



# Siskin Lane Strata Bylaws

Official Version

April 2006

Renewal Land Company

# **Siskin Lane Strata Bylaws**

## **Official Version – April 2006**

### **Definitions**

1. "Act" means British Columbia's Strata Property Act [SBC 1998] 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 comprises 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 trail 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, 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 unit and outbuildings and gardens as shown in Exhibit D attached hereto;
10. "Residential Dwelling Unit" means the definition from 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 31<sup>st</sup> 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 31<sup>st</sup> 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.
  - (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.
  - (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**

### **12. Maintenance of Property by Strata Corporation**

- 12.1 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**

### **13. Council Size**

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

### **14. Council Members' Terms**



- 14.1 The term of office of a council member ends at the end of the annual general meeting at which the new council is elected.
- 14.2 An Owner will not be eligible to serve on the Council for more than three consecutive years.
- 14.3 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.

## **15. Removing Council Member**

- 15.1 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.
- 15.2 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.

## **16. Replacing Council Member**

- 16.1 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.
- 16.2 A replacement council member may be appointed from any person eligible to sit on the council.
- 16.3 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.
- 16.4 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.

## **17. Officers**

- 17.1 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.
- 17.2 A person may hold more than one office at a time, other than the offices of president and vice president.
- 17.3 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.
- 17.4 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.

## **18. Calling Council Meetings**

- 18.1 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.
- 18.2 The notice may be delivered via electronic mail, Canada Post or verbally.
- 18.3 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.
- 18.4 The council must inform Owners about a council meeting as soon as feasible after the meeting has been called.

## **19. Requisition of Council Hearing**

- 19.1 By application in writing, stating the reason for the request, an Owner or tenant may request a hearing at a council meeting.
- 19.2 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.
- 19.3 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.

## **20. Quorum of Council**

- 20.1 A quorum of the council is three if Council is five or less, and four if Council is six or seven.
- 20.2 Council members must be present in person or on the phone at the council meeting to be counted in establishing quorum.

## **21. Council Meetings**

- 21.1 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.
- 21.2 Owners and tenants may attend council meetings as observers.
- 21.3 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.

## **22. Voting at Council Meetings**

- 22.1 At council meetings, decisions must be made by a majority of council members present in person at the meeting.
- 22.2 If there is a tie vote at a council meeting, the president may break the tie by casting a second, deciding vote.
- 22.3 The results of all votes at a council meeting must be recorded in the council meeting minutes.

## **23. Council to Inform Owners of Minutes**

- 23.1 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.

## **24. Delegation of Council's Powers and Duties**

- 24.1 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.
- 24.2 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.
- 24.3 A delegation of a general authority to make expenditures must:
  - (a) set a maximum amount that may be spent; and,
  - (b) indicate the purposes for which, or the conditions under which, the money may be spent.
- 24.4 The council may not delegate its powers to determine, based on the facts of a particular case:
  - (a) whether a person has contravened a bylaw or rule,
  - (b) whether a person should be fined, and the amount of the fine; or,
  - (c) whether a person should be denied access to a common property facility.

## **25. Spending Restrictions**

- 25.1 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.
- 25.2 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.

## **26. Limitation on Liability of Council Member**

- 26.1 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.
- 26.2 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**

## **27. Maximum Fine**

- 27.1 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.

**28. Continuing Contravention**

- 28.1 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.
- 28.2 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.
- 28.3 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.
- 28.4 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.
- 28.5 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**

**29. Person to Chair Meeting**

- 29.1 Annual and special general meetings must be chaired by the president of the council.
- 29.2 If the president of the council is unwilling or unable to act, the meeting must be chaired by the vice president of the council.
- 29.3 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.

**30. Participation by Other Than Eligible Voters**

- 30.1 Tenants and occupants may attend annual and special general meetings, whether or not they are eligible to vote.

- 30.2 Persons who are not eligible to vote, including tenants and occupants, may participate in the discussion at the meeting.
- 30.3 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.

### **31. Voting**

- 31.1 At an annual or special general meeting, voting cards must be issued to eligible voters.
- 31.2 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.
- 31.3 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.
- 31.4 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.
- 31.5 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.
- 31.6 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.

### **32. Order of Business**

- 32.1 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**

### **33. Voluntary Dispute Resolution**

- 33.1 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.
- 33.2 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.
- 33.3 The dispute resolution committee must attempt to help the disputing parties voluntarily end the dispute.

## **Division 7 -- Marketing Activities by Owner Developer**

### **34. Display Lot**

- 34.1 An Owner Developer who has an unsold Strata Lot may carry on sales functions that relate to its sale, including the posting of signs.

34.2 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.

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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

**Exhibit B:** Map of Emergency Access Lane

**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

## **Exhibit A**

### **Land Title Act Section 219 Conservation Covenant for Siskin Lane Strata**

**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 **X** 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 31<sup>st</sup> 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**

## **Exhibit B**

### **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 )

Legend \_\_\_\_\_

B.C.C.S. 92K.006



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\_\_\_\_\_

Registrar

Deposited in the Land Title Office at Victoria, B.C., this \_\_\_\_\_ day of \_\_\_\_\_, 2006 .

PLAN \_\_\_\_\_

PAUKEANUM

INDIAN RESERVE NO. 3

SW 1/4

Section 7

Section 7

Section 7

Section 3

9

8

Plan 44250

13

Common  
Property

Section 3

10

11

HAYES ROAD

Strata Plan VIS\_\_\_\_\_

12

Plan 44250

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

I, Michael S. Monson, a British Columbia Land Surveyor, of Victoria, in British Columbia, certify that I was present at the field survey of the above described property and that this plan and that the survey and plan are correct. The field survey was completed on the \_\_\_\_\_

18th \_\_\_\_\_ day of \_\_\_\_\_ January \_\_\_\_\_, 2006 .

The plan was completed and checked, and the checklist filed under # \_\_\_\_\_

43,795 \_\_\_\_\_, on the 28th \_\_\_\_\_ day of \_\_\_\_\_ January \_\_\_\_\_, 2006 .

## **Exhibit C**

**Map of Siskin Lane Strata including Strata Lots and Common Property**

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

Sheet 1 of 1 Sheets

STRATA PLAN

Deposited and registered in the Victoria Land Title Office, this day of \_\_\_\_\_, 2006.

Registrar



Scale 1:2000  
0 20 40 80 120 160 200

Legend

- All distances shown are in metres
- Standard Iron Post found
- Standard Iron Post set
- Standard Copper Post found
- Non-Standard Post found
- Aluminum Post found

Bearings are astronomic and derived from Plan W977516

Bearings to bearing trees are magnetic.

This plan lies within the Comox Strathcona Regional District.

This plan lies within the Courtenay Assessment Area.

Civic Address: Strata Lots 1 to 35 are at Siskin Lane, Cortes Island, B.C., V0P 9K0  
Strata Lots 21 to 23 are at Sutil Point Road, Cortes Island, B.C., V0P 9K0

Owner: RENEWAL LAND COMPANY LTD.

Authorized Signatory

Authorized Signatory

Witness:

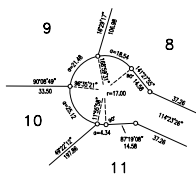
Address:

Occupation:

The registered owner designated herein hereby acknowledges that they have entered into a contract in favour of The Vancouver Island Health Authority, under Section 219 of the Land Title Act.

The registered owner designated herein hereby acknowledges that they have entered into a statutory right of way agreement in favour of the Comox Strathcona Regional District, under Section 218 of the Land Title Act.

Detail C  
Scale 1:1000



## **Exhibit D**

### **Map of Residential Conservation Areas and Residential Use Areas**

EXPLANATORY 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

( PREPARED PURSUANT TO SECTION 96(1) OF THE LAND TITLE ACT )  
B.C.G.S. 926.006

PLAN \_\_\_\_\_

Deposited in the Land Title Office at Victoria, B.C., this  
\_\_\_\_\_ day of \_\_\_\_\_, 2006.

Registrar



Legend \_\_\_\_\_

All distances shown are in metres

Bearings are astronomic and derived  
from Plan VS\_\_\_\_\_

This plan lies within the Comox Strathcona Regional District.

PAUKEANUM  
INDIAN RESERVE NO. 3

BOOK OF REFERENCE		
AREA	LOT	SIZE ( ha )
1	1	0.747
2	2	0.765
3	3	0.763
4	4	0.805
5	5	0.822
6	6	0.848
7	7	0.826
8	8	0.857
9	9	0.863
10	10	0.791
11	11	0.747
12	12	0.773
13	13	0.808
14	14	0.800
15	15	0.821
16	16	0.786
17	17	0.814
18	18	0.832
19	19	1.21
20	20	0.854
21	21	0.870
22	22	0.847
23	23	0.782
24	A	0.859
25	B	0.672

SW 1/4  
Section 7

13

HAYES ROAD

Plan 44250

11

10

9

8

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

E  
Plan VIP\_\_\_\_\_

Common Property

Section 7

6

1

Plan 27586

SUTL POINT ROAD

Strata Plan VIS\_\_\_\_\_

Section 3

SEASCAPE ROAD

Common Property

Plan 34534

Plan VIP65882

This plan was completed and checked, and the checklist filed under  
# 43,407, on the 20th day of January, 2006, and is  
hereby certified correct in accordance with Land Title Office records.

## **Exhibit E**

### **Statutory Right of Way for Public Trails and associated Map of Trails**



**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), (**LTO Agent #11506**) P.O. Box 11140, 2010 –  
1055 West Georgia Street, Vancouver, British Columbia, V6E 3P3 Telephone: \_\_\_\_\_  
682-6821 – 48814 – Renewal – **Public Trails** 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**

**DOCUMENT REFERENCE**

**PERSON ENTITLED TO  
INTEREST**

SEE SCHEDULE

SEE SCHEDULE

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))\***  
**COMOX-STRATHCONA REGIONAL DISTRICT**, a government body created under the *Local Government Act* of the  
Province of British Columbia and having an office at 600 Comox Road, Courtenay, British Columbia V9N 3P6

**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:

OFFICER SIGNATURE(S)

EXECUTION DATE

TRANSFEROR(S) SIGNATURE(S)

Y M D

2006

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

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
Print Name:

**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

TRANSFEROR(S) SIGNATURE(S)

Y M D

2006		
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**THE OWNERS, STRATA PLAN  
VIS**

by its authorized signatory(ies)

Print Name:

Print Name:

OFFICER SIGNATURE(S)

EXECUTION DATE

PARTY(IES) 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 all signatures)

OFFICER SIGNATURE(S)

EXECUTION DATE

PARTY(IES) SIGNATURE(S)

Y M D

2006		
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**VANCITY CAPITAL CORPORATION**  
by its signatory(ies)

Print Name:

Print Name:

(as to all 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.

OFFICER SIGNATURE(S)

\_\_\_\_\_

EXECUTION DATE

Y	M	D
2006		

TRANSFEROR(S) SIGNATURE(S)

**COMOX-STRATHCONA REGIONAL  
DISTRICT**

by its authorized signatory(ies)

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
Print Name:

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 E

**SCHEDULE**

Page 4 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.

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

\_\_\_\_\_ The Common Property of Strata Plan VIS \_\_\_\_\_, Sections 3, 6 and 7, Cortes Island,  
Sayward District  
\_\_\_\_\_ Strata Lot 2, Sections 3, 6 and 7, Cortes Island, Sayward District  
\_\_\_\_\_ Strata Lot 3, Sections 3, 6 and 7, Cortes Island, Sayward District  
\_\_\_\_\_ Strata Lot 10, Sections 3, 6 and 7, Cortes Island, Sayward District  
\_\_\_\_\_ Strata Lot 19 Sections 3, 6 and 7, Cortes Island, Sayward District  
\_\_\_\_\_ Strata Lot 21, Sections 3,6, and 7, Cortes Island, Sayward District

**3. NATURE OF INTEREST:\*** **DOCUMENT REFERENCE** **PERSON ENTITLED TO INTEREST**  
Description

Statutory Right of Way over part on Plan _____	Pages 5 to 8	TRANSFeree
Priority Agreement granting Right Of Way 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 9	TRANSFeree
Priority Agreement granting Right of Way priority over Mortgage EV143392 as extended by EW150581 and Assignment of Rents EV143393 as extended by EW150582	Page 10	TRANSFeree

**5. TRANSFEROR(S):\***

**THE OWNERS, STRATA PLAN VIS \_\_\_\_\_**, of 610 – 220 Cambie Street, Vancouver, British Columbia V6B 2M9 (as to Statutory Right of Way)

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

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

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

**TERMS OF INSTRUMENT – PART 2**  
**STATUTORY RIGHT OF WAY AGREEMENT**  
**FOR PUBLIC ACCESS TRAILS**

THIS AGREEMENT made the \_\_\_\_\_ day of \_\_\_\_\_, 2006.

BETWEEN:

**THE OWNERS, STRATA PLAN VIS \_\_\_\_\_**, of 610 – 220 Cambie Street,  
Vancouver, BC V6B 2M9

(the “Owners”)

AND:

**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

(“Renewal”)

(the Owners and Renewal are collectively the “Grantors”)

AND:

**COMOX-STRATHCONA REGIONAL DISTRICT**, a government body created under  
the *Local Government Act* of the Province of British Columbia and having its office at 600  
Comox Road, Courtenay, BC V9N 3P6

(the “Grantee”)

WHEREAS:

A. The Owners are the registered owners in fee simple of lands situate and lying on Cortes Island, in the Province of British Columbia, more particularly known and legally described as:

Legal

The Common Property of Strata Plan VIS \_\_\_\_\_, Sections 3, 6, and 7 Cortes Island, Sawyard District

(the “Strata Lands”)

B. Renewal is the registered owner in fee simple of the lands situate on Cortes Island, in the Province of British Columbia, more particularly known and legally described as:

PID

Legal

\_\_\_\_\_

Strata Lot 2, Sections 3, 6 and 7 Cortes Island, Sawyard District

\_\_\_\_\_

Strata Lot 3, Sections 3, 6 and 7 Cortes Island, Sawyard District

\_\_\_\_\_

Strata Lot 10, Sections 3, 6 and 7 Cortes Island, Sawyard District

\_\_\_\_\_

Strata Lot 19, Sections 3, 6 and 7 Cortes Island, Sawyard District

\_\_\_\_\_ Strata Lot 21, Sections 3, 6 and 7 Cortes Island, Sawyard District

(collectively the "Renewal Lands")

(the Strata Lands and Renewal Lands are collectively the "Lands")

C. The Grantee wishes to maintain a public non-motorized trail or the surface thereof for the use and enjoyment of the public (the "Public Trail") in perpetuity over those respective portions of the Lands of the Grantors more particularly described on Schedule "A" hereto (the "Statutory Right of Way");

D. The Grantee requires and the Grantors have agreed to grant to the Grantee from their respective interests in the Lands, the Statutory Right of Way on the terms set forth in this Agreement;

E. The provision of a Public Trail for the use and enjoyment of the general public as provided for in the Statutory Right of Way herein granted is necessary for the operation and maintenance of the Grantee's undertaking; and

F. Both the Grantors and the Grantee acknowledge that there is a Conservation Covenant registered on the Grantors' Lands in accordance with Section 219 of British Columbia's Land Title Act and held by The Land Conservancy of British Columbia and that this Agreement shall in no way interfere with the terms and conditions of the Conservation Covenant. Any actions taken in accordance with the rights granted in this Agreement shall be in compliance with the terms and conditions of the Conservation Covenant.

NOW THEREFORE THIS INDENTURE WITNESSES that in consideration of the sum of One Dollar (\$1.00) of lawful money of Canada, now paid by the Grantee to the Grantors and other valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Grantors), and in consideration of the covenants hereinafter contained:

1.0 The Grantors do hereby:

- (a) Grant, convey, confirm and transfer, in perpetuity, to the Grantee, its successors and assigns, and all of its employees, agents, servants, licensees and the Grantee for an on behalf of and for the benefit and use of all members of the public who might so desire, at all times by day or night, the full, free and uninterrupted right, licence, liberty, privilege, permission and right of way to enter, use, go, return, pass over and across those portions of the Grantors' Lands (collectively the "Right of Way Areas") shown outlined in heavy black on both the Reference Plan, and the Explanatory Plan of Statutory Right of Way, prepared by Michael S. Manson B.C.L.S., dated the 28th day of January, 2006, and registered in the Land Title Office under Plan number \_\_\_\_\_ and Plan number \_\_\_\_\_, respectively, reduced copies of which are attached hereto as Schedule "A";
- (b) Grant, convey, confirm and transfer, in perpetuity, to the Grantee, its successors and assigns, and all of its employees, agents, servants, workers and contractors together with machinery, vehicles, equipment and materials (as is necessary for the Grantee to develop, construct, install, maintain, repair, alter or replace the Right of Way Areas), the right to go upon, return, pass over and use the Right of Way Areas for the purposes of establishing, maintaining, repairing, improving inspecting and replacing a Public Trails on the surface thereof.

2.0 The Grantors hereby covenant to and agree with the Grantee, as follows:

- (a) The Grantors shall not, nor permit any other person to, without the written consent of the Grantee first had and obtained, which consent shall not be unreasonably withheld:
  - (i) make, place, erect, install or maintain after the date hereof any building, structure, excavation, pile of material or other obstruction in, under or over the Right of Way Areas so that it in any way interferes with or damages or prevents access along or over the Public Trails.
  - (ii) do any thing or act which will interfere with the use of, or injure the Public Trails, or any improvement constructed on, under or over the Right of Way Areas by the Grantee.

2.1 The Grantors shall and may, and will permit the Grantee and every member of the public to, peaceably hold and enjoy the rights hereby granted.

2.2 Nothing in this Agreement shall prevent the Grantors from installing, maintaining, repairing and using any underground utilities or drainage structures in and within or across the Right of Way Areas or from entering onto, or crossing the Right of Way Areas with or without machinery, vehicles, equipment and materials for the purpose of complying with the terms and conditions of the Conservation Covenant.

2.3 Following the Grantors' exercise of any of its rights granted herein, the Grantors shall restore the surface of the Public Trails as nearly as is reasonably possible to its condition before such disturbance or damage to the satisfaction of the Grantee, acting reasonably.

2.4 The Grantors shall indemnify and hold harmless the Grantee from and against all suits, actions, claims, damages, losses, costs and expenses (collectively the "Liabilities").

3.0 The Grantee hereby covenants to and agrees with the Grantors, as follows:

- (a) To carry out the reasonable maintenance and repair of the Public Trails constructed or placed on the Right of Way Areas as may be necessary for safe use and passage by the public along and through the Right of Way Areas.
- (b) The Grantee shall ensure that the Public Trails do not exceed 3 metres in width.
- (c) In the exercise of any of its rights granted herein, the Grantee will restore the surface of the Grantors' Lands following the carrying out of such right as nearly as is reasonably possible to the condition that the Lands were in before such disturbance.
- (d) To permit the use of the Public Trails for non-motorized recreational purposes only.
- (e) To avoid the use of impermeable materials for the construction, repair or maintenance of the Public Trails except where needed to reduce environmental impact.
- (f) To remove from the Right of Way Areas all debris, rubbish and related material within the Right of Way Areas arising from any work done by the Grantee or its servants, agents or contractors, at the conclusion of any such work.
- (g) To release the Statutory Right of Way herein granted over up to a 20 metre wide portion of the Public Trails set out in the Right of Way Areas in the Explanatory Plan of Statutory Right of Way prepared by Michael S. Manson B.C.L.S., dated the 28th day of January, 2006, and registered in the Land Title Office under Plan number \_\_\_\_\_, in the event that the Grantors, or their successors and assigns, should choose to alter the Right of Way Areas by relocating the Public Trails such that the width of the Public Trails may be reduced from 30 metres wide to as little as 10 metres.

4.0 The Grantee shall indemnify and hold harmless the Grantors from and against all suits, actions, claims, damages, losses, costs and expenses (collectively the "Liabilities") brought, made or alleged against the Grantors by any other person arising from:

- (a) Any injury or death that is sustained by any person using the Public Trails or entering upon, or passing over and across the Right of Way Areas; or,
- (b) Any negligent or willful act or omission, or breach of this Agreement by the Grantee, its elected and appointed officers, employees, contractors, agents and licensees except to the extent that such liability arises from the negligent or willful act or omission, or breach of this Agreement by the Grantors, their employees, contractors, agents, licensees or others for whose acts the Grantors may be responsible at law.

5.0 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.

5.1 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.

5.2 Waiver of any default by either party shall not be deemed to be a waiver of any subsequent default by that party.

5.3 The Grantors agree to do or cause to be done all things and execute or cause to be executed all other documents and provide all other assurances which may be reasonably necessary to give effect to the covenants contained in this Agreement.

5.4 The obligations of the Grantors are joint and several.

5.5 The covenants set forth herein shall charge the Lands and shall be covenants the burden of which shall run with the Lands and bind the Lands and every part or parts thereof into which the Lands may be divided or subdivided, whether by subdivision plan, strata plan or otherwise howsoever. The covenants set forth herein shall not terminate if and when the purchaser becomes the owner in fee simples of the Lands but shall charge the whole of the interest of such purchaser and shall continue to run with the Lands and bind the Lands and all future owners of the Lands or any part thereof.

5.6 This Agreement shall be governed and construed in accordance with 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 EW119262 as extended by \_\_\_\_\_ (together, the "Charges") encumbering the Lands described in the attached Statutory Right of Way.

THEREFORE THIS CONSENT AND PRIORITY AGREEMENT WITNESSETH THAT:

1. The Chargeholder hereby consents to the granting and registration of the attached Statutory Right of Way and the Chargeholder hereby agrees that the Statutory Right of Way shall be binding upon its interest in and to the Lands described in the Statutory Right of Way.
2. The Chargeholder hereby grants to the grantee of the Statutory Right of Way priority for the Statutory Right of Way over the Chargeholder's right, title and interest in and to the Lands described in the Statutory Right of Way and the Chargeholder does hereby postpone the Charges and all of its right, title and interest thereunder to the Statutory Right of Way as if the Statutory Right of Way 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 Statutory Right of Way.

THEREFORE THIS CONSENT AND PRIORITY AGREEMENT WITNESSETH THAT:

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

2. The Chargeholder hereby grants to the grantee of the Statutory Right of Way priority for the Statutory Right of Way over the Chargeholder's right, title and interest in and to the Lands described in the Statutory Right of Way and the Chargeholder does hereby postpone the Charges and all of its right, title and interest thereunder to the Statutory Right of Way as if the Statutory Right of Way 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.

END OF DOCUMENT

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

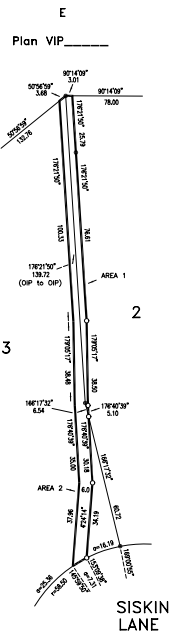
PLAN \_\_\_\_\_

Deposited in the Land Title Office at Victoria, B.C., this  
day of \_\_\_\_\_, 2006.

Registrar

Detail A  
Scale 1:1000

( PREPARED PURSUANT TO SECTION 113 OF THE LAND TITLE ACT )  
S.C.S.S. 92K.006  
Scale 1:2000  
0 20 40 80 120 160 200

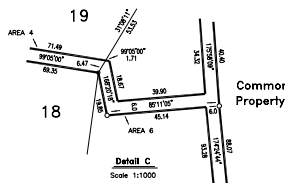


Legend

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\_\_\_\_\_  
This plan lies within the Comox Strathcona Regional District.

PAUKEANUM  
INDIAN RESERVE NO. 3

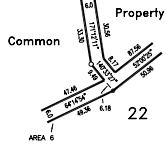
AREA	LOT	SIZE
1	2, Plan VIS____	390.0 Sq. M.
2	3, Plan VIS____	879.3 Sq. M.
3	10, Plan VIS____	454.2 Sq. M.
4	19, Plan VIS____	969.5 Sq. M.
5	21, Plan VIS____	0.106 ha
6	CP, Plan VIS____	1.923 ha
7	9, Plan 44250	467.7 Sq. M.



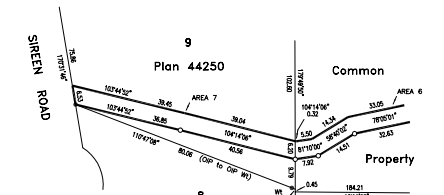
Detail D  
Scale 1:750



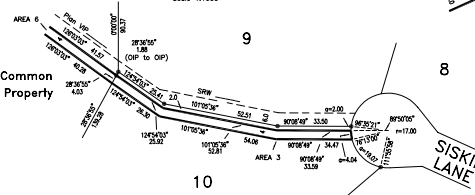
Detail G  
Scale 1:1000



Detail F  
Scale 1:750



Detail B  
Scale 1:1000



Detail H  
Scale 1:750



Detail E  
Scale 1:1000



I, Michael S. Manson, a British Columbia Land Surveyor, of Victoria, in British Columbia, certify that I was present at and personally supervised the survey 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 completed and checked, and the checklist filed under #  
43,797 \_\_\_\_\_, on the \_\_\_\_\_ day of \_\_\_\_\_, 2006.

B.C.L.S.

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

( PREPARED PURSUANT TO SECTION 96(1) OF THE LAND TITLE ACT )  
B.C.G.S. 92K.006

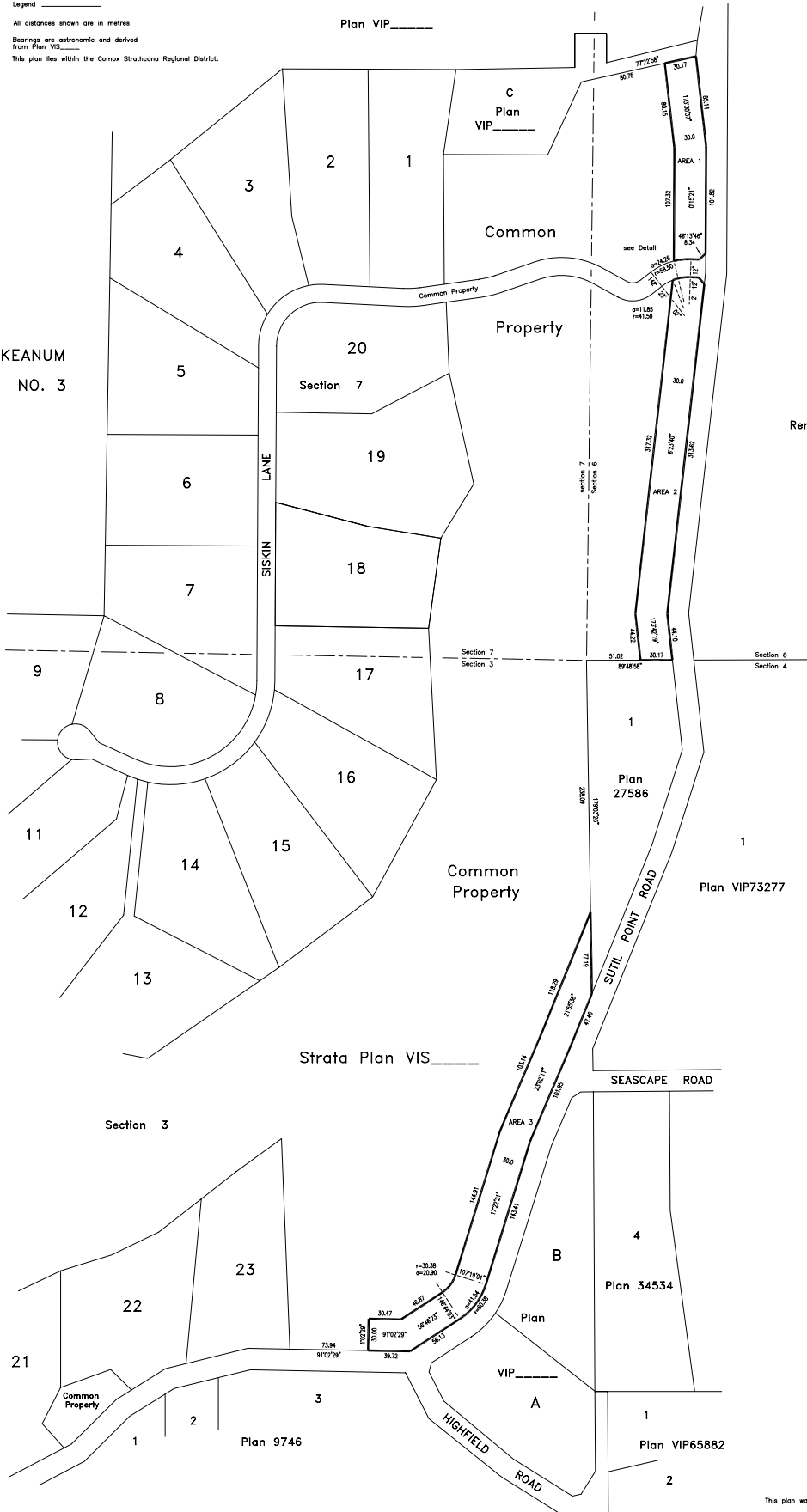


Scale 1:2000  
0 20 40 80 120 160 200

Legend \_\_\_\_\_  
All distances shown are in metres  
Bearings are astronomic and derived  
from Plan VIS\_\_\_\_\_  
This plan lies within the Comox Strathcona Regional District.

E  
Plan VIP\_\_\_\_\_

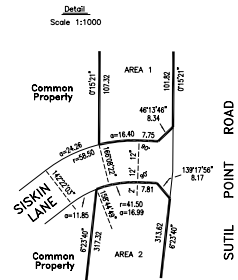
PAUKEANUM  
I.R. NO. 3



PLAN \_\_\_\_\_

Deposited in the Land Title Office at Victoria, B.C., this  
\_\_\_\_\_ day of \_\_\_\_\_, 2006.

Registrar



Rem. SW 1/4  
Section 6

BOOK OF REFERENCE			
AREA	LOT	SIZE ( ha )	
1	Common Property	0.567	
2	Common Property	1.089	
3	Common Property	1.342	

This plan was completed and checked, and the checklist filed under  
# 43,794, on the 28th day of January, 2006, and is  
hereby certified correct in accordance with Land Title Office records.