


GENERAL INSTRUMENT – PART 1

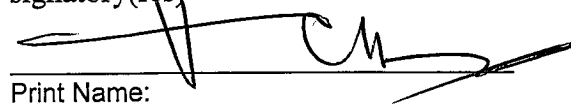
(This area for Land Title Office use)

1. APPLICATION: (Name, address, phone number and signature of applicant, applicant's solicitor or agent)
 Sarah W. Jones, **CLARK WILSON LLP**, Barristers and Solicitors, 800 – 885 West Georgia Street,
 Vancouver, B.C. V6C 3H1, Telephone (604) 687-5700, LTO Client No. 10153, File No. 34566-0001

 signature of applicant, applicant's solicitor or agent
-
2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:*
- | | |
|--------------|---------------------|
| (PID) | (LEGAL DESCRIPTION) |
| SEE SCHEDULE | SEE SCHEDULE |
-
3. NATURE OF INTEREST:*
- | | | |
|--------------|--|-----------------------------|
| DESCRIPTION | DOCUMENT REFERENCE
(page and paragraph) | PERSON ENTITLED TO INTEREST |
| SEE SCHEDULE | SEE SCHEDULE | SEE SCHEDULE |
-
4. TERMS: Part 2 of this instrument consists of (select only one)
- | | | |
|---------------------------------|-------------------------------------|---------------------------------------|
| (a) Filed Standard Charge Terms | <input type="checkbox"/> | D.F. No. |
| (b) Express Charge Terms | <input checked="" type="checkbox"/> | Annexed as Part 2 |
| (c) Release | <input type="checkbox"/> | 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))*
- BOWEN ISLAND MUNICIPALITY, 981 Artisan Lane, Bowen Island, B.C. V0N 1G0**
-
7. ADDITIONAL OR MODIFIED TERMS:*
- NIL
-
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)

 Name: _____
 Address: **SARAH W. JONES**
Barrister & Solicitor
 Occupation: **CLARK WILSON LLP**
800 - 885 WEST GEORGIA STREET
VANCOUVER, B.C. V6C 3H1
 Telephone: (604) 687-5700
 (as to both signatories)

Execution Date		
Y	M	D
09	12	1

Party(ies) Signature(s)
THE CAPE ON BOWEN COMMUNITY DEVELOPMENT LIMITED, by its authorized signatory(ies)

 Print Name: _____
Don Ho
 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)



Name:
Address:

Occupation:

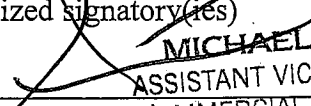
WENDY CLARKE
A COMMISSIONER FOR TAKING AFFIDAVITS
FOR BRITISH COLUMBIA
885 WEST GEORGIA STREET
VANCOUVER, B.C. V6C 3G1
Date Commission Expires July 31, 2012
(as to all signatures)

Execution Date

Y	M	D
09	12	09


Transferor/Borrower/Party
Signature(s)

HSBC BANK CANADA, by its
authorized signatory(ies)

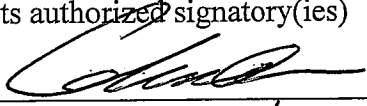

Print Name: **MICHAEL YEUNG**
ASSISTANT VICE PRESIDENT
COMMERCIAL REAL ESTATE


Print Name: **DANIEL JAY**
Officer
Commercial Real Estate

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Officer Signature(s)

Name: _____
Address: _____
Occupation: **SARAH W. JONES**
Barrister & Solicitor
CLARK WILSON LLP
800 - 885 WEST GEORGIA STREET
VANCOUVER, B.C. V6C 3H1
Telephone: (604) 687-5700


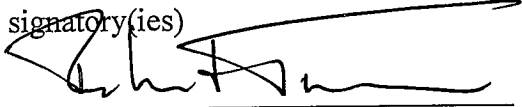
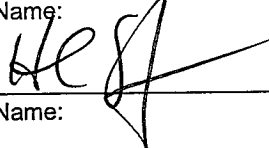
Execution Date		
Y	M	D
09	12	1

Transferor/Borrower/Party
Signature(s)
LEEDA DEVELOPMENTS CORP.,
by its authorized signatory(ies)

Print Name: **EDWIN LEE**

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			Transferor/Borrower/Party Signature(s)
	Y	M	D	
	2009	12	02	
Name: Address:				BOWEN ISLAND MUNICIPALITY , by its authorized signatory(ies)
Occupation: Kathy Lalonde Commissioner for Taking Affidavits for British Columbia Bowen Island Municipality 981 Artisan Lane Bowen Island, B.C. V0N 1G0 Tel: 604-947-4255				Print Name: 
(as to all signatures)				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.

SCHEDULE

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

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

(PID)

(LEGAL DESCRIPTION)

	Lot 1 District Lot 1548 Group 1 New Westminster District Plan BCP _____
	Lot 5 District Lot 1548 Group 1 New Westminster District Plan BCP _____
	Lot 23 District Lot 1548 Group 1 New Westminster District Plan BCP _____
	Lot 24 District Lot 1548 Group 1 New Westminster District Plan BCP _____
	Lot 33 District Lot 1548 Group 1 New Westminster District Plan BCP _____
	Lot 34 District Lot 1548 Group 1 New Westminster District Plan BCP _____
	Lot 44 District Lot 1548 Group 1 New Westminster District Plan BCP _____
	Lot 54 District Lot 1548 Group 1 New Westminster District Plan BCP _____
	Lot 57 District Lot 1548 Group 1 New Westminster District Plan BCP _____
	Lot 59 District Lot 1548 Group 1 New Westminster District Plan BCP _____

3. NATURE OF INTEREST:*

DESCRIPTION

DOCUMENT REFERENCE
(page and paragraph)

PERSON ENTITLED TO INTEREST

Statutory Right of Way over part on Plan BCP _____	Entire Instrument	TRANSFEE
Priority Agreement over Mortgage BW397586 and Assignment of Rents BW397587	Page 13	TRANSFEE
Priority Agreement over Mortgage BW497014	Page 14	TRANSFEE

SCHEDULE

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

5. TRANSFEROR(S):*

THE CAPE ON BOWEN COMMUNITY DEVELOPMENT LIMITED, (Inc. No. BC0681188), 1908 – 925 West Georgia Street, Vancouver, B.C. V6C 3L2, **HSBC BANK CANADA**, a chartered bank of Canada, 200 – 885 West Georgia Street, Vancouver, B.C. V6J 3G1 (as to priority only), and **LEEDA DEVELOPMENTS CORP.** (Inc. No. 460105), 102 – 1688 West Broadway, Vancouver, B.C. V6J 3G1 (as to priority only)

TERMS OF INSTRUMENT - PART 2

STATUTORY RIGHT OF WAY – DRAINAGE PONDS

THIS AGREEMENT is dated for reference the ___ day of _____, 2009.

BETWEEN:

THE CAPE ON BOWEN COMMUNITY DEVELOPMENT LIMITED, (Inc. No. BC0681188), 1908 – 925 West Georgia Street, Vancouver, B.C. V6C 3L2

(the “Owner”)

AND:

BOWEN ISLAND MUNICIPALITY, 981 Artisan Lane, Bowen Island, B.C. V0N 1G0

(the “Municipality”)

WHEREAS:

- A. The Owner is the registered owner of those lands and premises situate on Bowen Island in the Province of British Columbia, described in Item 2 of Form C to which this Terms of Instrument is attached (the “Lands”);
- B. Section 218 of the *Land Title Act* allows a statutory right-of-way to be granted over land without a dominant or servient tenement, and the statutory right-of-way hereinafter provided for is essential to the operation and maintenance of the Municipality's undertaking; and
- C. To provide for and facilitate storm drainage, as provided for herein, and the reconstruction, improvement, alteration, operation, repair, and maintenance of storm drainage ponds by the Municipality, the Owner has agreed to grant the statutory right-of-way hereinafter contained.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the mutual covenants and agreements herein contained and the sum of One Dollar (\$1.00), now paid by the Municipality to the Owner (the receipt and sufficiency whereof is hereby acknowledged), the Owner and the Municipality hereby covenant and agree as follows:

1. **Grant.**

THE OWNER, for himself, his heirs, executors, administrators, successors and assigns, DOES HEREBY GIVE AND GRANT unto the Municipality, and its successors and assigns a statutory right-of-way and the full, free and unrestricted right and liberty for the Municipality, its licensees, permittees, invitees, agents, guests, servants, officials, workmen, at any time and at their will and pleasure for the benefit of the Municipality, to:

- (a) enter in, over and upon all and singular those certain parcels or tracts of land and premises situate, lying and being in Bowen Island Municipality, in the Province of British Columbia, located within the bold outline shown on Reference Plan _____ prepared by Michael J. Seitz, B.C.L.S. dated the ____ day of _____, 200__, a reduced copy of which is attached hereto as Schedule "A" (the "Statutory Right-of-Way");
- (b) enter, labour, go, return, pass and repass upon the Statutory Right-of-Way by the Municipality, with and without, vehicles, machinery and equipment, for the purposes of reconstructing, altering, improving, maintaining, inspecting and operating storm drainage works, including storm drainage ponds, (the "Works") at the Municipality's sole expense;
- (c) clear the Statutory Right-of-Way or any part thereof of any or all trees, shrubs, plants, buildings, fences, or obstructions of any kind, now or hereafter; and
- (d) generally do all acts reasonably necessary or incidental to the business of the Municipality in connection with the Works and the use of the Statutory Right-of-Way for the aforesaid purposes.

TO HAVE AND TO HOLD unto the Municipality, its successors and assigns, from and after the date hereof, forever.

2. **Owner's Covenants.**

THE OWNER HEREBY COVENANTS AND AGREES with the Municipality that the Owner:

- (a) will not erect, place or maintain any building, structure, driveway, patio, foundation or footings or any other obstruction of a permanent nature, on, above or within any portion of the Statutory Right-of-Way;
- (b) will not do or knowingly permit to be done any act or thing in connection with the Statutory Right-of-Way which will interfere with the purpose of the Statutory Right-of-Way or interfere or damage the Works;
- (c) will not diminish or increase the depth of the ground cover on the Statutory Right-of-Way, without the prior written consent of the Municipality, which consent shall not be unreasonably withheld; and

- (d) at the sole expense of the Owner, do or cause to be done all acts reasonably necessary to grant priority to this Agreement over all financial charges and encumbrances which are registered against the title to the Lands in the Lower Mainland Land Title Office, which for greater certainty does not include charges or encumbrances in favour of the Municipality or other governmental authority or those specifically approved in writing by the Municipality.

3. **Municipality's Covenants.**

THE MUNICIPALITY COVENANTS AND AGREES with the Owner that the Municipality will, as far as reasonably necessary, carry out the maintenance, repair, inspection, operation and/or replacement and renewal of the Works in a proper and workmanlike manner so as to cause as little disturbance as possible to the Lands.

4. **Indemnity**

The Owner hereby agrees to indemnify and save harmless the Municipality, and its elected and appointed officials, officers, employees, and agents from and against any loss, damage, debts, claims, liabilities, obligations, costs or causes of action which the Municipality and its elected and appointed officials, officers, employees and agents, or any of them, may suffer, incur, or be put, arising, whether directly or indirectly, out of a breach of any covenant or condition of this Agreement by the Owner or its directors, officers, employees, or agents, or any other person for whom it is legally responsible (the "Claims"), including, without limiting the generality of the foregoing, any Claims regarding the failure of the Works, and Claims regarding injuries caused to persons trespassing into the Works and suffering injuries as a result thereof, including by drowning, provided however that this indemnity does not apply to Claims in negligence or gross negligence, or to claims regarding injuries to elected or appointed officials, officers, employees or agents of the Municipality.

5. **Other.**

IT IS MUTUALLY UNDERSTOOD, agreed and declared by and between the parties hereto that:

- (a) Covenant Runs with the Land: This Agreement shall be construed as a covenant running with the Lands and that none of the covenants herein contained shall be personal or binding upon the parties hereto, save and except during the Owner's seisin or ownership of any interest in the Lands and with respect only to that portion of the Lands of which the Owner shall be seised or which he shall have an interest, but that the Lands shall, nevertheless, be and remain at all times charged therewith;
- (b) Liability During Currency of Ownership: Notwithstanding anything herein contained, neither the Owner named herein or any future owner of the Lands, or any portion thereof, shall be liable under any of the covenants and agreements contained herein where such liability arises by reason of an act or omission

occurring after the Owner named herein or any future owner ceases to have a further interest in the Lands;

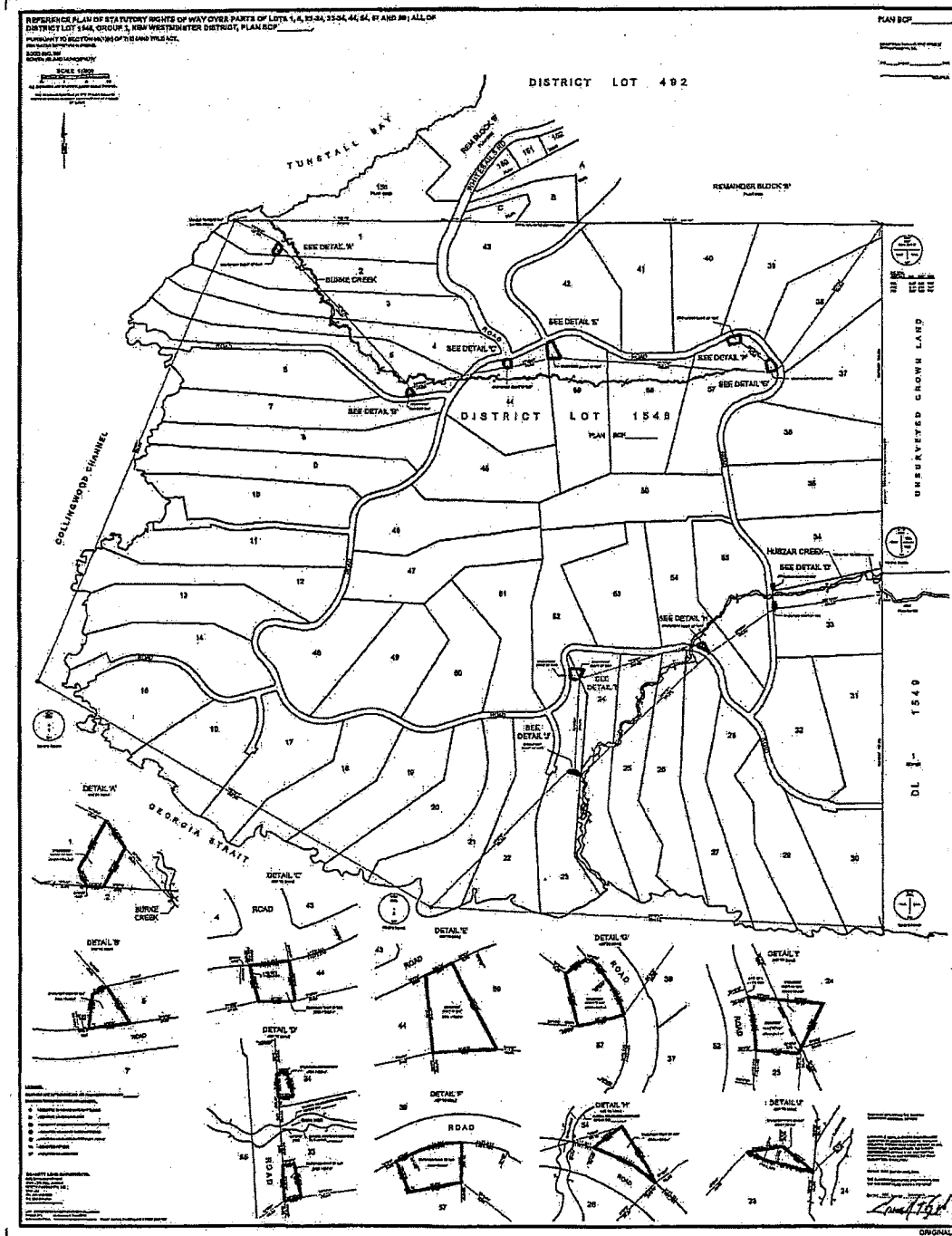
- (c) Subdivision of Lands: This Agreement burdens and charges any parcel into which the Lands are subdivided by any means and upon which any portion of the Statutory Right-of-Way is located;
- (d) Use by the Owner: Save as aforesaid, nothing in this Agreement shall be interpreted so as to restrict or prevent the Owner from using the Statutory Right-of-Way in any manner which does not interfere with the unobstructed access through the Statutory Right-of-Way by the Municipality and the public;
- (e) Installations Remain Chattels: Any and all chattels and fixtures installed by the Municipality on or over the Statutory Right-of-Way shall be and shall remain chattels, any rule of law to the contrary notwithstanding and shall belong solely and exclusively to the Municipality;
- (f) Notice: Whenever it is required or desired that either party shall deliver or serve a notice on the other, delivery or service shall be deemed to be satisfactory if, and deemed to have occurred when:
 - (i) the Owner or the Corporate Officer of the Municipality has been served personally, on the date of service; or
 - (ii) mailed by prepaid registered mail, on the date received or on the sixth day after receipt of mailing by any Canada post office, whichever is earlier (except that in the event of interruption of mail service, notice shall be deemed to be delivered only when actually received by the party to whom it is addressed), so long as the notice is mailed to the party at the most recent address shown on title to lands in the records of the Lower Mainland Land Title Office for the party, or to whatever address the parties may from time to time advise in writing;
- (g) No Derogation of Power: Notwithstanding anything contained in these presents, there are hereby reserved to the Municipality all its rights and powers of expropriation or other powers or privileges granted to the Municipality, or enjoyed by it, by or under any act or the legislature of the Province of British Columbia;
- (h) Applicable Law: This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia;
- (i) Enurement: This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns;

- (j) Number and Gender: Wherever the singular or the masculine is used in this Agreement, the same shall be construed as meaning the plural or the feminine or the body corporate or politic where the context or the parties hereto so require;
- (k) Amendments only in Writing: It is expressly agreed that the benefit of all covenants made by the Owner herein shall accrue to the Municipality and that this Agreement may only be modified or discharged by agreement of the Municipality and the Owner witnessed in writing;
- (l) No Duty to Enforce: The Owner hereby covenants and agrees with the Municipality that the Municipality is under no obligation in law or equity to prosecute or enforce the terms of this Agreement in any way;
- (m) Further Documents: The parties will do and cause to be done all things and execute and cause to be executed all documents which may be necessary to give proper effect to the intention of this Agreement. Without limiting the generality of the foregoing, if the final location of the storm drainage ponds that are constructed on the Lands are modified by agreement of the parties to extend outside of the area shown on the reference plan attached at Schedule "A" hereto, the parties will amend this Statutory Right-of-Way to attach a replacement plan that reflects the actual constructed area, and will cause to be executed such documents as are necessary to register same against title; and
- (n) Severance: If any section, subsection, sentence, clause or phrase in this Agreement is for any reason held to be invalid by the decision of a court of competent jurisdiction, the invalid portion will be severed and the provision that is invalid will not affect the validity of the remainder of the Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day, month and year first above written.

Schedule "A"

Reference Plan – Statutory Right of Way



CONSENT AND PRIORITY AGREEMENT

WHEREAS HSBC BANK CANADA (the "Chargeholder") is the holder of Mortgage No. BW397586 and Assignment of Rents No. BW397587 (together, the "Charges") filed in the Lower Mainland Land Title Office, respectively encumbering the Lands as described in the attached Statutory Right of Way (the "SRW").

Therefore this Consent and Priority Agreement witnesses that the Chargeholder hereby:

1. approves of, joins in and consents to the registration of the SRW;
2. covenants and agrees that the SRW is binding upon and takes priority over the Charges;
and
3. postpones the Charges and all of its right, title and interest thereunder to the SRW in the same manner and to the same effect as if the SRW had been dated, executed and registered prior to the Charges.

IN WITNESS WHEREOF the Chargeholder has executed this Consent and Priority Agreement on the attached Form D.

CONSENT AND PRIORITY AGREEMENT

WHEREAS LEEDA DEVELOPMENTS CORP. (the "Chargeholder") is the holder of Mortgage No. BW497014 (the "Charge") filed in the Lower Mainland Land Title Office, encumbering the Lands as described in the attached Statutory Right of Way (the "SRW").

Therefore this Consent and Priority Agreement witnesses that the Chargeholder hereby:

1. approves of, joins in and consents to the registration of the SRW;
2. covenants and agrees that the SRW is binding upon and takes priority over the Charges;
and
3. postpones the Charges and all of its right, title and interest thereunder to the SRW in the same manner and to the same effect as if the SRW had been dated, executed and registered prior to the Charges.

IN WITNESS WHEREOF the Chargeholder has executed this Consent and Priority Agreement on the attached Form D.

END OF DOCUMENT