Conservation Area, the Owner reserves the following rights:
- (a) To conduct commercial activities that are not detrimental to the Land and Amenities, are consistent with maintaining the Land and Amenities in a Sustainable state and are in compliance with the terms of this Agreement;
 - (b) To manage the Land pursuant to the Forest Ecosystem Management Plan;
 - (c) To establish and maintain a community garden, not to exceed two hectares in size, in the area identified as Community Garden Area in Schedule D of this Agreement. Orchards are permissible;
 - (d) To establish and maintain a single Community Garden Access Trail to provide access to the Community Garden Area provided that:
 - (i) The Community Garden Access Trail does not exceed 5 metres in width;
 - (ii) No impermeable materials are used except as required to reduce environmental impact;
 - (e) To construct buildings or structures, other than residential dwellings, that are reasonably necessary to the use and stewardship of the Community Garden Area and are in quiet harmony with the natural features of the Land, provided the total square footage of all combined buildings and structures does not exceed 1000 square feet; and,
 - (f) To maintain an established network of Public Trails in accordance with a Statutory Right of Way held by the Comox-Strathcona Regional District, as shown in Schedule F of this Agreement.

SCHEDULE D

Attached to and forming part of the Covenant Agreement between RENEWAL LAND COMPANY, Owner, and TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA, Covenant Holder, dated the ___ day of April, 2006.

1. MAP OF USE AREAS ON THE LAND

Map of Residential Use Areas, Residential Covenant Areas and Forest Conservation Area



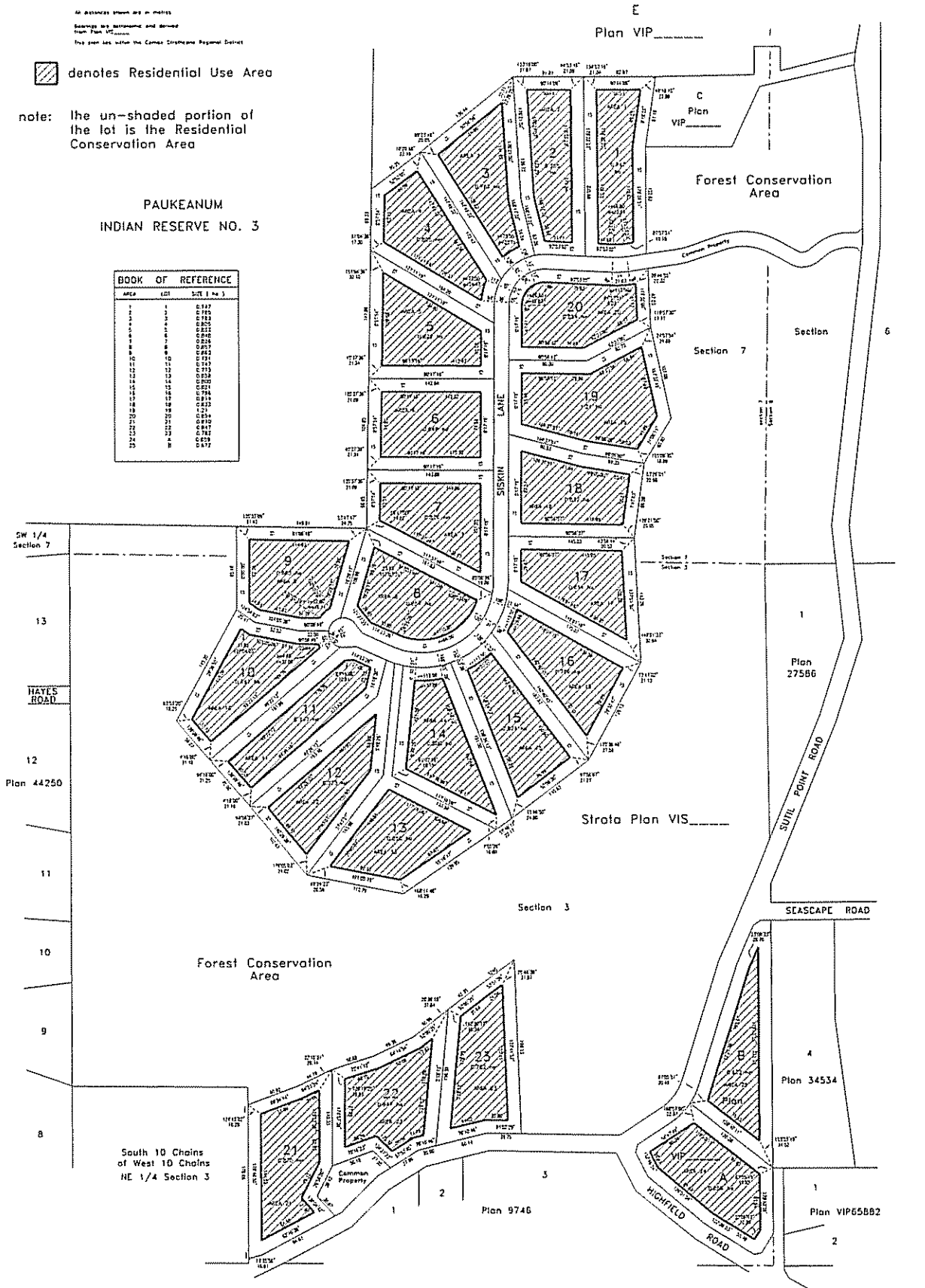
Legend
 All distances shown are in metres
 Sources are electronic and derived from Plan VLS
 This plan lies within the Cape Breton Regional District

denotes Residential Use Area

note: the un-shaded portion of the lot is the Residential Conservation Area

PAUKEANUM
 INDIAN RESERVE NO. 3

BOOK OF REFERENCE		
AREA	LOT	PLAN #
1	1	0187
2	2	0188
3	3	0189
4	4	0190
5	5	0191
6	6	0192
7	7	0193
8	8	0194
9	9	0195
10	10	0196
11	11	0197
12	12	0198
13	13	0199
14	14	0200
15	15	0201
16	16	0202
17	17	0203
18	18	0204
19	19	0205
20	20	0206
21	21	0207
22	22	0208
23	23	0209
24	24	0210



SCHEDULE E

Attached to and forming part of the Covenant Agreement between RENEWAL LAND COMPANY, Owner, and TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA, Covenant Holder, dated the__day of April, 2006

1.0 MAP OF EMERGENCY ACCESS LANE

PLAN OF STATUTORY RIGHT OVER STRATA LOTS 9 AND 10, AND THE COMMON PROPERTY OF STRATA PLAN VIS _____, SECTIONS 3, 6 AND 7, CORTES ISLAND, SAYWARD DISTRICT

(PREPARED PURSUANT TO SECTION 113 OF THE LAND TITLE ACT)

B.C.C.S. 92K.005



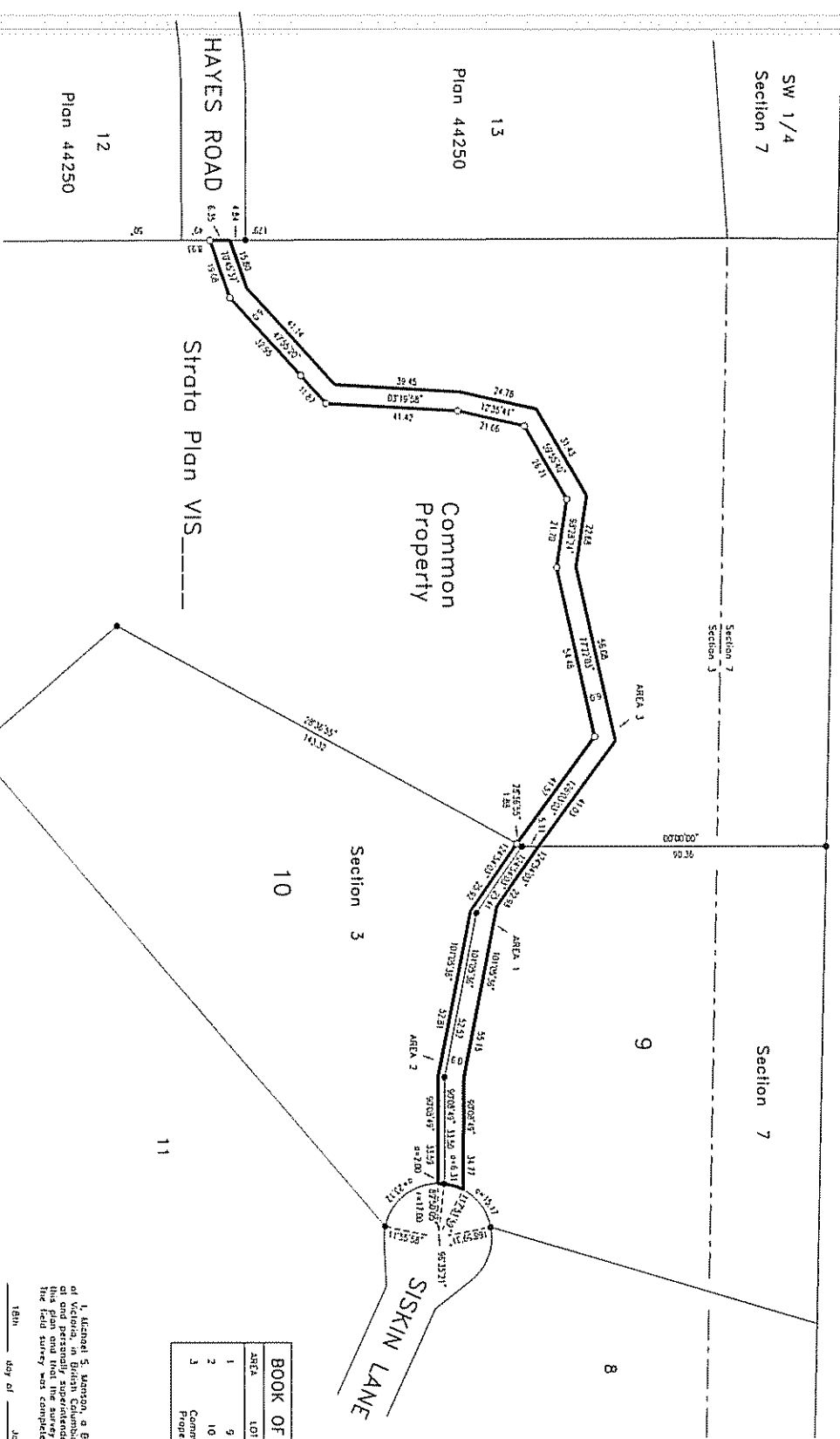
Legend
 Sq. M. denotes square metres
 All distances shown are in metres
 • Standard Iron Post found
 ○ Standard Iron Post set
 Bearings are astronomic and derived from Plan VIS _____

PAUKEANUM INDIAN RESERVE NO. 3

PLAN _____

Deposited in the Land Title Office at Victoria, B.C., in _____ day of _____, 2005.

Register _____



BOOK OF REFERENCE		
AREA	LOT	SPEC (Sq. M.)
1	9	628.1
2	10	220.4
3	Common Property	1634

I, Michael S. Marston, a British Columbia Land Surveyor, of Victoria, in British Columbia, certify that I was present at this plan and that the survey and plan are correct. The field survey was completed on the _____ day of _____, 2005.

18th day of January, 2005.

The plan was completed and checked, and the electrical filed under # 43795, on the 38th day of January, 2005.

J.F. ANDERSON & ASSOCIATES
 B.C. Land Surveyors - Consulting Engineers
 Victoria and Nanaimo, B.C. Phone 737-2214
 Fax : 23777
 23777_SRM_Rev_access DMC

This plan lies within the Comox Strathcona Regional District

B.C.L.S.

SCHEDULE F

Attached to and forming part of the Covenant Agreement between RENEWAL LAND COMPANY, Owner, and TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA, Covenant Holder, dated the ___ day of April, 2006.

1. MAP OF PUBLIC TRAIL NETWORK ON THE LAND

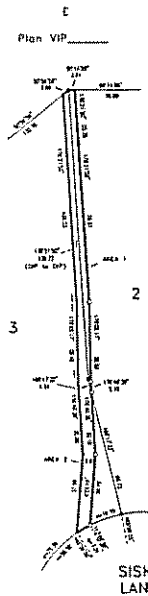
PLAN OF STATUTORY RIGHT OF WAY OVER LOT 9, PLAN 44250, AND STRATA LOTS 2,3,10,19, 21 AND THE COMMON PROPERTY OF STRATA PLAN VIS, SECTIONS 3, 6 AND 7, CORTES ISLAND, SAYWARD DISTRICT.

PLAN _____

Issued in the Land Title Office of British C.C. on _____
 day of _____ 2008

(PREPARED PURSUANT TO SECTION 112 OF THE LAND TITLE ACT)
 SCALE 1:2500

Detail A
 Scale 1:1000



Legend
 1/4 in. (approximate) double line
 All boundaries shown are in meters
 Standard non-foot sound
 Standard non-foot son
 Boundary and easements and adjacent
 areas Plan 44250
 This plan has been the Land Title Office Regional District

AREA	LOT	SIZE
1	2, Plan 44250	290.9 Sq. M.
2	3, Plan 44250	374.2 Sq. M.
3	10, Plan 44250	254.2 Sq. M.
4	19, Plan 44250	349.2 Sq. M.
5	21, Plan 44250	510.6 Sq. M.
6	CP, Plan 44250	1323 Sq. M.
7	3, Plan 44250	447.7 Sq. M.

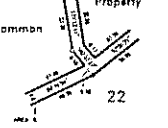


PAUKEANUM
 INDIAN RESERVE NO. 3

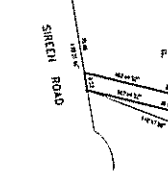
Detail B
 Scale 1:750



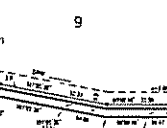
Detail C
 Scale 1:1000



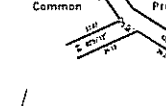
Detail D
 Scale 1:750



Detail E
 Scale 1:1000



Detail F
 Scale 1:750



JE JACKSON & ASSOCIATES
 B.C. Land Surveyors & Cartographers
 1100 West Broadway, Suite 200, Vancouver, B.C. V6H 1T1
 Tel: 604-271-2211 Fax: 604-271-2212
 22777_1406_0001.dwg

South 10 Chains
 of West 10 Chains
 NE 1/4 Section 3

I, Michael S. Jackson, a British Columbia Land Surveyor,
 of British Columbia, certify that I was present at and personally supervised the survey as represented by
 this plan and that the survey was done and carried out
 in accordance with the provisions of the
 Land Survey Act and the regulations thereunder.
 _____ day of _____ 2008
 The plan was prepared and checked, and the statement filed under #
 11751 on the _____ day of _____ 2008

SCALE

EXPLANATORY PLAN OF STATUTORY RIGHT OF WAY OVER THE COMMON PROPERTY OF STRATA PLAN VIS _____ SECTIONS 3, 6 AND 7, CORTES ISLAND, SAYWARD DISTRICT

PLAN _____

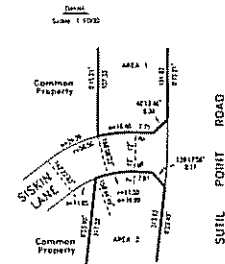
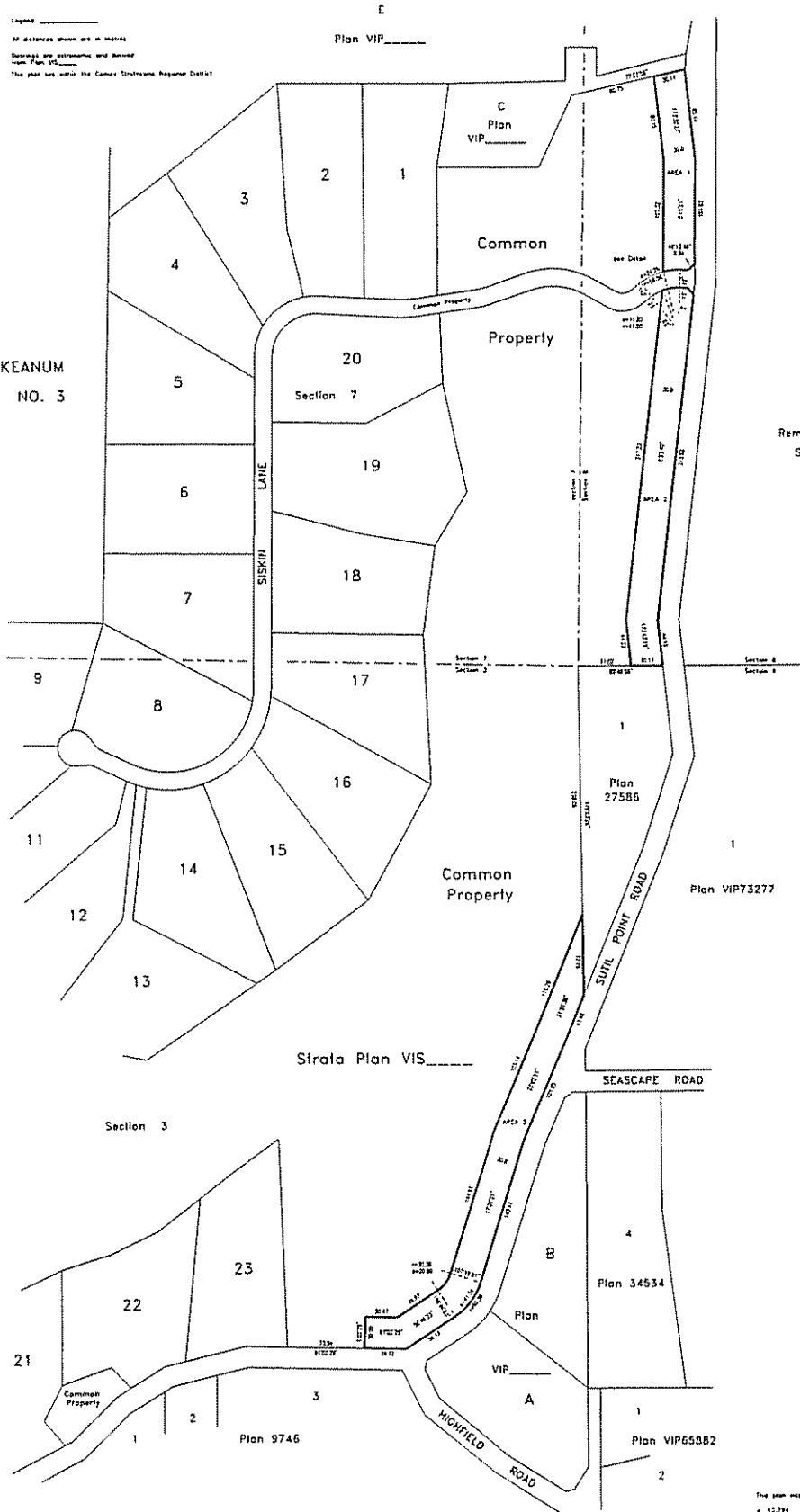
(PREPARED PURSUANT TO SECTION 85(3)(a) OF THE LAND TITLE ACT)
 BOOK 1 914 504

DEPOSITED IN THE LAND TITLE OFFICE AT VICTORIA, B.C., THIS _____ DAY OF _____, 2008



Legend _____
 All distances shown are in metres
 Bearings are astronomic and derived from Plan V1000000
 This plan was within the Comox Strathcona Registrar District

PAUKEANUM
 I.R. NO. 3



Rem. SW 1/4
 Section 6

BOOK OF REFERENCE		
AREA	LOT	SIZE (Ac. ±)
1	Common Property	0.567
2	Common Property	1.088
3	Common Property	1.342

This plan was completed and checked, and the checked fees under § 82.794, on the _____ day of _____, 2008, and it is hereby certified correct in accordance with Land Title Office rules.

END OF DOCUMENT

FOREST LAND STEWARDSHIP ONE

(FLS-1)

1) PERMITTED PRINCIPAL USE

- a) Residential;
- b) Forestry / Silviculture;
- c) Agriculture.

2) PERMITTED ACCESSORY USES

- a) Accessory buildings and structures;
- b) Home occupations.

3) CONDITIONS OF USE

- a) A minimum of 60% of the parent parcel proposed for subdivision shall be used for sustainable silviculture, forestry or conservation;
- b) A maximum of 40% of the parent parcel proposed for subdivision shall be used for residential;
- c) A minimum 25% of the residential use area shall be used for conservation;
- d) Residential use shall be clustered to provide maximum forest conservation area;
- e) Residential use is limited to a maximum of 25 dwelling units, subject to density not being greater than one dwelling unit per 4.0 hectares (9.88 acres) of land;
- f) The minimum lot size for the residential use area shall be 1.0 hectare (2.47 acres).
- g) Accessory buildings and structures are limited to residential lots only.

4) SITING AND HEIGHT OF BUILDINGS AND STRUCTURES

- a) Except where otherwise specified, the setbacks and height requirements for buildings and structures within the Forest Land Stewardship One zone shall be set out in the table below.

Type of Structure	Maximum Height	Required Setback From All Property Lines
Principal & Accessory	10.0 m (32.8 feet)	15.0 m (49.2 feet)

[Part 400, Siting Specifications, of this bylaw and Bylaw No. 1836, being the "Floodplain Management Bylaw, 1997", may affect the siting of structures adjacent to roads, and the natural boundaries of watercourses and the sea, respectively.]

5) LOT COVERAGE

The maximum lot coverage of all buildings and structures shall not exceed 6% of the total residential use area.

6) DESIGNATION/ZONE REQUIREMENTS

-
- a) On lands zoned FLS-1, a Section 219 Covenant precluding future subdivision and protecting the sustained forestland of the property shall be registered against the property;
 - b) Prior to construction of a dwelling on a property, Environmental Health approval shall be obtained.

END • FLS-1”