



**Land Use Operational Policy
All Seasons Resort**

NAME OF POLICY: All Seasons Resort

APPLICATION: Applies to All Seasons Resort development projects that take place on Crown upland and/or aquatic land, including Alpine Ski Resorts. Crown land requires removal from the Provincial Forest prior to disposition under the *Ministry of Lands, Parks and Housing Act*.

ISSUANCE: Assistant Deputy Minister, Tourism Division, Ministry of Tourism, Culture and the Arts

IMPLEMENTATION: MTCA, Resort Development Branch

REFERENCES: *Environmental Assessment Act* (Ch. 43 S.B.C. 2002)
Forest Act (Ch. 157 R.S.B.C. 1996)
Forest and Range Practices Act (Ch. 69 S.B.C. 2002)
Land Act (Ch. 245 R.S.B.C. 1996)
Ministry of Lands, Parks and Housing Act (Ch. 307 R.S.B.C. 1996)
Resort Timber Administration Act (Ch. 30 S.B.C. 2006)
Controlled Recreation Area Regulation (BC Reg 166/2007)
Crown Land Fees Regulation (BC Reg 109/2005)
Resort Timber Administration Act (Specified Enactment)
Regulation (BC Reg 151/2007)

RELATIONSHIP TO PREVIOUS POLICY: Updated All Seasons Resort Policy (replaces previous version dated July 6, 2005).

POLICY AMENDMENT: Any formal request for an amendment to this policy is to be directed in writing to the Assistant Deputy Minister, Tourism Division, Ministry of Tourism, Culture and the Arts.

Peter Walters
Assistant Deputy Minister
Tourism Division, Ministry of Tourism, Culture and the Arts

Sept 23, 2009

Date

EFFECTIVE DATE:
AMENDMENT NO:

FILE:
24659 ASRP Appendix 2

Approved Amendments		
Effective Date	Briefing Note / Approval	Summary of Changes
February 25, 2009	MAL DN 162582 MAL DN 162403	<p>Additions of section on "Environmental Tenure Provisions and Insurance" and "Resort Timber Administration", minor update to insurance requirements.</p> <p>As well, updated pricing provisions, included <i>Resort Timber Administration Act</i>, and general reorganization into three parts.</p>
July 6, 2005		Incorporated the updated Commercial Alpine Ski Policy and various elements from the following land use policies: Commercial-General, Commercial Recreation; and Agriculture Extensive-Intensive

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ALL SEASONS RESORT POLICIES AND PROCEDURES

1 CONTEXT

This policy is composed of three main sections:

- Sections 2 thru 8 provide general information relevant to any ASR application;.
- Sections 9 thru 12 (Part One) summarize the application procedure for any ASR application while focussing on non-ski resort applications; and
- Sections 13 thru 22 (Part Two) build on Part One by detailing the extra requirements for an Alpine Ski Resort application.

The italicized text in this document represents information summarized from standard Crown land operational policies and procedures. This material has been inserted where it provides necessary direction or context. As well, website links offer access to the full text of the relevant operational Crown land policies and procedures. Text in standard script is applicable to this policy only.

2 POLICY APPLICATION

This policy applies to non-ski resorts which meet the definition of All Season Resort as well as all types of ski hill developments (Type 1 and Type 2, as described in section 14). Any of these major resort development projects must lie partly or entirely on Crown upland or aquatic land (collectively referred to as "Crown land").

This policy does not apply to:

- accommodation developments on provincial Crown land (e.g. hotel/motel, bed and breakfast accommodation) under the General Commercial Policy;
- other commercial recreation activities that are under the General Commercial Policy; and
- commercial recreation and other guided adventure tourism activities under the Adventure Tourism Policy.

This policy is subject to the Environmental Assessment Act (see Regulations for Environmental Assessment).

The All Seasons Resort Development Guidelines and Best Management Practices are intended to assist in the implementation of this policy. These guidelines are intended for use by developers and government staff, to assist in the process of planning and evaluating All Seasons Resort proposals and expansions on Crown land.

3 PRINCIPLES AND GOALS

Provincial employees act in accordance with applicable legal requirements when making decisions. The Guiding Principles are a summary of key administrative and contract law principles which guide provincial employees.

This policy is part of a series of policies that have been developed to help provincial staff use business and legal principles to achieve the government's goals with respect to the management of Crown land in a manner that is provincially consistent, fair and transparent. To that end, this policy also serves as a communication tool to help the public understand how the Province of BC makes decisions respecting Crown land.

This policy adheres to the overarching Crown Land Allocation Principles. These principles provide guidance to public officials who are involved in making decisions related to the allocation of Crown land. This guidance is incremental to obligations under law, recognizes the statutory authority of other levels of government and guides the development of strategic and operational policy. These principles also guide decisions in the absence of existing policy direction:

1. Crown land values are managed for the benefit of the public.
2. Economic, environmental and social needs and opportunities are identified and supported.
3. The interests of First Nations' communities are recognized.
4. Decisions are timely, well-considered and transparent.
5. Public accountability is maintained during the allocation of Crown land.

The vision of the All Seasons Resort Policy is to develop British Columbia as a world-class All Seasons Resort destination. The Province of British Columbia recognizes the need to encourage the development of All Seasons Resorts which promote British Columbia's natural splendour, heritage and Aboriginal culture, while ensuring sustainable land use, equity and consistency of application and receiving a fair return to the Crown.

MTCA will use its referral process and other consultation mechanisms to ensure the interests of the public, First Nations, government agencies and other stakeholders are carefully considered in order to make sustainable land use decisions that balance economic, environmental and social values. Where appropriate, inter-agency memorandums of understanding, partnership agreements, Project Review Teams and other related approaches will be used to coordinate and harmonize agency approval processes.

Objectives guiding the development of an ASR:

- Maintain and enhance British Columbia's competitive edge in resort development and expansion.
- Provide enhanced business certainty and security.

- Promote new investment, economic generation and jobs.
- Minimize conflict between competing land uses.
- Promote sustainable land use that commits to social responsibility and environmental stewardship.
- Promote Aboriginal tourism/resort development opportunities.
- Ensure an efficient and coordinated approval process with clear, well-defined and timely decision-making.
- Meet changing market and business conditions in a competitive international marketplace.
- Promote diversification and four season use.

Strategies guiding the development of an ASR:

- Require inter-agency, First Nation, public and stakeholder participation at the initial stage of the proposal process.
- Provide long-term and secure tenures.
- Sell Crown land for intensively developed sites.
- Provide investment incentives.
- Establish specific milestones and target dates (from concept to construction).
- Establish a decision point or 'approval-in-principle' at an early stage of the review process.
- Coordinate provincial and local government approval processes.

4 DEFINITIONS

The following definitions apply generally throughout this policy. Additional definitions pertaining specifically to Alpine Ski Resorts are found in section 14.

All Seasons Resort (ASR) means either:

- a) a resort that provides for the development of multi-season recreational activities and facilities and the development of overnight accommodation as an essential associated land use and includes:
 - 1) Public and/or private accommodation where there is a minimum of 100 commercial bed units (as defined in the Bed Unit definition) and;
 - 2) New capital investment of not less than \$1,000,000 in Recreation Infrastructure in association with a variety of resort types, including, but not limited to:
 - Marinas;
 - Agri-tourism;
 - Health and Wellness;
 - Recreational Vehicle (RV)
 - Cultural Heritage
 - Golf;
 - Casino Resorts; or
- b) an Alpine Ski Resort as defined in Part Two.

If the resort development uses Crown upland and/or aquatic land in association with private land, then the entire area of the All Season Resort is used in determining if the project meets the above criteria and thresholds.

Bed Unit means public or private overnight accommodation for one person in the Base Area. The following number of Bed Units apply:

Single Family Unit	= 6 Bed Units
Condominium	= 4 Bed Units
Hotel Room	= 2 Bed Units
RV Pad (serviced)	= 2 Bed Units

Developer means the holder of a Master Development Agreement, Operating Agreement or any other tenure that authorizes the development and operation of an All Seasons Resort.

Expression of Interest means a written statement of interest from a proponent or prospective applicant to MTCA identifying the area of interest, the nature and scale of proposed development, and general information on management structure, technical design and financial capability to carry out the project.

Formal Proposal means a conceptual development plan that provides a technical assessment of the area to be developed, a statement of the business case, an assessment of environmental and land use issues and proposed mitigation measures, evidence of financial capability, and a summary of the ownership and management structure of the resort operation.

Merchantable Timber means timber of sufficient quantity and quality as to be commercially valuable at the time of the proposed Crown land disposition.

Project Review Team (PRT) means a team made up of federal, provincial and municipal agency representatives having jurisdictional responsibility or recognized interest in the ASR project. The PRT may also include First Nations, and/or non-governmental organizations. The PRT is used to assist in the review and assessment of an ASR project and is chaired by MTCA.

Real Estate Development means all the works, buildings, structures, facilities, services, utilities and other improvements associated with the provision of private and public accommodations (e.g. single or multi-family residential subdivisions, condominiums, hotels/motels, etc.) and commercial retail and public service facilities (e.g. stores, restaurants, parks, playgrounds, etc.).

Recreation Infrastructure for the purpose of defining an ASR means the intensively developed area that is directly associated with the provision of sport, leisure, entertainment or similar recreation activities, together with associated buildings and

structures necessary to support the operation and maintenance of that recreation activity. It does not include public roads or off-site services and utilities nor does it include portions of buildings or facilities associated with the provision of overnight accommodations. It includes Recreation Improvements and other types of recreation development (e.g. golf course, marina, etc.).

Resort Management Plan means a detailed plan that sets out the type, location and scheduling of the planned recreation and real estate development that is to occur as part of the ASR development proposal. It provides technical and management information necessary to support the sustainable development of the resort. A Resort Management Plan is used to assess suitability of a land use decision under the direct application process.

Resort Master Plan (RMP) means a detailed plan that sets out the phased and orderly recreation and Real Estate Development, if any, that is to occur within the resort area. It provides technical and management information necessary to support the sustainable development of the resort. A Resort Master Plan forms an integral part of the terms and conditions of a Master Development Agreement. For further details see the All Seasons Resort Guidelines.

5 ABBREVIATIONS

ASR – All Seasons Resort

BCA – BC Assessment

CASP – Commercial Alpine Ski Policy

CR – Commercial Recreation, now referred to as Adventure Tourism (AT)

CRA - Controlled Recreation Area

ha - Hectare

ILMB – Integrated Land Management Bureau

MDA - Master Development Agreement

MTCA – Ministry of Tourism, Culture and the Arts

OA – Operating Agreement

RFP – Request For Proposal

RMP – Resort Master Plan

6 APPLICANT ELIGIBILITY

Applicants for new tenures, tenure assignment, or tenure replacement must be:

- Canadian citizens or permanent residents 19 years of age or older; or,*
- Corporations which are incorporated or registered in British Columbia; or,*
- Registered partnerships, cooperatives, and non-profit societies which are formed under the relevant provincial statutes; or,*
- First Nations can apply through band corporations or Indian Band and Tribal Councils. Band or Tribal Councils require a Band Council Resolution a) authorizing the council to enter into the tenure arrangement, and b) giving the signatories of the tenure document the ability to sign on behalf of the Band. For tenures which are to be registered in the Land Title Office, First Nations must apply through either a band corporation or trustees. Band members can elect one or more trustees to hold tenure on behalf of the Band. Verification of election must be by way of a letter signed by the Chief and councilors of the Band giving the full names of the trustees and stating that they were elected at a properly convened meeting of the Band. A Band Council Resolution is not required.*

In the case of aquatic land, non-Canadians can apply if they own the adjacent upland (companies must still be incorporated or registered in British Columbia).

For more detailed standard policy information see Eligibility and Restrictions.

7 ENVIRONMENTAL TENURE PROVISIONS AND INSURANCE

Tenure terms and conditions may be selected from standard tenure document template provisions or, at the discretion of the statutory decision-maker, they may be drafted to address specific issues identified through the processing of an application.

The need for an environmental schedule or additional insurance requirements will be considered on a case by case basis when processing new or replacement tenures, or tenure assignments. Circumstances that may warrant an environmental schedule or additional insurance requirements may include sites where there is a known or high risk of contamination or environmental impacts due to current or past activities; or a high risk of contamination or environmental impacts occurring in the future as a result of the tenure holders activities.

8 POLICY VARIANCE PROCEDURE

Major variances from this policy must be approved by the Assistant Deputy Minister, Tourism Division, MTCA. Decisions on minor variances can be made by the statutory decision-maker, in consultation with the Executive Director, MTCA. *Refer to the Policy Variance Procedure for more information.*

PART ONE – NON-SKI RESORTS

9 FORMS OF LAND ALLOCATION – NON-SKI RESORTS

Refer to Appendix 1 for a summary of the forms and terms of Crown land allocation available for non-ski ASRs.

MDAs and MDA tenures are issued pursuant to the Land Act or Ministry of Lands, Parks and Housing Act.

9.1 Investigative Permit

An investigative permit may be issued to any proponent requiring access to the land for appraisals, inspections, analyses, inventories, surveys or other investigations of Crown land or its natural resources, or where otherwise required. No buildings or other improvements may be placed on the land.

The tenure holder must permit public access to the area without interference.

The maximum term for an investigative permit is 2 years.

Investigative studies can also be authorized by a licence of occupation pursuant to the terms and conditions of an interim agreement (section 9.3).

9.2 Temporary Permit

A temporary permit may be issued for temporary uses (including one-time events and sustained or repeated use of Crown land), where a business is better served by such a permit than by a license of occupation.

The tenure holder must allow public access to the area without interference, and must recognize that overlapping and layering of tenures may be authorized by Government.

The maximum term for a temporary permit is 2 years.

9.3 Interim Agreement for a Resort Master Plan

An interim agreement may be issued where a sole proponent has been identified and where a longer term is required to conduct investigative studies in the preparation and approval of a RMP. An interim agreement allows an applicant or proponent to conduct any required studies on the Crown land under the authority of a licence of occupation. No permanent structures or improvements may be placed on the land.

The interim agreement is intended to allow a reasonable period for a proponent to prepare a RMP, seek the necessary approvals of that plan and if approved, negotiate a MDA. As a result the interim agreement should have an initial term of 5 years and may allow for extensions for further periods but those further periods should not exceed an aggregate total of 5 years. An interim agreement should provide that during the term, no other licences or authorizations under the Land Act or Ministry of Lands, Parks and Housing Act will be granted to third parties that would have a material adverse impact or prohibit the ability of the proponent to develop an ASR.

9.4 Licence of Occupation

A licence of occupation may be issued where minimal improvements are proposed, where short-term tenure is required, where there are multiple users of a site (e.g. communication sites), and in remote areas where survey costs maybe prohibitive. It may also be used to allow development to proceed while awaiting completion of survey requirements for a lease or right of way.

A licence of occupation conveys fewer rights than a lease. It conveys non-exclusive use for the purpose described, is not a registerable interest that can be mortgaged, and does not require a survey.

A licence of occupation does not allow the tenure holder to curtail public access over the licence area except where it would impact the licencees' right to use the land as per the licence document. Government may authorize overlapping and layering of tenures.

The standard term of a licence of occupation is 30 years. The licence of occupation may be replaced at mid-term.

9.5 Master Development Agreement

A MDA is used for non-ski resorts where the development project involves the fee simple disposition of Crown land for Real Estate Development and the non-fee simple disposition of Crown land for Recreation Infrastructure. It sets out the terms and conditions governing the development of an ASR, including the rights to acquire MDA tenures and fee simple grants.

A MDA may also be used where privately owned Real Estate Development land is to be used as part of the ASR development and MTCA requires that the land be developed as part of the overall resort development project.

The standard term of an MDA and for any MDA Tenures is 60 years. The MDA may be replaced at mid-term.

9.6 Lease

A lease should be issued where long term tenure is required, where substantial improvements are proposed, and/or where definite boundaries are required in order to avoid land use and property conflicts.

The tenure holder has the right to modify the land and/or construct improvements as specified in the tenure contract. The tenure holder is granted the right to exclusive use and enjoyment of the area.

The tenure holder also has the right to exclude or charge the public for use of the land and/or improvements, when this is consistent with the terms of the lease. The lessee may, in accordance with Section 65 of the Land Act, take legal action against trespassers to the lease area.

A legal survey will be required at the applicant's expense to define the tenured area. A lease is a mortgageable interest in land.

The standard term of a lease is 60 years. The lease may be replaced at mid-term.

A lease that is issued under the authority of an MDA is issued for a standard term of 60 years, but will not exceed the term of the MDA.

9.7 Statutory Right of Way

A statutory right of way is normally used to authorize linear uses of Crown land for transportation, communication, energy production and utility developments.

The tenure holder is granted a legal right of passage over the land for a specific purpose. It does not generally confer the right to exclusive use and enjoyment of the area, nor the right to exclude or charge the public for the use of improvements.

Statutory rights of way for major activities are normally issued for so long as required. Shorter tenures are issued where the investments are lower, the use is of a shorter duration, or as defined under a specific program.

A legal survey will be required at the applicant's expense to define the tenured area. A statutory right of way is a registerable interest in the land that is mortgageable.

A statutory right of way that is issued under the authority of an MDA is issued for a standard term of 60 years, but will not exceed the term of the MDA. All other statutory rights of way are issued pursuant to the terms and conditions of the Utilities Policy.

9.8 Fee Simple Dispositions (Sales of Crown Land)

9.8.1 Master Development Agreement Sales

Fee simple dispositions are made available for all Real Estate Development lands. These sales generally occur on an incremental or phased basis when an appropriate level of Recreation Infrastructure development is completed. The amount of Crown land a Developer can purchase in phases is determined from the quantity, quality and type of Recreation Infrastructure constructed. Details regarding the type of Recreation Infrastructure to be constructed, together with the commensurate amount of Real Estate Development that is required, is described in the approved RMP.

MTCA may allow sale of certain Real Estate Development lands prior to the construction of the agreed Recreation Infrastructure development on the posting of a performance deposit in an amount as determined by MTCA. Refer to section 12.2 regarding performance deposits.

9.8.2 Direct Sales

Crown land sales may occur through an application process if the proposed site meets specific criteria and the use is considered suitable by government agencies and other affected interests.

Real Estate Development lands will normally not be sold until satisfactory evidence is provided showing that the lands are zoned for their intended use.

Sales are available for golf course lands, intensive/extensive agricultural lands (associated with agri-tourism resorts) and any other intensively developed resort properties (e.g. casino sites, health and wellness centres).

Aquatic Crown land is not available for sale, except for authorized fill areas.

10 PRICING POLICY

10.1 Administrative Fees

Application fees for tenures, and other administrative fees, are payable to the Province of BC. These fees are set out in the fee schedules contained in the Land Act Fees Regulation.

10.2 Annual Rent

Rents for tenures issued under this policy can be found in Appendix 1 and are based on Crown Land Free Regulations and other land use policies.

The following types of resorts are rented on a percentage basis as outlined in the General Commercial Policy: marine or water-based resorts, agri-tourism resorts, health

and wellness resorts, golf resorts, casino resorts, cultural heritage products, and recreational vehicle (RV Parks).

10.3 Sales

Unless otherwise provided, fee simple dispositions are priced at the full market value of the land, plus the value of any remaining Merchantable Timber in accordance with the Resort Timber Administration Act.

The purchase price for lands made available for sale under a non-ski resort MDA will be fixed at pre-determined intervals (normally fixed at each 5-year period).

11 ALLOCATION PROCESSES

New and replacement tenures are normally offered in response to individual applications. The disposition of Crown land for ASR development will be guided by approved local and regional land use plans.

11.1 Direct Application

Crown land that is to be disposed of by permit, licence of occupation, lease, statutory right of way or fee simple disposition ("Crown Grant") except for MDA tenures is requested by direct application under the Land Act. The following general process is used (refer to section 11.2.1 for situations where a competitive process may be used).

1. Proponent contacts MTCA to request a pre-application meeting.
2. MTCA advises proponent of known First Nations, Agency and local government considerations.
3. Proponent completes application package (includes Resort Management Plan as below) and meets with MTCA and FCBC.
4. FCBC reviews application package for acceptance.
 - a. Rejected application and fee returned with request for further information for acceptance.
 - b. Accepted application acknowledged and processed as per steps 5 to 8.
5. File number assigned, systems updated, land status completed, referrals sent, First Nations consideration procedures initiated and advertising requested.
6. Field inspection completed as required, together with necessary consultations with agencies, First Nations and stakeholders.
7. Land allocation decision made and posted on ILMB website.
 - a. Applicant notified of approval by way of tenure offer or;
 - b. Applicant notified of disallowance with stated reasons.
8. Disposition(s) issued (tenure and/or fee simple grant).

For more detailed standard policy and procedures regarding the application process see ILMB's General Policy on Form of Crown Land Allocation.

11.1.1 Pre-Application Meeting

Prior to submitting a formal application package, the proponent should contact the MTCA office to arrange for a meeting. The proponent will be asked to review the All Seasons Resort Guidelines and the Best Management Practices prior to the pre-application meeting. The purpose of the meeting is to allow the proponent to outline the relevant details of the proposed ASR development project and to allow the MTCA staff member to provide appropriate guidance and direction in the completion of the application package, as well as to provide an overview of the resort approval process. Other key agency staff would be invited to participate in the meeting to ensure that their requirements are addressed and that project timelines can be identified. Riparian rights and adjacent landowner considerations must be made. MTCA determines whether an application process or proposal process (section 11.2) is required.

11.1.2 Application Package

Applications must be complete before they can be accepted for processing. A complete application package will include all the material defined in the Application Checklist.

11.1.3 Resort Management Plan

A Resort Management Plan is required to be submitted as part of the application package. The content of a Resort Management Plan will vary in accordance with the type and scale of the proposed development, but will generally follow the All Seasons Resort Guidelines and the Best Management Practices, and will generally contain the following:

1. Executive Summary
2. Project Overview
3. Site and Community Description
4. Description of Recreation Infrastructure, Services and Amenities
5. Type and Description of Overnight Accommodations (public, commercial and employee)
6. Servicing and Utilities
7. Construction Schedule and Costs
8. Economic Benefits (construction and operation jobs)
9. Business and financial viability assessment
10. Marketing projections and plans
11. Maps and Site Development Plans
12. Inventory of Environmental, Cultural and Natural Resource Values
13. Mitigation Strategies to Address Identified Values and Existing Interests

11.1.4 Application Acceptance

New applications will be reviewed for acceptance based on application package completeness, compliance with policy and program criteria, preliminary statusing, and other information which may be available to provincial staff. The acceptance review is to be completed within 7 calendar days. Applications that are not accepted will be returned to the applicant, along with the application cheque.

11.1.5 Clearance/Statusing

After acceptance, provincial staff undertake a detailed land status of the specific area under application to ensure all areas are available for disposition under the Land Act or the Ministry of Lands, Parks and Housing Act to identify potential issues.

11.1.6 Referrals

Referrals are a formal mechanism to solicit written comments on an application from recognized agencies and groups. Referrals are initiated as per legislated responsibilities and formal agreements developed with other provincial and federal government agencies. Referrals may also be used to address the interests of local governments and First Nations. Referral agencies, organizations and identified special interest groups provide their responses to MTCA within 30 days (45 days for First Nations).

Project Review Team (PRT)

A PRT is an advanced referral method which may be used for complex applications. It is a team chaired by MTCA and comprised of recognized agencies and groups which meets to review and comment on specific Land Act applications.

11.1.7 Advertising/Notification

At the time of application acceptance, provincial staff will notify applicants if advertising is required and provide the necessary instructions.

Upland Owner Consent

Owners of waterfront property have certain "riparian rights" which include the right of access to and from the upland (see Riparian Rights and Public Foreshore Use in the Administration of Aquatic Crown Land). Provincial staff will advise applicants if there is a need to obtain a letter indicating the upland owner's consent to their application.

Adjacent Owner Notification

New applications to tenure foreshore adjacent to privately owned property, including Indian Reserves, are brought to the adjacent property owner's attention through referrals or direct contact. In certain circumstances, provincial staff may advise applicants that there is a need to obtain a letter indicating adjacent owner's consent to their application.

11.1.8 Aboriginal Interests Consideration

The statutory decision-maker is responsible for ensuring the Province's obligations to First Nations are met in the disposition of Crown land. Provincial staff carry out consultations in accordance with the consultation guidelines of the Province to identify the potential for First Nation interests over the subject property and to determine whether infringement of either might occur.

Addressing First Nations' interests is a key consideration in a resort development project. In order to assure a greater level of success in the development and operation of an ASR, proponents and developers are encouraged to work with First Nations to build positive and productive working relationships and partnerships. The statutory decision-maker will seek to engage First Nations as early as possible in any ASR proposal process.

11.1.9 Decision/Report

The applicant will be notified in writing of the government's decision. Reasons for Decision are posted on the Applications and Reasons for Decision page of the ILMB website.

11.1.10 Issuing Documents

If the application is approved, tenure documents are offered to the applicant. All preconditions must be satisfied prior to MTCA signing the documents. It is the applicant's responsibility to obtain all necessary approvals before placing improvements or commencing operations on the tenure.

11.2 Proposal Process

Crown land that is to be allocated by a MDA may be requested by an Expression of Interest/RFP. The following general process is used (refer to section 11.2.1 for situations where a competitive process may be used). A competitive process is not used where the Expression of Interest is for an expansion of an existing resort.

1. Proponent submits an Expression of Interest to MTCA based on All Seasons Resort Guidelines and Best Management Practices.
2. MTCA reviews Expression of Interest for acceptance, which includes:
 - Ensuring it conforms to All Season Resort Guidelines
 - contacts key agencies and First Nations to determine if there are any significant issues that would prevent a Formal Proposal from being considered.
 - completing a land status search
 - requesting MAL to establish a notation of interest over the proposal area to ensure that any future actions on the land do not negatively impact the ASR proposal. The notation of interest is cancelled if the Expression of Interest process is terminated or when an interim agreement is issued.

3. Accepted Expression of Interest is advertised, at the proponent's expense, to determine if a competitive process is required and to request public input.
 - If no competing interests expressed, a Formal Proposal is requested from the initial proponent, or;
 - If more than one Expression of Interest is received, MTCA makes decision whether a competitive process is required.
4. A Formal Proposal will be requested from the initial proponent or, in the case of a competitive process, from all eligible proponents. The Formal Proposal is used to evaluate a land use proposal. Guidelines regarding content and preparation of a Formal Proposal are found in the All Seasons Resort Guidelines and Best Management Practices. The review of a Formal Proposal includes:
 - formal referrals to relevant provincial and federal government
 - consultation with First Nation(s)
 - agencies, local government and other stakeholders as required. An inter-agency Project Review Team is normally used
 - the proponent may be requested to hold a public meeting in order that public input into the land use proposal is obtained
 - Formal Proposal(s) evaluated and a successful proponent is identified
5. Interim agreement signed between MTCA and the proponent.
6. Request to the Ministry of Energy, Mines and Petroleum Resources to place a "conditional staking" reserve over the proposal area.
7. Environmental Assessment Act review process completed, if required.
8. Resort Master Plan completed and reviewed for acceptance/approval.
9. MTCA and proponent sign MDA.
10. MDA tenures and fee simple grants requested, processed and issued.

11.2.1 Competitive Process

A competitive process may be used where MTCA has identified Crown land that is considered suitable for an ASR or where multiple applications or Expressions of Interest are received in response to advertising and are considered eligible to proceed to a formal proposal stage. A competitive process may also be used to allocate an opportunity that was previously identified by a proponent (or applicant) and that proponent has withdrawn their proposal or their proposal was terminated due to non-compliance.

A RFP is the competitive process used to select the best Formal Proposal. A competitive process does not apply to resort expansion applications or proposals.

Once a proposal has been selected through a competitive process, MTCA reserves the sole right to change or modify the selected Formal Proposal to meet any conditions it deems necessary in order that an interim agreement can be entered into with the successful proponent.

For more detailed standard policy and procedures regarding competitive processes see Competitive Process Policy.

11.2.2 Interim Agreement

Upon approval of a Formal Proposal, the successful proponent will sign an interim agreement with MTCA, making a commitment to prepare a RMP on the basis of the approved Formal Proposal. If a review under the Environmental Assessment Act is required, then that review occurs during the term of the interim agreement. See Appendix 1 – Non-Ski Resort Policy Summary.

11.2.3 Approval Process

Resort Master Plan:

The preparation and review of a RMP during the term of an interim agreement, or other process, undergoes scrutiny to ensure that all environmental, cultural, social and economic considerations are appropriately addressed. MTCA's referral and consultation procedures, together with the outcome of any Environmental Assessment Act review, are used to determine whether the RMP is approved or not. Approval of the RMP represents the Province's approval of the land use decision. The proponent would then be responsible to apply to local government for any official community plan or zoning approvals.

Implementation of Land Allocation Decision:

If the RMP is approved, a MDA will be offered to the proponent. The offer will contain all commitments and conditions that must be satisfied (e.g. payment of fees, rent, proof of security/insurance, etc.) before the appropriate agreement(s) is executed.

MDA tenures and Fee Simple Dispositions:

The procedures to apply for and acquire MDA tenures and fee simple dispositions that are part of the contractual rights contained in a MDA are described in those agreements.

The Developer is responsible for obtaining all permits and approvals from all agencies that regulate the use and development of the land.

11.2.4 Disallowance

If at any time during the review process, the proposal is not considered to represent the best use of the land or if suitable mitigation strategies are not possible, then the proposal will be disallowed by the statutory decision-maker. The proponent will be advised of the reasons for decision. In the event that a proponent believes that the rejection is unwarranted, he or she may submit a written appeal to the Executive Director, All Seasons Resort Division.

11.3 Resolution of Existing Tenure Interests

Applications or proposals submitted under this policy will be assessed during the pre-application or Expression of Interest stages to determine the existence of any Land Act or Ministry of Lands, Parks and Housing Act tenures. MTCA will provide a summary list of all existing tenures to the proponent with preliminary advice as to which of those interests would become prior rights in any disposition granted to the proponent (e.g. a statutory right of way). Even if a tenure interest is not identified as a prior right, MTCA may require the proponent to take the existing interest into account and consider ways in which that tenure interest may be reconciled with the proposed development. This requirement may, for example, be imposed if the existing interest is a non-exclusive licence which does not preclude the granting of subsequent dispositions.

The proponent, under direction of MTCA, is responsible to contact the tenure holders to determine all feasible options to reconcile the existing tenure interests and present those options for consideration to MTCA with their formal application or proposal.

Reconciliation of existing tenure interests may be achieved by:

- Continuation of the existing tenure as a legal prior right in any disposition granted to the proponent;
- Continuation of the existing tenure under modified terms and conditions (e.g. remove conflict area, negotiate a joint use agreement) or;
- Termination of the existing tenure by mutual agreement negotiated by the parties and agreed to by MTCA.

MTCA will review the options presented and will give preference to the options which are based on the mutual written agreement of both the existing tenure holder and the proponent. If the proponent is not able to reach agreement with the holder of an existing interest, MTCA may consider whether it is appropriate to take any action which is allowed under its agreement with the holder of the existing tenure interest. This consideration may include an assessment of whether it is appropriate to continue, amend or terminate the existing tenure or modify the ASR proposal. It is specifically pointed out that any action by MTCA to amend or terminate the existing tenure will be done in a manner that fully considers the existing rights granted under the tenure and the Province's legal obligations. The rights and obligations of the holder of any tenure interest will be determined in accordance with the Province's agreement with that tenure holder and this policy does not limit or expand any of those rights or obligations.

The relationship between the proposed development and interests granted by other agencies (e.g. a forest tenure issued by the Ministry of Forests and Range), will be discussed between MTCA and the responsible tenuring agency to determine appropriate actions. The proponent must accept the risk that such other interests may have an impact on its proposed development.

12 TENURE ADMINISTRATION

12.1 Insurance

A tenure holder is required to purchase, and is responsible for maintaining during the term of the tenure, a minimum level of public liability insurance specified in the tenure document. MTCA may make changes to the insurance requirements and request copies of insurance policies at any time during the term of the tenure. The minimum liability insurance is \$2,000,000 and must be provided on the Provincial Government Certificate of Insurance.

12.2 Security/Performance Guarantee

A security deposit or bond may be required to be posted by the tenure holder where any improvements on, or changes to, the land are proposed. The security deposit is collected to insure compliance and completion by the tenure holder of all the obligations and requirements specified in the tenure. Some examples where such security may be used are for any type of clean-up or reclamation of an area, to ensure compliance with development requirements, or to pay for outstanding rent or other fees owing to the Province under the terms of the tenure agreement.

12.3 Assignment and Sub-Tenuring

Assignment is the transfer of the tenure holder's interest in the land to a third party by sale, conveyance or otherwise. Sub-tenuring means an interest in the Crown land granted by a tenant of that Crown land rather than the owner (the Province).

Assignment or sub-tenuring requires the prior written consent of MTCA. The assignee or sub-tenure holder must meet eligibility requirements. MTCA may refuse the assignment of existing tenures if the details of the assignment or sub-tenure are not acceptable to the Province (e.g. the use is for a purpose not permitted in the MDA). Standard fees apply.

Investigative and temporary permits can not be sub-tenured or assigned.

12.4 Tenure Replacement

Replacement tenure means a subsequent tenure document issued to the tenure holder for the same purpose and area.

In most cases, tenure holders may apply for a tenure replacement at any time following the mid-term of the tenure. Replacement of tenures is at MTCA's discretion. MTCA may decline to replace a tenure, or may alter the terms and conditions of a replacement tenure. For tenure terms and conditions see section 9.

Investigative permits are not generally replaced. A further two year term may be provided, at MTCA's discretion, when there are legitimate requirements for a longer investigative period.

Providing there is no event of default outstanding, a MDA will be replaced on or after its mid-term in accordance with the specific terms and conditions as set out in the MDA.

12.5 Monitoring and Enforcement

Tenure terms and conditions, including requirements contained in approved management/development plans act as the basis for monitoring and enforcing specific performance requirements over the life of the tenure.

PART TWO – COMMERCIAL ALPINE SKI POLICY

13 POLICY APPLICATION

Part Two applies to commercial recreation activities (as defined in the Adventure Tourism Policy) and golf course developments that occur within the CRA of an Alpine Ski Resort. It does not apply to utilities (as defined in the Utilities Policy) except those utilities that service a Recreation Improvement only (e.g. a power line serving a ski lift), nor does it apply to other land uses not specifically provided for in this policy (e.g. industrial land uses, which would be dealt with under the Industrial Policy).

In addition to the ASR principles and goals (section 3), Part Two is aimed at promoting and encouraging the economic development and continuous operation of ski areas and related all seasons activities in British Columbia and pursuant to the Land Act and Ministry of Lands, Parks and Housing Act, to allocate land in a planned and phased manner in accordance with an approved RMP.

To ensure the future viable operation of the Alpine Ski Resort, land associated with Recreation Improvements (see Definitions, section 14) will not be sold. Lands associated with any Base Area development will be made available for fee simple dispositions at fixed prices, providing that a required amount of Recreation Infrastructure is in place.

14 DEFINITIONS

In addition to the definitions in section 4, the following definitions pertain specifically to Alpine Ski Resorts:

Alpine Ski Resort means a resort whose principal business is to provide alpine skiing/snowboarding through the use of lifts, in return for a user fee. An Alpine Ski Resort can also provide other recreation services and amenities that are associated with an All Seasons Resort operation.

Base Area means an area within the Controlled Recreation Area of a Master Development Agreement that encompasses the Real Estate Development. The Base Area (sometimes referred to as "village lands") includes land that will be intensively developed for public and private accommodations, commercial retail facilities, golf courses and associated infrastructure. Recreation Infrastructure within the Base Area will remain Crown land.

Controlled Recreation Area means the area of Crown land that encompasses the Recreation Infrastructure and activity areas, the Base Area and a reasonable buffer area that is directly related to the safe and orderly development of the All Seasons Resort. It provides the legal mechanism for the developer to control access and use within the CRA by other persons to ensure the safe and orderly development of the ASR.

Independent Operator means an arms length party who enters into a contract with a Developer to provide a commercial recreation activity within the Controlled Recreation Area.

MDA/OA tenure means a lease or right of way issued pursuant to the terms of a Master Development Agreement or Operating Agreement. MDA/OA tenures (and fee simple dispositions) are issued from the contractual rights and obligations conveyed in a Master Development Agreement or Operating Agreement and as such are not subject to Land Act application and disposition procedures.

Recreation Improvement means any improvement constructed in a Controlled Recreation Area that is deemed essential to the day to day operation of the All Seasons Resort for which the Province requires ownership or an interest in the improvements. Recreation Improvements can include ski lifts, ski runs, recreation trails, day use facilities, maintenance facilities and any other similar improvement as identified in an approved Resort Master Plan and more specifically defined in the Master Development Agreement.

Type 1 Alpine Ski Resort means a minor operation serving a community need for day-use skiing facilities. It contains no commercial overnight accommodation, and may be operated by an individual, a private company, a municipality, or a non-profit community organization. Type of equipment, area, vertical drop, and trail acreage are variable.

Type 2 Alpine Ski Resort means a major operation which serves regional, provincial, and/or international markets as well as the local population. It typically includes commercial overnight accommodation and is normally associated with other recreational activities designed to attract business on a year-round basis. An operation of this type is normally run by a private company for profit. Type of equipment, area, and trail acreage are variable.

15 FORM OF LAND ALLOCATION

Refer to Appendix 2 for a summary of the forms and terms of Crown land allocation available for Alpine Ski Resorts.

The disposition of Crown land for the use, operation and development of an Alpine Ski Resort is normally authorized by a MDA or OA. An interim agreement, investigative permit, temporary permit, or a licence of occupation may be used to allow investigative studies to be completed as part of the RMP approval process. Individual MDA/OA tenures in the form of a lease, licence of occupation, or statutory right of way are issued for Recreation Improvements. Direct sales (fee simple dispositions) are issued for Base Area lands that are not considered to be Recreation Improvements.

15.1 Interim Agreement

An interim agreement is issued to a proponent whose Formal Proposal has been accepted. The interim agreement grants "sole proponent" status that assures a priority of interest to the proponent and establishes the pricing provisions and term that would apply to the MDA, if issued. The interim agreement sets out the terms and conditions for preparation and approval of the RMP, which is a prerequisite to the negotiation of a Master MDA or OA. The interim agreement also allows the proponent to conduct any required studies on the Crown land under the authority of a licence of occupation. No permanent structures or improvements are to be placed on the land.

The initial term of an interim agreement is 5 years, and may allow for extensions for further periods but those further periods should not exceed an aggregate total of 5 years. During the term of the interim agreement, no other licences or authorizations under the Land Act or Ministry of Lands, Parks and Housing Act will be granted to third parties that would have a material adverse impact or prohibit the ability of the proponent to develop an Alpine Ski Resort.

15.2 Investigative Permit

An investigative permit may be issued to any proponent requiring access to the land for appraisals, inspections, analyses, inventories, surveys or other investigations of Crown land or its natural resources, or where otherwise required. No buildings or other improvements may be placed on the land.

The tenure holder must permit public access to the area without interference.

The maximum term for an investigative permit is 2 years.

15.3 Temporary Permit

A temporary permit may be issued for temporary uses (including one-time events and sustained or repeated use of Crown land), where a business is better served by such a permit than by a license of occupation.

The tenure holder must allow public access to the area without interference, and must recognize that overlapping and layering of tenures may be authorized by Government.

The maximum term for a temporary permit is 2 years.

15.4 Master Development Agreement

The MDA is an agreement between MTCA and the Developer that is issued under the authority of the Land Act or the Ministry of Lands, Parks and Housing Act. It sets out the terms and conditions governing the development of a Type 2 Alpine Ski Resort, including the rights to acquire MDA tenures and fee simple dispositions. The MDA for tenures issued after 2006 also act as a licence of occupation under the Land Act for purposes of the CRA.

The MDA is used where the Alpine Ski Resort includes Base Area development.

The standard term of a MDA and the MDA tenures is 60 years. The MDA may be replaced at mid-term.

15.5 Operating Agreement

The OA is an agreement between MTCA and the Developer that is issued under the authority of the Land Act or the Ministry of Lands, Parks and Housing Act. It sets out the terms and conditions governing the development of either a Type 1 or Type 2 Alpine Ski Resort including the rights to acquire tenures. The OA also acts as a licence of occupation under the Land Act for purposes of the CRA effective January 1, 2008.

The OA is used where the Alpine Ski Resort does not include Real Estate Development.

The standard term of an OA for a Type 1 Alpine Ski Resort and the OA tenures is 30 years. The standard term of an OA for a Type 2 Alpine Ski Resort and the OA tenures is 60 years. The OA may be replaced at mid-term.

15.6 MDA/OA Tenures and Fee Simple Dispositions

15.6.1 Licence of Occupation

A licence of occupation is used to authorize the use and occupation of Crown land for recreation activities or other activities incidental to the operation of an Alpine Ski Resort; recreation trails and minor improvements, and; the right to construct improvements or access routes prior to the granting of a lease, right of way or fee simple grant.

A licence of occupation conveys fewer rights than a lease. It does not create a registered interest in land and does not normally require a legal survey (a legal survey may be required in situations where a specific boundary definition on the land is required to avoid adjoining land use/title conflict).

A licence of occupation that is not associated with a MDA or OA is made available by direct application using the procedures described in Part One.

15.6.2 Lease

A lease is used for Recreation Improvements (e.g. day use facilities, public parking areas, maintenance facilities, etc.) and golf course improvements, where the option to purchase the golf course lands is not exercised.

A lease creates a registered interest in the land and requires a legal survey. The lease document to be used is the form attached as a schedule to the MDA or OA.

A lease that is not associated with a MDA or OA is made available by direct application using the procedures described in Part One.

15.6.3 Statutory Right of Way

A statutory right of way is used for linear uses such as lift lines, snowmaking equipment, surfaced pathways, access routes and utilities.

A statutory right of way creates an interest in the land and requires a legal survey. The statutory right of way document to be used for Recreation Improvements is the form attached as a schedule to the MDA or OA.

Statutory rights of way that are not associated with an MDA or OA are made available by direct application using the procedures described in Part One.

15.6.4 Fee Simple Disposition (Direct Sale)

Fee simple dispositions are made on a phased basis for the Real Estate Development associated with a Type 2 Alpine Ski Resort (residential subdivisions, hotels/motels, golf course lands, condominiums, and commercial retail facilities such as stores, bars and restaurants).

The amount of Crown land a Developer can purchase within the Base Area in each phase is determined from the quantity, quality and type of Recreation Improvement constructed in the CRA. Comfortable carrying capacities (using the Skiers At One Time "SOAT" formula – refer to the All Seasons Resort Guidelines), are determined for the ski area, which then determines the amount of overnight accommodation (expressed in "Bed Units") that can be built in the base area. All of this information is to be set out in the RMP and MDA.

15.7 Proposal Process

Crown land that is to be allocated via an MDA or OA may be requested by an Expression of Interest/RFP. The following general process is used (refer to section 15.8

for situations where a competitive process may be used). A competitive process is not used where the Expression of Interest is for an expansion of an existing resort.

1. Proponent submits an Expression of Interest to MTCA based on All Seasons Resort Guidelines and Best Management Practices.
2. MTCA reviews Expression of Interest for acceptance, which includes:
 - ensuring it conforms to All Season Resort Guidelines
 - completing a land status search
 - requesting MAL to establish a notation of interest over the proposal area to ensure that any future actions on the land do not negatively impact the ASR proposal. The notation of interest is cancelled if the Expression of Interest process is terminated or when an Interim Agreement is issued.
 - contacts key agencies and First Nations to determine if there are any significant issues that would prevent a Formal Proposal from being considered.
3. Accepted Expression of Interest is advertised, at the proponents expense, to determine if a competitive process is required and to request public input.
 - If no competing interests expressed, a Formal Proposal is requested from the initial proponent, or;
 - If more than one Expression of Interest is received, MTCA makes a decision whether a competitive process is required. MTCA reserves the right to request additional information or studies that would usually be required in the Concept Stage in order to accurately evaluate multiple Expressions of Interest.
4. A Formal Proposal will be requested from the initial proponent or, in the case of a competitive process from all eligible proponents. The Formal Proposal is used to evaluate a land use proposal. Guidelines regarding content and preparation of a Formal Proposal are found in the All Seasons Resort Guidelines and Best Management Practices. The review of Formal Proposals includes:
 - formal referrals to relevant provincial and federal government agencies, local government and other stakeholders as required. An inter-agency Project Review Team is normally used.
 - Consultation with First Nation(s).
 - the proponent may be requested to hold a public meeting in order that public input into the land use proposal is obtained.
 - Formal Proposal(s) evaluated and a successful proponent is identified.
5. Interim Agreement signed between MTCA and the proponent.
6. Request to the Ministry of Energy, Mines and Petroleum Resources to place a "conditional staking" reserve over the proposal area.
7. Environmental Assessment Act review process completed, if required.
8. Resort Master Plan completed and reviewed for acceptance/approval.
9. MTCA and proponent sign MDA.
10. MDA tenures and fee simple grants requested, processed and issued.

15.8 Competitive Process

A competitive process may be used where MTCA has identified Crown land that is considered suitable for an ASR or where multiple applications or Expressions of Interest are received in response to advertising and are considered eligible to proceed to a formal proposal stage. A competitive process may also be used to allocate an opportunity that was previously identified by a proponent (or applicant) and that proponent has withdrawn their proposal or their proposal was terminated due to non-compliance.

A RFP is the competitive process used to select the best Formal Proposal. A competitive process does not apply to resort expansion applications or proposals.

Once a proposal has been selected through a competitive process, MTCA reserves the sole right to change or modify the selected Formal Proposal to meet any conditions it deems necessary in order that an interim agreement can be entered into with the successful proponent.

For more detailed standard policy and procedures regarding competitive processes see Competitive Process.

16 PRICING POLICY

16.1 Administrative Fees

Application fees for tenures, and other administrative fees, are payable to the Province of BC. These fees are set out in the fee schedules contained in the Land Act Fees Regulation.

Type 1 Alpine Ski Resorts:

An application fee of \$1000 is payable for each tenure issued under the Ministry of Lands, Parks and Housing Act or the Land Act. The forms of tenures can include a licence of occupation or an OA.

Type 2 Alpine Ski Resorts:

A disposition for this purpose will be issued under the Ministry of Lands, Parks and Housing Act and will be a MDA or an OA.

The processing fees for MDAs and OAs are calculated and payable as follows:

- A \$10,000 deposit is required at the time a Formal Proposal is submitted. If more than one Formal Proposal is received for the same area, the deposit will be returned to the unsuccessful proponent. An interim agreement may be issued to the successful proponent.
- Upon submission of a RMP, a second deposit in the amount of \$15,000 is required to cover the costs of RMP review/approval.

- Upon issuance of a MDA or an OA, a third payment of \$15,000 is required.
- There is a \$250 application fee for all MDA/OA tenures and fee simple dispositions issued pursuant to a MDA or OA.

16.2 Rents and Purchase Prices

16.2.1 Rent for Recreation Improvements and Use of CRA

Annual rent is payable for leases, licences of occupation, statutory rights of way, MDAs, OAs and MDA/OA tenures (except for statutory rights of way for utilities issued under the Utilities Policy) based on 2% of the Developer's gross revenue (refer to Appendix 3 for a definition of Gross Revenue). Minimum rent of \$500 per tenure applies.

16.2.2 Rent for Commercial Recreation Activities Conducted by Independent Operators within a CRA

Annual rent is payable for all CR activities including contracts issued by the Developer to Independent Operators authorized to conduct CR activities within the CRA based on 2% of the Independent Operator's revenue (refer to Appendix 3 for a definition of Independent Operator Revenue). In consideration that the Developer assumes the administration and overall contract management with respect to an Independent Operator, no rent is payable where an Independent Operator's revenue is less than \$10,000 a year.

An Independent Operator conducting CR activities outside of the CRA, needs to refer to the Adventure Tourism Policy for pricing provisions.

16.2.3 Rent for Golf Course Lands

Annual rent is payable for MDA/OA tenures based on 5% of the golf revenue (refer to Appendix 3 for a definition of Golf Revenue) or a base rent of \$10,000, whichever is the greater. A base rent is applied to encourage early construction of the golf course once tenure is issued and establishes a minimum rent payable prior to full operation.

16.2.4 Purchase Price for Base Area Lands (except golf course lands)

The purchase price for Base Area land will be:

- for years 1 to 10, the greater of \$12,355 per ha (\$5,000 per acre) or the appraised land value based on un-serviced land, plus the value of any remaining Merchantable Timber at the time of sale;
- for years 11 to 15, the greater of \$12,355 per ha (\$5,000 per acre) or 5% of the appraised land value based on its intended use as fully serviced land, plus the value of any remaining Merchantable Timber at the time of sale;
- for years 16 to 20, the greater of \$12,355 per ha (\$5,000 per acre) or 10% of the appraised land value based on its intended use as fully serviced land, plus the value of any remaining Merchantable Timber at the time of sale;

The minimum purchase price for any parcel of land during the above periods is \$10,000. The land value is determined and fixed at years 1, 11 and 16.

16.2.5 Purchase Price for Golf Course Lands

The purchase price for golf course lands will be:

- for years 1 to 10, the greater of \$12,355 per ha (\$5,000 per acre) or the appraised land value based on un-serviced land, plus the value of any remaining Merchantable Timber at the time of sale;
- for years 11 and each successive 5-year period thereafter, the appraised land value based on its intended use as fully serviced land, plus the value of any remaining Merchantable Timber at the time of sale.

17 ANNUAL REPORT AND AUDIT

Detailed statements of gross revenue, Independent Operator revenue and golf revenue, together with other information (e.g. economic investment and job data, skier visits that may reasonably be requested from time to time) are required to be submitted with the annual rent payments. These statements are to be prepared by management with assurance obtained from a qualified accountant to a review engagement level.

Upon reasonable notice, MTCA may, at its expense, require an independent audit of the books and records of the Developer as they pertain to gross revenue, golf revenue and Independent Operator revenue.

The Developer will be responsible for the cost of the audit if:

- MTCA requires the audit because the Developer failed to provide statements of revenue when required, or;
- The audit reveals that the Developer understated the revenues by greater than 5% of the rent that should have been paid.

18 CONSTRUCTION IN THE CONTROLLED RECREATION AREA

The Developer can construct improvements in the CRA if they are stipulated in the RMP and phasing schedule and it has delivered to MTCA:

- a financial plan, if required;
- applications for tenures or fee simple grants;
- performance and/or security deposits;
- a Certificate of Insurance;
- a construction and completion schedule and;
- any other information that may reasonably be required (e.g. re-zoning approval).

Tenures will be issued within 30 days of complying with the above conditions, payment of any administrative fees, completion of legal surveys and satisfying any other permitted conditions precedent that are contained in MTCA's offer letter.

19 BASE AREA DEVELOPMENT

The Developer can purchase Crown land in phases, in accordance with the terms of the MDA and RMP after delivery of the following to MTCA:

- applications for fee simple grants;
- evidence that all improvements in corresponding mountain phases are substantially complete or a performance deposit has been made;
- a proposed preliminary scheme of subdivision;
- a description of the proposed uses and maximum number of Bed Units and;
- a description of and preliminary site plan for all services to be constructed.

Fee simple dispositions ("Crown Grants") will be issued within 60 days of complying with the above conditions, payment of the purchase price and any administrative fees, completion of legal surveys and satisfying any other permitted conditions precedent that are contained in MTCA's offer letter.

The Crown Grant of Base Area lands (except for golf course lands) will contain the following restrictive covenants:

- a covenant that limits the maximum number of Bed Units which may be utilized on the land;
- a covenant that states that no subdivisions of the lands can occur without the prior written approval of MTCA and;
- any other covenants as stipulated in the MDA.

The Crown Grant of golf course lands will contain a covenant that restricts the use of the lands to golf course purposes and uses associated with a golf course development.

20 COMMERCIAL RECREATION ACTIVITIES WITHIN THE CRA

The Developer may, subject to the terms of the MDA or the OA as well as the RMP, conduct CR activities within the CRA or enter into written contracts with Independent Operators to operate CR activities within the CRA. The pricing provisions under Appendix 2 - Commercial Alpine Ski Policy Summary apply to these activities.

An Independent Operator who is also conducting CR activities outside the CRA must also acquire a separate tenure from the authorizing agency under the Adventure Tourism Policy.

21 TENURE ADMINISTRATION

Refer to section 12 – General Application for standard policies and procedures regarding tenure administration. The following additional provisions apply to Part Two:

21.1 Insurance

The minimum commercial general liability insurance coverage is \$2,000,000 for Type 1 and \$10,000,000 for Type 2 facilities.

21.2 Assignment and Sub-Tenuring

A contract with an Independent Operator is not an assignment or sub-tenure that requires MTCA's consent, for MDAs and OAs issued after 2006.

21.3 Amendments

A request by the Developer to amend a RMP, MDA or OA is made in writing to MTCA. The request will detail the type of amendment required and the reasons for the amendment. MTCA will respond to the request within 30 days by giving details of the procedures to follow and any fees payable to process the amendment request.

22 RESORT TIMBER ADMINISTRATION

Under the Resort Timber Administration Act, the Controlled Recreation Area Regulation and the Resort Timber Administration Act (Specified Enactment) Regulation, the statutory decision-maker will administer timber cutting authorities within CRAs that have been designated under the Resort Timber Administration Act (Specified Enactment) Regulation. At the discretion of the statutory decision-maker, occupant licenses to cut and forestry licenses to cut will be made available upon direct application provided the timber harvesting is necessary or desirable in relation to the planning, development, construction or maintenance of an All Season Resort or ski hill operation within a CRA. Cutting authorities may be used to manage forest health issues (i.e. beetle infestations) and to reduce the risk of wildfire by removing forest fuels within a CRA. All harvesting is to be done in accordance with the Forest Act, the Forest and Range Practices Act and applicable regulations.

Appendix 1. Non-Ski Resort Policy Summary

Tenure	Term	Valuation	Pricing
Investigative Permit	2 years	N/A	\$250 per year
Temporary Permit	2 years	N/A	\$250 per year
Interim Agreement	5 years	N/A	\$10,000
Licence of Occupation (General Commercial Policy)	30 years	Upland is BCA or appraised market value. Aquatic land is 50% to 100% of upland property value	Annual rent of 7.5% of land value \$500/yr minimum
Licence of Occupation (Marinas) (General Commercial Policy)	30 years	Non-moorage foreshore and fill is appraised market value based on actual use.	<ul style="list-style-type: none"> • Annual rent of 3.5% of potential gross income for the initial licence and 4% thereafter (moorage). • 7.5% or 4.5% of land value (non-moorage). \$500/yr minimum
MDAs and associated tenures	60 years	As per specific land use policies	As per specific land use policies
Lease (General Commercial Policy)	60 years	Upland is BCA or appraised market value. Aquatic land is 50% to 100% of upland property value	Annual rent of 8% of land value \$500/yr minimum
Lease (Golf Courses)	60 years	Revenue sharing	5% of revenue. \$500/yr minimum
Lease (Agriculture-Intensive)	60 years	Appraised market value	5% of land value. \$500/yr minimum.
Lease (Agriculture-Extensive)	60 years	Appraised market value	3% of land value. \$500/yr minimum.

Appendix 1. Non-Ski Resort Policy Summary continued.

Tenure	Term	Valuation	Pricing
Lease (Marinas)	60 years	Non-moorage foreshore and fill is appraised market value based on actual use.	<ul style="list-style-type: none"> Annual rent of 3.5% of potential gross income for years 1-15 and 4% thereafter (moorage). 8% or 5% of land value (non-moorage). \$500/yr minimum
Right Of Way – Utilities	For so long as required	N/A	Pricing as per Utility Policy
Interim Agreement (expansion of existing resort)	5 years	N/A	\$5,000
Fee Simple	Perpetuity	Appraised market value	Full market value plus value of remaining merchantable timber. Land value to be fixed at 5-year intervals.

Appendix 2. Commerical Alpine Ski Policy Summary

Tenure Purpose / Type	Term	Pricing
Investigative Permit	2 years	\$250 per year
Temporary Permit	2 years	\$250 per year
Type 1 & 2 Alpine Ski Resort • Interim Agreement	Initial term of 5 years.	\$10,000 prepaid for entire term (represents deposit towards administrative fees)
Type 1 Alpine Ski Resort • Operating Agreement • Licence of occupation • Lease • Right of way	Standard term of 30 years. Replacement at mid-term.	Annual rents based on: • 2% of Gross Revenue (minimum of \$500 per tenure) • 2% of Independent Operator Revenue (where individual revenue exceeds \$10,000) • 5% of Golf Revenue (\$10,000 minimum)
Type 2 Alpine Ski Resort (without Base Area lands) • Operating Agreement • Licence of occupation • Lease • Right of way	Standard term of 60 years. Replacement at mid-term.	Annual rents based on: • 2% of Gross Revenue (minimum of \$500 per tenure) • 2% of Independent Operator revenue (where individual revenue exceeds \$10,000) • 5% of Golf Revenue (\$10,000 minimum)
Type 2 Alpine Ski Resort (with Base Area lands) • Master Development Agreement • Licence of occupation • Lease • Right of way • Fee simple grants	Standard term of 60 years. Replacement at mid-term. Fee simple grants issued in perpetuity.	Annual rents based on: • 2% of Gross Revenue (minimum of \$500 per tenure) • 2% of Independent Operator revenue (where individual revenue exceeds \$10,000) • 5% of Golf Revenue (\$10,000 minimum) See below for the calculation of purchase prices.
<p>For golf course lands: years 1 to 10, the greater of \$12,355 per ha or appraised land value based on un-serviced land year 11 and each successive 5-year period thereafter, the appraised land value based on its intended use as fully serviced land.</p> <p>For other Base Area lands: years 1 to 10, the greater of \$12,355 per ha or the appraised land value based on un-serviced land.</p> <p>years 11 to 15, the greater of \$12,355 per ha or 5% of the appraised land value based on its intended use as fully serviced land.</p> <p>years 16 to 20, the greater of \$12,355 per ha or 10% of the appraised land value based on its intended use as fully serviced land.</p> <p>The minimum purchase price for any parcel of land is \$10,000.</p> <p>The above purchase prices represent land value only. The value of any remaining Merchantable Timber on the land at the time of sale is added to these prices.</p>		

Appendix 3. Commercial Alpine Ski Policy Revenue Definitions

Revenue Type	Includes	Does not include
<p>Gross Revenue – All consideration received by the Developer for:</p> <ul style="list-style-type: none"> • rights to use or occupy any part of the Recreation Improvements or the CRA and; • Commercial Recreation activities. 	<ul style="list-style-type: none"> • Lift fees • Trail pass fees • Guided tour fees where a lift pass is not purchased • Rent or revenue from facilities 	<ul style="list-style-type: none"> • Food, beverage and retail sales • Fees from lessons and equipment rentals • Rent or revenue from restaurant/cafeteria facilities, weddings, banquets or similar functions. • Golf Revenue and Independent Operator Revenue • Taxes • Discounts or complimentary passes including those to employees and their families
<p>Golf Revenue – All consideration received by the Developer for rights to use or occupy or services provided on the Golf Course or on the Golf Course Land</p>	<ul style="list-style-type: none"> • Green/Practice fees • Rent or revenue from facilities 	<ul style="list-style-type: none"> • Food, beverage and retail sales • Fees from lessons and equipment rentals (including cart rentals) • Rent or revenue from restaurant/cafeteria facilities, weddings, banquets or similar functions. • Taxes • Discounts or complimentary passes including those to employees and their families
<p>Independent Operator Revenue – All consideration received by the Independent Operator for activities and services in the CRA</p>	<ul style="list-style-type: none"> • Guided tour fees • Fees from lessons and equipment rentals 	<ul style="list-style-type: none"> • Food, beverage and retail sales • Consideration to the Developer which is included in Gross Revenue (e.g. lift fees) • Taxes