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Page 1 of 20

LAND TITLE ACT
FORM C

Province of
British Columbia

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

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

JOHN H. FRASER LAWSON LUNDELL LLP, 1600-925
WEST GEORGIA STREET, VANCOUVER, BC V6C 3L2
604-685-3456 CLIENT NO. 1043

cc West Coast Title Search Ltd.

10104

Askin

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

- 009-845-119 SECTION 7, RANGE 6, SAHTLAM DISTRICT
- 009-849-581 THE WEST 5 CHAINS OF THE SOUTH 20 CHAINS, SECTION 7, RANGE 7, SAHTLAM DISTRICT, OUTLINED IN RED ON PLAN DD 278681
- 009-849-637 PARCEL B (DD 865681) OF SECTION 7, RANGE 7, SAHTLAM DISTRICT

3. Nature of Interest:

DESCRIPTION	DOCUMENT REFERENCE	PERSON ENTITLED TO INTEREST
Section 219 Covenant	Entire Instrument	Transferee

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

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

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

5. Transferor(s):*

CAROMAR SALES LTD. is a corporation registered in British Columbia (INC. NO. 286799), P.O. Box 91217, West Vancouver, BC, V7V 3N6.
616-1641 CONSALE AVENUE, NORTH VANCOUVER, BC
V7M 2J5

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), with its registered office at 301-1195 Esquimalt Road, Victoria, B.C. V9A 3N6.

7. Additional or Modified Terms:
N/A

HN 08/09/02 14:48:52 01 VI 816625
CHARGE \$66.15

1/2

IB

1B

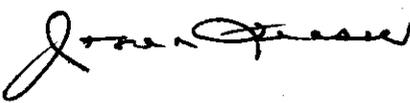
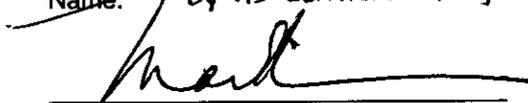
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LAND TITLE ACT
FORM C

Province of
British Columbia

GENERAL INSTRUMENT - PART I

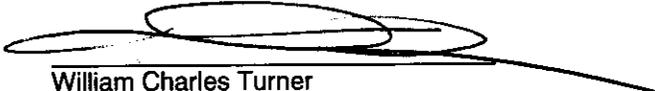
8. Execution(s): ****This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge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

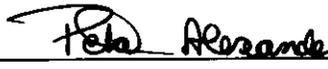
Officer Signature(s):	EXECUTION DATE			Party(ies) Signature(s)
	Y	M	D	
	08	08	27	<u>CARDMAR SALES LTD</u> Name: _____ by its authorized signatory
JOHN H. FRASER Barrister & Solicitor 1600 - 925 W. GEORGIA ST. VANCOUVER, B.C. V6C 3L2 <i>(see to both signatures)</i> (604) 685-3456				 Name: DIRECTOR MARK WIMMER

TLC THE LAND CONSERVANCY
OF BRITISH COLUMBIA
by its authorized signatories

 080401

DEREK E. ASHURST
Barrister and Solicitor
(see to both signatures)
1620 Cedar Hill X Road
Victoria, BC
V8P 2P6


William Charles Turner


Name: PETA ALEXANDER.

*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

The Agreement is dated for reference the _____ day of _____, 2008 and is

AMONG:

CAROMAR SALES LTD. is a corporation registered in British Columbia (INC. NO. 286799) and having an office at P.O. Box 91217, West Vancouver, BC, V7V 3N6.

AND:

TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA, a society registered in British Columbia (Registration No. S-36826), with its registered office at 301-1195 Esquimalt Road, Victoria, B.C. V9A 3N6

(collectively, the "Parties")

WHEREAS:

- A. The Owner is the registered owner of the Land;
- B. The Covenant Area contains significant amenities, including flora, fauna and natural features, of great importance to the Owner, to the Covenant Holder, and to the public;
- C. The Owner wishes and has agreed to grant the Covenant Holders a covenant pursuant to section 219 of the *Land Title Act* (British Columbia), to restrict the use of the Covenant Area;
- D. TLC The Land Conservancy of British Columbia has been designated by the Government of British Columbia as a person authorized to accept covenants under s. 219 of the *Land Title Act*; and

NOW THEREFORE in consideration of the payment of two dollars (\$2.00) now paid by each of 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 section 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, agricultural or cultural value relating to the Covenant Area;

- (b) "Business Day" means, a day on which the Land Title Office in Victoria BC is open;
- (c) "Covenant Area" means that part of the Land as shown on the Plan, a reduced copy of which is attached as Schedule A;
- (d) "Covenant Holder" means, unless the context otherwise requires, TLC The Land Conservancy of British Columbia, a society registered in British Columbia (Registration No.S-36826) and includes its permitted successors and assignees;
- (e) "Land" means the parcels of land legally described as: PID: 009-845-119, SECTION 7, RANGE 6, SAHTLAM DISTRICT, PID: 009-849-581, THE WEST 5 CHAINS OF THE SOUTH 20 CHAINS, SECTION 7, RANGE 7, SAHTLAM DISTRICT, OUTLINED IN RED ON PLAN DD 27868I and PID: 009-849-637, PARCEL B (DD 86568I) OF SECTION 7, RANGE 7, SAHTLAM DISTRICT;
- (f) "Management Plan" means the Park Management Plan as prepared under section 5;
- (g) "Owner" means CAROMAR SALES LTD., a corporation registered in British Columbia (INC. NO. 286799) and having an a at P.O. Box 91217, West Vancouver, BC, V7V 3N6;
- (h) "Plan" means the "REFERENCE PLAN OF COVENANT OVER PART OF SECTION 7, RANGE 6; PART OF PARCEL B (DD865681) OF SECTION 7, RANGE 7; PART OF THE WEST 5 CHAINS OF THE SOUTH 20 CHAINS, SECTION 7, RANGE 7, OUTLINED IN RED ON PLAN DD278681, ALL WITHIN THE SAHTLAM DISTRICT." certified correct by Kelly Stofer, B.C.L.S. dated October 1st, 2007, and deposited in the Victoria Land Title Office under number VIP 85620, a reduced copy of which is attached to the Agreement as Schedule A;
- (i) "Successor" means a person who, at any time after registration of this Agreement, becomes the registered Owner of the Land or any part thereof by any means, including a beneficial owner; and
- (j) "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.

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* 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 The Owner warrants that the facts set out in Recital A are true as of the date of this agreement.

2.2 The Land Conservancy represents and warrants that the facts set out in Recital D are true as of the date of this Agreement.

2.3 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 general intent of this Agreement is:

- (a) to protect, preserve, conserve and maintain portions of the Covenant Area and the Amenities, in a natural state, and to manage the Covenant Area as a public park with allowance for limited recreational uses as contemplated under the Management Plan; and
- (b) to prevent any occupation or use of the Covenant Area that will significantly impair or interfere with the current state of the Covenant Area or the Amenities;

and the parties agree that this Agreement is to be interpreted, performed and applied accordingly.

3.2 This Agreement shall be perpetual to reflect the public interest in the protection, preservation, conservation, maintenance, enhancement, and restoration of the natural state of the Covenant Area and the Amenities.

4. Baseline Documentation Report

4.1 The parties agree that the Covenant Area and Amenities are described in the Report, a copy of which is on file with each of the parties at the addresses set out in section 13, an overview of which is attached as Schedule B 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 B provide an accurate description of the Covenant Area and the Amenities at the date of this Agreement.

4.3 The parties each acknowledge that the flora and fauna on the Covenant Area 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. Management Plan

5.1 The Owner shall prepare and adopt a Management Plan for the management of the Covenant Area including the provision of parking, access routes, trails, signage, washroom facilities, park interpretation and educational facilities or such other park improvements as may be considered necessary or appropriate.

5.2 Prior to and until the adoption of the Management Plan, the Owner shall classify the Covenant Area as Park Reserve. In the Management Plan, the Covenant Area shall be given a park classification consistent with the Intent of Agreement.

5.3 The Owner agrees to consult with the Covenant Holder on the provisions in the Plan and take the Covenant Holder's comments into consideration.

6. Restrictions on Land Use

6.1 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 Covenant Area or the Amenities from the condition described in the Report.

6.2 Without restricting the generality of section 5.1, the Owner shall not, except with the prior written approval of the Covenant Holder, in the sole discretion of the Covenant Holder, use or permit the use of the Covenant Area for any of the following activities or uses;

- (a) subdivide, sell, transfer, or grant any easement, right of way, license or lease over all or part of the Covenant Area;
- (b) remove, destroy or cut, or permit the removal, destruction or cutting of any indigenous vegetation on the Covenant Area except as is necessary to implement the park management plan referred to in section 5 herein or with the prior written approval of the Covenant Holder. Notwithstanding the foregoing, if any living or dead tree on the Covenant Area poses an imminent threat to the safety of any person, that tree may be cut down or trimmed. The Owner shall leave any cut tree or trimmings on the Covenant Area unless such action shall constitute a fire hazard;
- (c) use pesticides, herbicides or any other deleterious substance of any kind on the Covenant Area;
- (d) build, construct, erect or alter any structure, building or improvement on the Covenant Area except in accordance with the park management plan prepared in accordance with section 5 herein;
- (e) lay down, install, place or deposit any impervious material or surface on or within the Covenant Area for road, parking or trail purposes; and
- (f) design and construct any park improvements on the Covenant Area so as to cause substantial disturbance to the natural drainage patterns of the Covenant Area.

7. **Dispute Resolution**

- 7.1 If a breach of this Agreement occurs or is threatened, or if there is disagreement as to the meaning of this Agreement, the Covenant Holder or the Owner may give notice to the other party requiring a meeting of all parties within 10 Business Days of receipt of the notice.
- 7.2 All activities giving rise to 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 the notice.
- 7.3 The parties must attempt to resolve the matter, acting reasonably and in good faith, within 20 Business Days of receipt of the notice.
- 7.4 If the parties are not able to resolve the matter within that time, the parties may appoint a mutually acceptable person to mediate the matter. If the parties are unable to agree on the appointment of a mediator within 15 days after the mediation process is invoked, any party may apply to the British Columbia Mediator Roster Society, or its successor, or such other organization or person agreed to by the parties in writing, for appointment of a mediator. The parties must act reasonably and in good faith and

cooperate with the mediator and with each other in an attempt to resolve the matter within 60 days after the mediator is appointed.

- 7.5 The cost of the mediation will be borne equally between the parties, which costs will not include costs incurred by a party for representation by counsel at the mediation.

8. Owner's Reserved Rights

8.1 Subject to sections 6.1 and 6.2, 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.

8.2 Without limiting the generality of section 8.1 and subject to sections 6.1 and 6.2, the following rights are expressly reserved to the Owner:

- (a) To maintain, restore, rebuild or resurface the existing trails and build new trails according to the Management Plan.
- (b) All other rights and activities that are necessary for and incidental to the operation of a regional district park, and that are contemplated by or consistent with the Management Plan.

8.3 Subject to section 8.5, 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.

8.4 If the Owner or any other party intends to do anything described in section 8.3, 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 Covenant Area or the Amenities. Despite the rest of this Agreement, the Owner shall permit the Covenant Holder to enter upon and inspect the Covenant Area if any action is proposed under section 8.3. 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.

8.5 Despite section 8.4, in an emergency situation, such as fire or threat to human safety, a living or dead tree on the Covenant Area may be cut down or trimmed, and any other action as is reasonably required to prevent, abate or mitigate the emergency may be taken by the Owner, without the consent of the Covenant Holders, but the Owner shall notify the Covenant Holders of the circumstances of such action within 30 days, including the actual or likely effect on the Covenant Area or the Amenities.

9. Owner's Obligations

9.1 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.

9.2 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 Covenant Area or the Amenities by the Owner.

9.3 The Owner is liable for any and all breaches of this Agreement by the Owner, but the Owner is not liable for:

- (a) breaches of this Agreement which occurred prior to the Owner becoming the registered owner of any interest in the Land;
- (b) injury or alteration to the Covenant Area or the Amenities resulting from natural causes, or causes beyond the Owner's reasonable control, including accidental fire, flood, storm, pest or fungal infestation, 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 Covenant Area or the Amenities resulting from natural causes, including accidental fire, flood, storm and earth movement.

9.4 Without limiting the generality of sections 9.1, 9.2 and 9.3, the Owner:

- (a) as between the Owner and the Covenant Holder, 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 ("Contaminant"); and
- (b) shall indemnify each 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 Holders, jointly or severally, in any way associated with anything described in section 9.4(a).

9.5 Where, as provided under section 9.3(b), the Owner is not responsible for damage or theft due to trespass or vandalism, the Owner in its sole discretion may take all reasonable steps to identify and prosecute the person responsible and to seek financial restitution for the damage or theft.

9.6 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.

9.7 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 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 as a result of the amendment or termination of this Agreement.

9.8 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 1 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.

9.9 For clarity, the indemnities granted by the Owner to the Covenant Holder under sections 9.2, 9.4 and 9.7 are indemnities granted as an integral part of the section 219 *Land title Act* covenant created by this Agreement.

10. Enforcement Remedy of the Covenant Holder

10.1 If the Covenant Holder 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 requiring the Owner to remedy the breach.

10.2 The Owner has 60 days from receipt of the notice given under section 10.1 or from the conclusion of a dispute resolution process under section 7 if it is invoked, 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.

11. Successor of the Owner

11.1 This Agreement shall enure to the benefit of and be binding upon the Owner and the Owner's Successor.

11.2 The Owner shall not lease or license the Covenant Area 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 Covenant Area if the tenant or licensee breaches any of the provisions of this Agreement.

11.3 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. Assignment of Agreement or Dissolution of the Covenant Holder

12.1 This Agreement shall be transferable by a 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* (or any successor provision then applicable) and any applicable regulations.

12.2 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 Business 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.

12.3 In the event of the winding-up or dissolution of a 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 the other Covenant Holder, to hold temporarily until another Covenant Holder can be found, or if the other Covenant Holder is not available, to Her Majesty the Queen in Right of the Province of British Columbia. For clarity, the consultation process set out in section 13.2 does not apply to this section.

13. Notice

13.1 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 to the address of the parties at their respective addresses as set out in section 14.4.

13.2 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.

13.3 If notice is sent by pre-paid registered mail, it shall be deemed to have been received on the fourth Business Day following the day on which the notice was sent.

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

The Owner:
CAROMAR SALES LTD.
P.O. Box 91217,
West Vancouver, BC, V7V 3N6.

The Covenant Holder:
THE LAND CONSERVANCY OF BRITISH COLUMBIA
301-1195 Esquimalt Road
Victoria, BC V9A 3N6

13.5 Each party agrees to immediately give written notice to the others of any change in its address from that set out in section 13.4.

13.6 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.

14. Notice of Covenant

14.1 The Owner agrees to allow the Covenant Holder to publicize the existence of this Agreement in a tasteful manner, provided that the Covenant Holder first consults with the Owner as to the content of such publicity.

14.2 Without restricting the generality of the foregoing, the Owner agrees to allow the Covenant Holder to erect a plaque or other signage on the Covenant Area, in a tasteful manner and at the Covenant Holders' expense, indicating that the Covenant Holder holds a covenant on the Covenant Area, provided that the location of the plaque or signage is to be approved in advance by the Owner, and the Covenant Holder is responsible for any repair, maintenance or replacement of the plaque or sign.

15. No Liability in Tort

15.1 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 and the law pertaining to covenants under seal.

16. Waiver

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

16.2 The failure of either or both Covenant Holders to require performance by the Owner at any time of any obligation under this Agreement does not affect either Covenant Holder's right to subsequently enforce that obligation.

17. Joint and Several Obligations

17.1 Where there is more than one party comprising the Owner under this Agreement, the obligations of those parties as the Owner are joint and several.

18. Remedies not Exhaustive

18.1 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.

19. Covenant runs with the Land

19.1 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). 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.

19.2 Notwithstanding section 19.1, if the Covenant Area is subdivided from the Land, the Covenant Holder will, if requested by and at the cost of the Owner or its successor in title to the Land, discharge this Agreement from that portion of the Land not included within the Covenant Area.

19.3 In the event that the Owner transfers title to the Covenant Area to the Cowichan Valley Regional District or another party approved by the Covenant Holder, the Owner will be released from further obligation under this Agreement.

20. Registration

20.1 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.

20.2 The Owner agrees to do everything necessary, at the Owner's expense, to ensure that this Agreement, and the interests it creates, are registered 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. Registered or pending registration in the Land Title Office at the time of application for registration of this Agreement.

21. Severance

21.1 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.

22. No other agreements

22.1 This Agreement is the entire agreement between the parties and it terminates and supersedes all other agreements and arrangements regarding its subject. This Agreement may only be changed by a written instrument signed by all the parties.

23. Binding on successors

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

24. Independent Advice

24.1 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 either Covenant Holder for advice in this regard and that they have given no representation or warranty in that regard.

24.2 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.

25. Deed and Contract

25.1 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.

26. Rights of the Covenant Holder

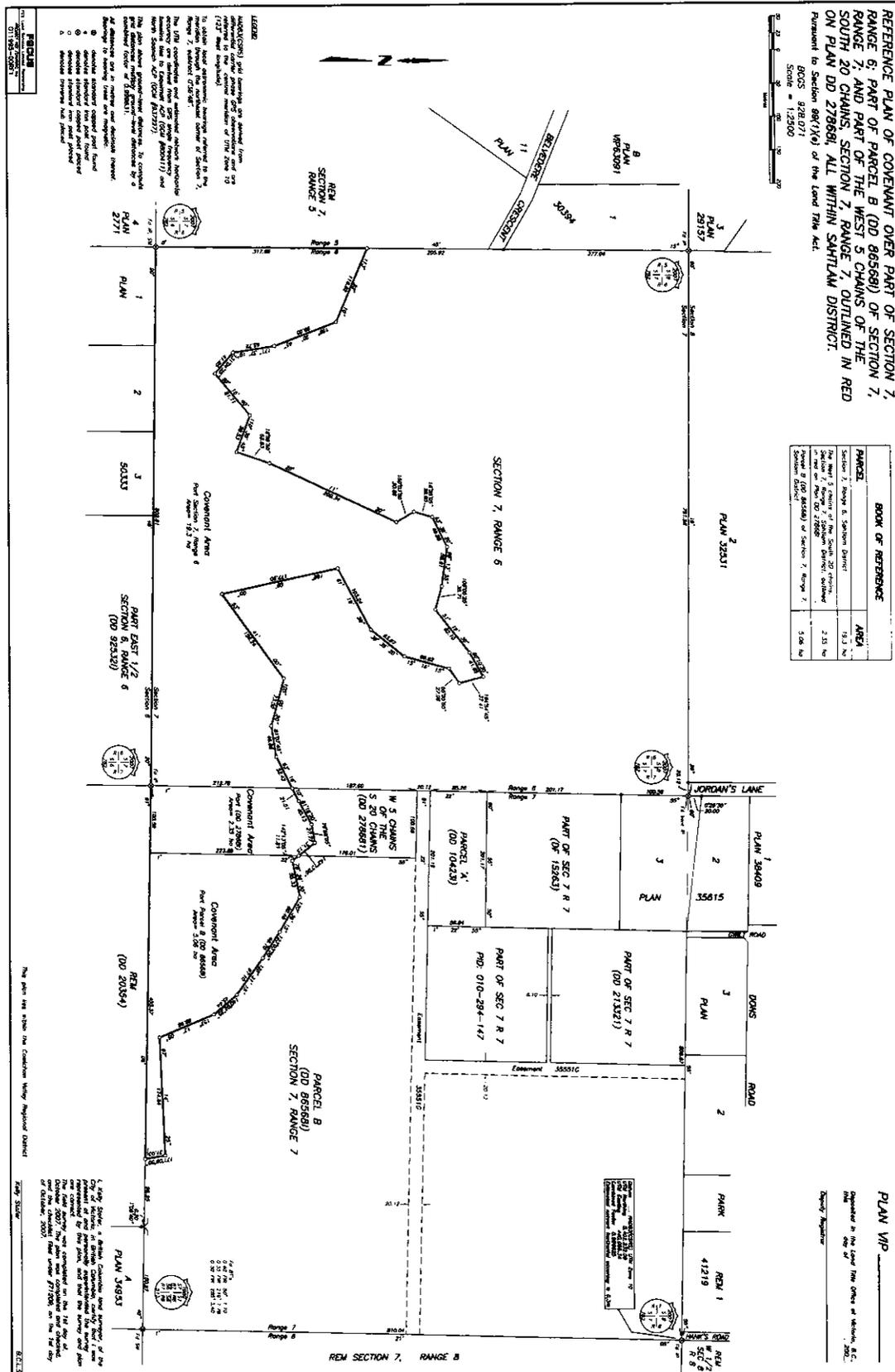
26.1 The Covenant Holder may exercise its rights under this Agreement through its directors, officers, employees, agents or contractors.

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.

The Schedules referred to throughout the document are attached after this page.

SCHEDULE A

Attached to and forming part of the Covenant Agreement between the CAROMAR LAND SALES LTD, the Owner, and TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA, Covenant Holder, dated as of the ___ day of ___, 2008.



SCHEDULE B

Attached to and forming part of the Covenant Agreement between the CAROMAR LAND SALES LTD, the Owner, and TLC THE LAND CONSERVANCY OF BRITISH COLUMBIA, Covenant Holder, dated as of the ___ day of _____, 2008.

BASELINE DOCUMENTATION REPORT

1.0 Acknowledgment

1.1 The Owner hereby acknowledges and agrees that the following is an accurate description of the Covenant Area, as of the reference date of this agreement.

2.0 Covenant Area Location and description.

2.1 The property is located in the Sahtlam District of the Cowichan Valley Regional District (Electoral Area E).

2.2 Driving Directions: From the Trans-Canada Highway at Duncan: Turn off the Trans-Canada and head west on Truck Road. Follow Truck Road until it turns into Government St. and then Cowichan Lake Road. Keep left on Cowichan Lake Road. You will stay on Cowichan Lake Road for approximately 7 km. Turn left on Colverton Road, then left on Aquino Road, then left on Belvedere Crescent. At the dead end of Belvedere you can walk to the Covenant Area.

2.3 The Covenant Area is currently a portion of each of three legal parcels:

009-845-119 SECTION 7, RANGE 6, SAHTLAM DISTRICT (19.3 Ha)

009-849-581 THE WEST 5 CHAINS OF THE SOUTH 20 CHAINS, SECTION 7, RANGE 7, SAHTLAM DISTRICT, OUTLINED IN RED ON PLAN DD 278681 (2.34 Ha)

009-849-637 PARCEL B (DD 865681) OF SECTION 7, RANGE 7, SAHTLAM DISTRICT (5.08 Ha)

2.4 The total Covenant Area is 26.7 hectares in size and primarily young forest dominated by Douglas-Fir. The southern boundary follows a steep ridge. The central bulk of the property contains a significant wetland approximately 4 hectares in size.

3.0 Significance of the Land and Amenities

3.1 The most significant feature of the Covenant Area is the large wetland in the centre of the property. This wetland is approximately 4 hectares in size with about half of that being permanently flooded and the rest seasonally wet.

3.2 The rest of the Covenant Area is young forest, with a few older trees left from the most recent logging approximately 10 years ago.

3.3 The Conservation Data Centre in BC's Ministry of Environment has documented the presence of Macoun's groundsel (*Senecio macounii*) in the area, a blue listed species on the property, but its presence in the Covenant Area has not been confirmed.

4.0 The Management Vision

4.1 The current owner plans to donate the Covenant Area to the Cowichan Valley Regional District to become a regional park. The Covenant Area will then be managed as a regional park for natural heritage protection and recreation. It is possible that the Covenant Area will be connected to Sandy Pool Regional Park via another property south of the covenanted land.

5.0 Site History

5.1 The Covenant Area has been logged of all its significant timber, and is regenerating. There are a series old logging roads traversing the Covenant Area that have been used by off-road enthusiasts. The roads have also given access to hunters, as evidenced by the empty cartridge shells found on the Covenant Area. The site is also used by hikers. Some illegal dumping has occurred on the property, as evidenced by several small piles of garbage.

6.0 List of buildings, structures and other improvements

6.1 The Covenant Area does not contain any buildings and structures. There are several old logging roads in the Covenant Area and there were a few piles of dumped garbage including an abandoned car.

7.0 Inventory of Species.

7.1 An inventory of plant species was undertaken for the baseline inventory report as follows:

Trees

<i>Abies grandis</i>	grand fir
<i>Acer macrophyllum</i>	bigleaf maple
<i>Alnus rubra</i>	red alder
<i>Arbutus menziesii</i>	arbutus
<i>Cornus nuttallii</i>	flowering dogwood
<i>Malus fusca</i>	pacific crab apple
<i>Pinus contorta</i>	shore pine
<i>Populus balsamifera ssp trichocarpa</i>	black cottonwood
<i>Populus tremuloides</i>	quaking aspen
<i>Pseudotsuga menziesii</i>	Douglas-fir
<i>Quercus garryana</i>	Garry oak
<i>Rhamnus purshiana</i>	cascara
<i>Taxus brevifolia</i>	Western yew
<i>Thuja plicata</i>	Western redcedar
<i>Tsuga heterophylla</i>	Western hemlock

Shrubs

<i>Amelanchier alnifolia</i>	saskatoon
<i>Arctostaphylos uva-ursi</i>	kinnikinnick
<i>Cornus stolonifera</i>	red-osier dogwood
<i>Gaultheria shallon</i>	salal
<i>Goodyera oblongifolia</i>	Rattlesnake-plantain
<i>Holodiscus discolor</i>	oceanspray
<i>Linnaea borealis</i>	twinline
<i>Lonicera ciliosa</i>	western trumpet honeysuckle
<i>Mahonia aquifolium</i>	tall Oregon-grape
<i>Mahonia nervosa</i>	dull Oregon-grape
<i>Oplopanax horridus</i>	Devil's club
<i>Rosa gymnocarpus</i>	baldhip rose
<i>Rosa nootkatensis</i>	Nootka rose
<i>Rubus leucodermis</i>	blackcap
<i>Rubus parviflorus</i>	thimbleberry
<i>Rubus spectabilis</i>	salmonberry

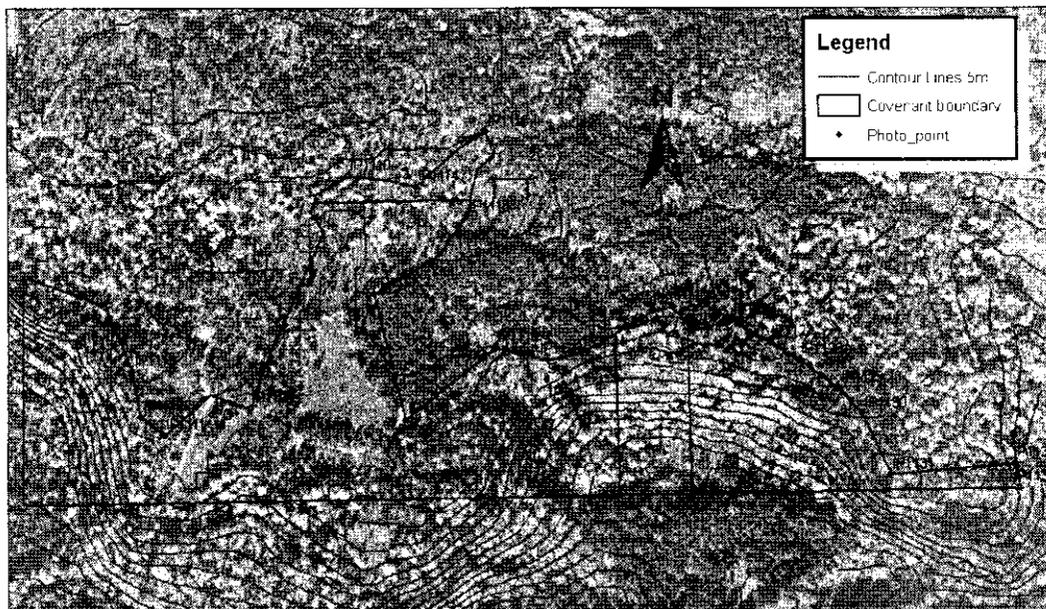
<i>Rubus ursinus</i>	trailing blackberry
<i>Salix</i> sp.	willows
<i>Sambucus racemosa</i>	red elderberry
<i>Spiraea douglasii</i> ssp. <i>douglasii</i>	hardhack
<i>Symphoricarpos albus</i>	snowberry
<i>Vaccinium parvifolium</i>	red huckleberry
Forbs	
<i>Achillea millefolium</i>	yarrow
<i>Achlys triphylla</i>	vanilla-leaf
<i>Anaphalis margaritacea</i>	pearly everlasting
<i>Anemone lyallii</i>	Lyall's anemone
<i>Aquilegia formosa</i>	red columbine
<i>Boschniakia hookeri</i>	vancouver groundcone
<i>Chimaphila umbellata</i>	prince's-pine
<i>Claytonia sibirica</i>	Siberian miner's-lettuce
<i>Dicentra formosa</i>	Pacific bleeding-heart
<i>Epilobium angustifolium</i>	fireweed, rosebay willowherb
<i>Epilobium ciliatum</i>	purple-leaved willowherb
<i>Fragaria vesca</i>	woodland strawberry
<i>Fragaria virginiana</i>	wild strawberry
<i>Fritillaria lanceolata</i>	chocolate lily
<i>Galium</i> sp.	bedstraw
<i>Hieracium</i> sp.	hawkweeds
<i>Hypochaeris radicata</i>	hairy cat's-ear
<i>Iris</i> sp.	
<i>Lilium columbianum</i>	tiger lily
<i>Lomatium nudicaule</i>	Indian consumption plant
<i>Lotus</i> sp.	lotus
<i>Lupinus</i> sp.	
<i>Lysichiton americanum</i>	skunk cabbage
<i>Maianthemum dilatatum</i>	false lily-of-the-valley
<i>Oenanthe sarmentosa</i>	pacific water-parsley
<i>Osmorhiza chilensis</i>	mountain sweet-cicely
<i>Polygonum</i> sp.	knotweed
<i>Pyrola asarifolia</i>	pink wintergreen
<i>Rumex occidentalis</i>	western dock
<i>Satureja douglasii</i>	yerba buena
<i>Sisyrinchium idahoense</i> var. <i>macounii</i>	Idaho blue-eyed grass
<i>Smilacina stellata</i>	star-flowered false solomon's seal
<i>Stachys cooleyae</i>	Cooley's hedge-nettle
<i>Tellima grandiflora</i>	fringecup
<i>Tolmiea menziesii</i>	piggy-back plant, youth-on-age
<i>Trientalis latifolia</i>	indian potato
<i>Trillium ovatum</i>	western trillium
<i>Urtica dioica</i>	stinging nettle
<i>Veronica americana</i>	American brooklime
<i>Veronica serpyllifolia</i>	thyme-leaved speedwell
<i>Viola adunca</i> (?)	early blue violet
<i>Viola palustris</i>	marsh violet
Ferns & Fern Allies	
<i>Adiantum pedatum</i>	maidenhair
<i>Athyrium felix-femina</i>	lady fern
<i>Polystichum munitum</i>	swordfern

<i>Pteridium aquilinum</i>	bracken fern
Graminoids	
<i>Juncus balticus</i>	baltic rush
<i>Juncus effusus</i>	common rush
Others	
<i>Equisetum arvense</i>	common horsetail
<i>Equisetum telmateia</i>	giant horsetail

8.0 Maps and Photos

8.1 A map of the Covenant Area follows showing photo points taken for the purposes of the baseline inventory report. Additional maps and photos are in the full baseline documentation report on file with all parties.

Caromar property photopoint inventory map



0 50 100 200 300 400 500 Meters
Created by Scott Lehr & Christina Waddle 2008
Sources: GeoBase, Base Mapping and Geomatic Services - BC Government, Cowichan Valley Regional District

END OF DOCUMENT

-2 SEP 2008 14 48

FB0208158

LAND TITLE ACT
FORM 11(a)
(Section 99(1)(e), (j) and (k))
APPLICATION FOR DEPOSIT OF REFERENCE
OR EXPLANATORY PLAN (CHARGE)

VIP 85620

IP
IA

I, John H. Fraser, Barrister & Solicitor Lawson Lundell, 1600 – 925 West Georgia Street,
Vancouver, B.C. V6C 3L2

[full name, address and occupation]

Agent of. ~~Garman Sales Ltd.~~ TLC THE LAND CONSERVANCY OF
BRITISH COLUMBIA

616 - 1641 Lonsdale Avenue, North Vancouver, BC, V7M 2J5

[full name, address and occupation]

the owner of a registered charge) apply to deposit reference plan _____

of Section 219 Covenant over PID 009-845-119, Section 7, Range 6, PID 009-849-581, The West 5
Chains of the South 20 Chains, Section 7, Range 7 outlined in red on Plan DD 27868I and PID 009-849-
637, Parcel B (DD 86568I) of Section 7, Range 7, all of Sahtlam District

I enclose:

1. The reference/explanatory plan.
2. The reproductions of the plan required by section 67 (u) (see below).
3. Fees of \$ _____

HN 08/09/02 14:48:34 01 VI 816625
PLANS \$55.00

Dated the 29 day of August 20 08


SIGNATURE

c/o West Coast Title Search Ltd.
10104

- NOTE:**
- (i) Under section 67 (u) the following reproductions of the plan must accompany this application:
 - (a) one blue linen original (alternatively white linen or original transparencies).
 - (b) one duplicate transparency.
 - (c) one whiteprint is required as a worksheet for the land title office.
 - (ii) The following further requirements may be necessary:
 - (a) If the parent property is in an Agricultural Land Reserve, a release is required unless the parent property is less than 2.0 acres (app. .8094 hectares) or where, for permitted uses, an approving officer has signed the plan under section 1(1)(a) and (b) of the Subdivision and Land Use Regulation (B.C. Reg. 7/81) under the *Agricultural Land Commission Act*.
 - (b) Where a notice respecting a grant under the *Home Purchase Assistance Act* is endorsed on title, an extra whiteprint must accompany the application, unless the Ministry of Lands, Parks and Housing agrees otherwise in writing. This extra print must contain the following endorsement:

"The eligible residence as defined by the *Home Purchase Assistance Act* is located on lot _____ created by this plan.

B.C.L.S. or solicitor for the owner"

- (c) Controlled access approval must be evident on the plan where parent property adjoins a highway that is designated as a controlled access highway.
- (d) Where the plan refers to a restrictive covenant to be made under section 215, the instrument containing the covenant must be tendered with the plan.