

### ENDORSEMENT SCHEDULE

1. Recorded in the name of Revelstoke Mountain Resort Inc. (Incorporation Number A0056966) Pursuant to Name Change Certificate dated March 30, 2006.
2. Assigned by way of Mortgage unto Carevest Capital Inc. dated March 31, 2006.
3. Assigned by way of General Security Agreement unto Carevest Capital Inc. dated March 31, 2006.
4. Recorded in the name of Revelstoke Mountain Resort Inc. (Incorporation Number C0769498) as the company was continued into British Columbia under the Corporate Registry, effective September 20, 2006.
5. Assigned unto Revelstoke Mountain Resort Limited Partnership, dated March 12, 2007.
6. Master Development Agreement amended by agreement dated March 22, 2007.
7. Mortgage in favour of Carevest Capital Inc. dated March 31, 2006, discharged March 26, 2007.
8. General Security Agreement in favour of Carevest Capital Inc. dated March 31, 2006, Discharged March 26, 2007.
9. Assigned by way of Mortgage unto RIC New Brunswick Inc. dated March 28, 2007.
10. Consent to non disturbance agreement in favour of Northland Properties Corporation dated September 17, 2007 subject to the prior mortgage in favour of RIC New Brunswick Inc.

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## MASTER DEVELOPMENT AGREEMENT

THIS AGREEMENT is dated as of March 17, 2005.

**BETWEEN**

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA**, as represented by the Minister of Sustainable Resource Management, Parliament Buildings, Victoria, British Columbia V8V 1X4

(the "Province")

**AND MT. MACKENZIE RESORT LTD.**, a company incorporated pursuant to the laws of Canada and registered in British Columbia as an extraprovincial company (Registration #A0056966) and having its registered office at 15<sup>th</sup> Flr., 1040 West Georgia St., Vancouver, B.C. V6E 4H8

(the "Developer")

**WHEREAS:**

- A. the Developer has proposed the development of the Resort in the Development Area and has submitted the Resort Master Plan to the Province outlining its proposals;
- B. Land and Water British Columbia Inc. has reviewed, and to the extent that its approval is required, approved the Resort Master Plan; and
- C. the Province has agreed to permit the Developer to carry out its proposals on the terms and conditions contained in this Agreement;

**THE PARTIES AGREE AS FOLLOWS:**

### ARTICLE I - INTERPRETATION

1.01 In this Agreement and the recitals to it, unless the context otherwise requires

**"Access Route"** means an access:

- (a) required under section 6.04; or
- (b) by way of dedicated or gazetted highway, easement or right of way, whether Existing or which the Developer is required by Government Agencies or Regulatory Authorities to provide in the Controlled Recreation Area, to Parking Facilities and Improvements.

**"Anniversary"** means an anniversary of the Reference Date;

**"Application"** means an application to the Province under this Agreement for a disposition of an interest in Crown Land;

**"Appraiser"** means a person designated as an appraiser by the British Columbia Association of the Appraisal Institute of Canada;

**"Appraised Land Value"** means, in reference to any parcel of Crown Land, the fair market value of such parcel, excluding the timber on it, valued in accordance with its intended use as land fully serviced to the parcel boundaries, regardless of any zoning or servicing then existing for such land, as of the first day of the applicable period in section 7.02 which value will be determined by an Appraiser under Article VII, provided that in no case will the Appraised Land Value be less than \$10,000.00 for any parcel of Crown Land;

**"Appraised Timber Value"** means, in reference to the timber on any parcel of Crown Land, the stumpage value of the Merchantable Timber on such parcel as of the day of the Application for the land under Article VII using stumpage rates provided by the Ministry of Forests (or any successor Provincial ministry responsible for determining stumpage rates) using the timber cruise report obtained in accordance with section 7.11, provided that if stumpage rates are at any time no longer set in respect of Crown timber, the Appraised Timber Value will be the fair market value of such timber as of the day of the Application for the land under Article VII determined by qualified professional selected by the Province, which professional will be required to use the timber cruise report obtained in accordance with section 7.11 and comply with policies of the Province then in effect in respect of the valuation and sale of Crown timber;

**"Approved Lender"** means a lender taking a mortgage, pledge, charge or other encumbrance against the Interest and approved by the Province pursuant to section 16.04;

**"Arbitration"** means arbitration in accordance with Article XX;

**"Arms Length Party"** means a person:

- (i) who deals at arms length with the Developer and each of the Shareholders and in which none of the Developer, the Shareholders, or any spouse or child of the Developer or any of the Shareholders, has any direct or indirect financial interest including as a shareholder, member, beneficiary or otherwise; or
- (ii) is designated in writing by the Province to be an arms length party;

**"Base Area"** means that part of the Development Area shown or defined as the base area in the Resort Master Plan, as amended and endorsed with approval of the Province from time to time;

**"Base Area Phase"** means a phase of development of the Base Area which is in a Phase, as described in the Phasing Schedule;

**"Bed Unit"** means public or private overnight accommodation for one person in the Base Area (which unit is also commonly referred to as a "pillow" in the ski resort industry in British Columbia);

**"Capital Budget"**, in reference to a Mountain Phase, means the capital budget for the construction of Improvements and Access Routes in that Mountain Phase;

**"Commercial Alpine Ski Policy"** means the policy of the Province in effect, from time to time, relating to the development of commercial alpine ski areas;

**"Commercial Recreation Activity"** means a recreational activity within the Controlled Recreation Area covered by the Commercial Recreation Policy;

**"Commercial Recreation Policy"** means the policy of the Province in effect, from time to time, relating to commercial recreation activities on Crown Land other than activities governed by the Commercial Alpine Ski Policy and the General Commercial Policy of the Province;

**"Commercial Recreation Tenure"** means a disposition issued to the Developer under the *Land Act* in accordance with the Commercial Recreation Policy over all or part of the Controlled Recreation Area;

**"Consideration"** in connection with a person means all receipts, receivables and other direct and indirect benefits to that person, its directors, officers and shareholders and, in the case of the Developer, the Shareholders and Related Parties, and parties associated with any of the foregoing;

- "Construction and Completion Schedule"** means a construction and completion schedule submitted from time to time indicating the general sequence and timetable for construction of the Improvements and Access Routes to be constructed in each Mountain Phase;
- "Controlled Recreation Area"** means, at any given time during the Term, Crown land within the Development Area;
- "Corresponding Base Area Phase"**, in reference to a Phase or Mountain Phase, means the Base Area Phase included in or accompanying the same Phase;
- "Corresponding Mountain Phase"**, in reference to a Phase or Base Area Phase, means the Mountain Phase included in or accompanying the same Phase;
- "Crown Land"** means Crown land as defined by the *Land Act* at any time and from time to time;
- "Day Use Facility"** means any building that is, or will be, constructed on Crown Land that is designed to provide day use facilities for patrons, including cafeteria/restaurant facilities, brown bag facilities, changing areas, sanitation facilities and holding facilities for injured patrons;
- "Designated Authority"** means the individual or office designated by the minister responsible for the *Ministry of Lands, Parks and Housing Act* or any corporation to which such minister has delegated his authority;
- "Development"** means the development contemplated by the Resort Master Plan and this Agreement;
- "Development Area"** means the Crown land and the private land described in Schedule "A";
- "Event of Default"** means an event referred to in section 15.01;
- "Existing"** when referred to in reference to an Improvement or an Access Route means existing within the Controlled Recreation Area on the date of this Agreement;
- "Fees"** means the charges, licence fees and rent to be calculated and paid to the Province in accordance with Article V;
- "Financial Information"** means the financial statements for the Developer for its financial period ending the Last Year End;

**"Financial Year"** means a period commencing on June 1 of a year during the term of this Agreement and ending on May 31 in the immediately following year but the first Financial Year will commence on the Reference Date and end on May 31, 2006,,or such other period as may be agreed to in writing by the Province and the last Financial Year will commence on June 1 and end on the last day of the term of this Agreement;

**"Golf Course"** means the golf course to be constructed on the Golf Course Land as is described as such in the Resort Master Plan and includes clubhouse, proshop, restaurant, bar and banquet facilities, cart paths, washrooms, parking lots, maintenance and equipment buildings and those other similar and related facilities and any utility, service, service road or other similar works installed, constructed by or for the Developer on the Golf Course Land other than a Utility;

**"Golf Course Land"** means that portion of the Base Area described as such in the Resort Master Plan and which has not been transferred from time to time in fee simple from the Province to the Developer or otherwise in accordance with this Agreement;

**"Golf Revenue"** shall have the meaning set out in Article V;

**"Government Agencies"** means all ministries and agencies of the Province having jurisdiction over the Development or charged by a statute of the Province with the regulation, control or supervision of the construction of improvements, which ministries and agencies include, but are not limited to, the Comptroller (as defined in the *Water Act*), the Environmental Appeal Board established under the *Environment Management Act*, an approving officer appointed under the *Land Title Act* and the ministries of the Province having responsibility for lands, parks, highways, forests and the environment;

**"Gross Revenue"** shall have the meaning set out in Article V;

**"Improvements"** means the Recreation Improvements, the Golf Course and the Utilities;

**"Independent Operator"** means an Arms Length Party who enters into a contract with the Developer for the operation of a Commercial Recreation Activity;

**"Independent Operator Revenue"** shall have the meaning set out in Article V;

**"Interest"** means the rights of the Developer under this Agreement and the Tenures and the business and operations of the Developer in connection with this Agreement and the Tenures excluding

- (a) land held in fee simple by the Developer outside the Development Area;
- (b) any interest held by the Developer in land outside of the Development Area; and
- (c) the business or operation of the Developer carried on outside of the Development Area which is not part of the business and operation of the Developer in connection with this Agreement and the Tenures;

**"Interim Parking Facility"** means any vehicular parking lot in the Controlled Recreation Area that the Developer intends to use to provide interim or temporary parking space for users of the Improvements, employees of the Developer and its contractors until Parking Facilities are built as contemplated in the Resort Master Plan;

**"Land Title Office"** means the Kamloops/Nelson Land Title Office or any successor to it;

**"Last Year End"** means the most recent completed financial period of the Developer;

**"Licence"** means the licence granted under Article IV;

**"Lift"** means a lift that is Existing, or is to be constructed in accordance with the terms of this Agreement, including, but not limited to,

- (a) all pylons, cables, gondolas, chairs and equipment used in connection with the lift;
- (b) the structure at either end of the lift that loads and unloads people and all machines and equipment used to drive the lift; and
- (c) any building that is used to house the mechanical or structural end of the lift;

**"Local Government"** means the Columbia Shuswap Regional District (or any successor local government, including a resort municipality) having jurisdiction over the Development Area, or any part of it;

- "Maintenance Facility"** means any facility which is constructed in the Controlled Recreation Area for the purpose of housing, storing or maintaining equipment;
- "Merchantable Timber"** means trees on a parcel of Crown Land which are of quality and in quantities sufficient to be commercially valuable in accordance with the policies of the Province then in effect in respect of the valuation and sale of Crown timber;
- "Minor Improvement"** means a Recreation Improvement of a minor nature specified in the Resort Master Plan and for which the Province in its sole discretion does not require a Tenure;
- "Mountain Phase"** means a phase of development of the Recreation Improvements which is in a Phase, as described in the Phasing Schedule;
- "Moveable Recreation Improvements"** means all Lifts and other Recreation Improvements that are in the nature of tenant's improvements which would, at common law, be removable by a tenant on the expiration of a tenancy;
- "Parking Facility"** means any vehicular parking lot, except any Interim Parking Facility, specified in the Resort Master Plan and located in the Controlled Recreation Area that the Developer intends to use to provide permanent parking space for the users of the Improvements or employees of the Developer or its contractors;
- "Performance Deposit"** means the bond referred to in section 17.02;
- "person"** means any individual, corporation, body corporate, partnership, joint venture, trust, unincorporated organization or other entity, any government or governmental or regulatory authority, however constituted, or any trustee, executor, administrator or other legal representative;
- "Phase"** means a phase of development of the Base Area and the Recreation Improvements as described in the Phasing Schedule, and each Phase includes a Base Area Phase or a Mountain Phase or both;
- "Phasing Schedule"** means the summary of the phases of the Development set out in the Resort Master Plan, as amended and endorsed with the approval of the Province from time to time, in accordance with this Agreement;
- "Policies"** means the Commercial Alpine Ski Policy, the Commercial Recreation Policy and the General Commercial Policy and other policies of the

Province in effect from time to time relating to the operation of recreation or resort activities on, or the development of, Crown Land;

**"Preceding Base Area Phase"** means the Base Area Phase in the Phase that immediately precedes the referenced Phase, Base Area Phase or Mountain Phase;

**"Preceding Mountain Phase"** means the Mountain Phase in the Phase that immediately precedes the referenced Phase, Base Area Phase or Mountain Phase;

**"Prior Rights"** means those rights, interests and encumbrances described in Schedule "J";

**"Professional Consultant"** means the engineer, planner, architect or landscape architect, or other professional as appropriately qualified under the relevant legislation, appointed by the Developer to supervise or review the construction of Improvements or Access Routes, or the development of the Base Area or a portion of it;

**"Receiver"** means both receiver and receiver manager or either of them;

**"Recreation Improvement"** includes a Lift, Day Use Facility, Maintenance Facility, Parking Facility, Trail, Snowmaking Equipment, surfaced pathways in the Development Area, and any other similar and related facilities and any Support Utility, service road or other similar works installed, constructed by or for the Developer in the Development Area as described in the Resort Master Plan other than a Utility and the Golf Course;

**"Reference Date"** means the reference date of this agreement, namely March 17, 2005;

**"Regulatory Authorities"** means all federal, municipal, local, regional or other regulatory approving authority or agency having jurisdiction over all or any part of the Development other than Government Agencies and includes Local Government;

**"Related Party"** means any corporation the issued shares in the authorized capital of which are all registered in the name of and beneficially owned by the Developer or the Shareholders or some of them;

**"Replacement Offer"** means any replacement offer referred to in Article XVIII;

**"Resort"** means the resort known or to be known as Revelstoke Mountain Resort and located in the Development Area;

**"Resort Master Plan"** means the document entitled "Mount Mackenzie Resort Expansion" dated December 2003 prepared by Enkon Environmental Ltd. for and on behalf of the Developer, including any amendments made to it made under Article XII;

**"Security Deposit"** means the security referred to in section 17.01;

**"Shareholder"** means any registered or beneficial owner of a share in the authorized share structure of the Developer;

**"Skier At One Time"** means, in reference to a Lift or a Mountain Phase, the skier and snowboarder at one time capacity of that Lift or Mountain Phase, as applicable, based on the skier at one time ("SAOT") formula described in Schedule "D";

**"Snowmaking Equipment"** means a system for making artificial snow, including, but not limited to, all reservoirs and equipment, pipes, fittings, fixed or tower mount guns, pumps and attachments necessarily incidental to that system but not including any portable guns or flexible hoses that are not permanently affixed to the land;

**"Structural Improvement"** means an Improvement or Access Route other than a Trail or service road, a fairway, bunker or green on the Golf Course, or other landscaping;

**"Subdivision Scheme"** means a scheme of subdivision referred to in section 7.03 (c) (i);

**"Substantial Completion"** means, subject to section 1.02,

- (a) in reference to an Improvement, the condition arrived at, as certified by the Professional Consultant under his or her professional seal (except if the Professional Consultant is a planner, then as certified in a certificate signed by the planner without a seal), when the construction of it and all associated Access Routes and Utilities, if any, have been completed in accordance with the design, plans and specifications for the Improvement and Access Routes and Utilities and the Improvement is ready for its intended use, with the exception of minor deficiencies that do not materially affect its appearance or impair its use;

