


Spiteri, Bailey FLNR:EX

From: Davis, Jennifer C JTST:EX
Sent: Thursday, May 2, 2013 4:48 PM
To: Vukelich, Vera FLNR:EX
Cc: Lachance, Nikki FLNR:EX
Subject: RE: Proposed "Communication Plan" for VGDL

Hi Vera, as noted, wasn't looking for action from you. Just wanted to share some of the issues that you might not be aware of.

Cheers!

J

 Please consider the environment before printing

Jennifer Davis
Executive Director, Tourism Strategy Branch

Ministry of Jobs, Tourism and Skills Training (JTST)
300-1803 Douglas Street, Victoria, BC
Tel: 250 387-0130
e-mail: Jennifer.C.Davis@gov.bc.ca

From: Vukelich, Vera FLNR:EX
Sent: Thursday, May 2, 2013 4:23 PM
To: Davis, Jennifer C JTST:EX
Subject: FW: Proposed "Communication Plan" for VGDL

Hi Jenn,

I touched base with Bill Hunter and support Resort Development Branch's approach with CMH on this matter. I would suggest touching base with Norman Lee as there may be aspects of their program that may be unclear to your branch.

Take care,
Vera

Vera Vukelich | Manager, Land Policy and Programs | Land Tenures Branch | Tenures, Competitiveness and Innovation Division | Ministry of Forests, Lands and Natural Resource Operations | PO Box 9308 Stn Prov Govt, Victoria BC V8W 9J2 |
Location: 4th Fl - 780 Blanshard St | PH: 250 356-7040; s.17 FX: 250 356-6791 |

From: Davis, Jennifer C JTST:EX
Sent: Thursday, May 2, 2013 1:14 PM
To: Lachance, Nikki FLNR:EX
Cc: Vukelich, Vera FLNR:EX; Jenkins, Carol JTST:EX
Subject: FW: Proposed "Communication Plan" for VGDL


Just another FYI. You can see why

s.13

s.13

I will forward you the Resorts response... it is interesting...

Jenn.

~~~~~  
 Please consider the environment before printing

**Jennifer Davis**  
Executive Director, Tourism Strategy Branch

---

Ministry of Jobs, Tourism and Skills Training (JTST)  
300-1803 Douglas Street, Victoria, BC  
Tel: 250 387-0130  
e-mail: [Jennifer.C.Davis@gov.bc.ca](mailto:Jennifer.C.Davis@gov.bc.ca)

---

**From:** Dave Butler [<mailto:dbutler@cmhinc.com>]  
**Sent:** Wednesday, April 24, 2013 7:28 AM  
**To:** Hunter, Bill FLNR:EX  
**Cc:** Thierry Brossard (T); John Mellis; Danny Stoffel; MacRae, Heather FLNR:EX; Davis, Jennifer C JTST:EX; Tommaso Oberti ([toberti@pheidias.ca](mailto:toberti@pheidias.ca))  
**Subject:** Proposed "Communication Plan" for VGDL

Bill – please see attached letter, and call me if you have any questions.

<< File: CMH.VGDL.CommunicationPlan.April2013.pdf >>

Dave

Sincerely,  
Dave Butler, RPF, RPBio  
Director of Sustainability  
CMH Heli-Skiing and Summer Adventures  
Phone: 250-426-3599 Fax: 250-426-3517  
Mailing address: 3101 5<sup>th</sup> Street S., Cranbrook, BC V1C 6H7

## Spiteri, Bailey FLNR:EX

---

**From:** Davis, Jennifer C JTST:EX  
**Sent:** Thursday, May 2, 2013 4:48 PM  
**To:** Vukelich, Vera FLNR:EX  
**Cc:** Lachance, Nikki FLNR:EX  
**Subject:** RE: Proposed "Communication Plan" for VGDL

Hi Vera, as noted, wasn't looking for action from you. Just wanted to share some of the issues that you might not be aware of.

Cheers!

J

---

 Please consider the environment before printing

**Jennifer Davis**  
Executive Director, Tourism Strategy Branch

Ministry of Jobs, Tourism and Skills Training (JTST)  
300-1803 Douglas Street, Victoria, BC  
Tel: 250 387-0130  
e-mail: [Jennifer.C.Davis@gov.bc.ca](mailto:Jennifer.C.Davis@gov.bc.ca)

---

**From:** Vukelich, Vera FLNR:EX  
**Sent:** Thursday, May 2, 2013 4:23 PM  
**To:** Davis, Jennifer C JTST:EX  
**Subject:** FW: Proposed "Communication Plan" for VGDL

Hi Jenn,

I touched base with Bill Hunter and support Resort Development Branch's approach with CMH on this matter. I would suggest touching base with Norman Lee as there may be aspects of their program that may be unclear to your branch.

Take care,  
Vera

**Vera Vukelich** | Manager, Land Policy and Programs | Land Tenures Branch | Tenures, Competitiveness and Innovation Division | Ministry of Forests, Lands and Natural Resource Operations | PO Box 9308 Stn Prov Govt, Victoria BC V8W 9J2 | Location: 4th Fl - 780 Blanshard St | PH: 250 356-7040; s.17 FX: 250 356-6791 |

---

**From:** Davis, Jennifer C JTST:EX  
**Sent:** Thursday, May 2, 2013 1:14 PM  
**To:** Lachance, Nikki FLNR:EX  
**Cc:** Vukelich, Vera FLNR:EX; Jenkins, Carol JTST:EX  
**Subject:** FW: Proposed "Communication Plan" for VGDL


Just another FYI. You can see why

s.13

s.13

I will forward you the Resorts response... it is interesting...

Jenn.

~~~~~  
 Please consider the environment before printing

Jennifer Davis
Executive Director, Tourism Strategy Branch

Ministry of Jobs, Tourism and Skills Training (JTST)
300-1803 Douglas Street, Victoria, BC
Tel: 250 387-0130
e-mail: Jennifer.C.Davis@gov.bc.ca

From: Dave Butler [<mailto:dbutler@cmhinc.com>]
Sent: Wednesday, April 24, 2013 7:28 AM
To: Hunter, Bill FLNR:EX
Cc: Thierry Brossard (T); John Mellis; Danny Stoffel; MacRae, Heather FLNR:EX; Davis, Jennifer C JTST:EX; Tommaso Oberti (toberti@pheidias.ca)
Subject: Proposed "Communication Plan" for VGDL

Bill – please see attached letter, and call me if you have any questions.
<< File: CMH.VGDL.CommunicationPlan.April2013.pdf >>
Dave

Sincerely,
Dave Butler, RPF, RPBio
Director of Sustainability
CMH Heli-Skiing and Summer Adventures
Phone: 250-426-3599 Fax: 250-426-3517
Mailing address: 3101 5th Street S., Cranbrook, BC V1C 6H7

Spiteri, Bailey FLNR:EX

From: Hunter, Bill FLNR:EX
Sent: Thursday, May 2, 2013 4:31 PM
To: Vukelich, Vera FLNR:EX
Subject: RE: FW: Proposed "Communication Plan" for VGDL

I wonder what response Jenn is referring to? We haven't yet responded to Mr. Butler since I received his communication plan comments.

Let me know if you'd like further background.

Cheers, B

From: Vukelich, Vera FLNR:EX
Sent: Thursday, May 2, 2013 4:24 PM
To: Hunter, Bill FLNR:EX
Subject: FW: FW: Proposed "Communication Plan" for VGDL

Hi Bill, as discussed.

From: Vukelich, Vera FLNR:EX
Sent: Thursday, May 2, 2013 4:23 PM
To: Davis, Jennifer C JTST:EX
Subject: FW: Proposed "Communication Plan" for VGDL

Hi Jenn,

I touched base with Bill Hunter and support Resort Development Branch's approach with CMH on this matter. I would suggest touching base with Norman Lee as there may be aspects of their program that may be unclear to your branch.

Take care,
Vera

Vera Vukelich | Manager, Land Policy and Programs | Land Tenures Branch | Tenures, Competiveness and Innovation Division | Ministry of Forests, Lands and Natural Resource Operations | PO Box 9308 Stn Prov Govt, Victoria BC V8W 9J2 | Location: 4th Fl - 780 Blanshard St | PH: 250 356-7040; s.17 FX: 250 356-6791 |

From: Davis, Jennifer C JTST:EX
Sent: Thursday, May 2, 2013 1:14 PM
To: Lachance, Nikki FLNR:EX
Cc: Vukelich, Vera FLNR:EX; Jenkins, Carol JTST:EX
Subject: FW: Proposed "Communication Plan" for VGDL


Just another FYI. You can see why

s.13

s.13

I will forward you the Resorts response... it is interesting...

Jenn.

~~~~~  
 Please consider the environment before printing

**Jennifer Davis**  
Executive Director, Tourism Strategy Branch

Ministry of Jobs, Tourism and Skills Training (JTST)  
300-1803 Douglas Street, Victoria, BC  
Tel: 250 387-0130  
e-mail: [Jennifer.C.Davis@gov.bc.ca](mailto:Jennifer.C.Davis@gov.bc.ca)

---

**From:** Dave Butler [<mailto:dbutler@cmhinc.com>]  
**Sent:** Wednesday, April 24, 2013 7:28 AM  
**To:** Hunter, Bill FLNR:EX  
**Cc:** Thierry Brossard (T); John Mellis; Danny Stoffel; MacRae, Heather FLNR:EX; Davis, Jennifer C JTST:EX; Tommaso Oberti ([toberti@pheidias.ca](mailto:toberti@pheidias.ca))  
**Subject:** Proposed "Communication Plan" for VGDL

Bill – please see attached letter, and call me if you have any questions.  
<< File: CMH.VGDL.CommunicationPlan.April2013.pdf >>  
Dave

Sincerely,  
Dave Butler, RPF, RPBio  
Director of Sustainability  
CMH Heli-Skiing and Summer Adventures  
Phone: 250-426-3599 Fax: 250-426-3517  
Mailing address: 3101 5<sup>th</sup> Street S., Cranbrook, BC V1C 6H7

**Hunter, Bill FLNR:EX**

---

**From:** Ford, Janet FLNR:EX  
**Sent:** Wednesday, March 27, 2013 2:52 PM  
**To:** 'ooberti@obertiarchitecture.com'  
**Cc:** Hunter, Bill FLNR:EX; Frymire, Drew FLNR:EX  
**Subject:** Valemount Glacier Destinations Ltd. - Offer  
**Attachments:** Valemount Interim Agreement.pdf; Valemount Offer Letter.pdf

**Categories:** Purple Category

Good afternoon Oberto

Attached is an electronic copy of your Interim Agreement and offer letter.

We will be couriering the original documents for your signature. Please sign both copies of the Agreement and the Offer and return them to our office along with the required security deposit and Certificate of Insurance, at your earliest convenience.

If you have any questions, please do not hesitate to contact our office

Janet

**Janet Ford**  
**Portfolio Administrator**  
**Resort Development Branch**  
**Ministry of Forests, Lands, and Natural Resource Operations**  
**510 175 2nd Avenue**  
**Kamloops, BC V2C 5W1**  
**250-371-3733**



Ministry of Forests, Lands and  
Natural Resource Operations  
510 175 2<sup>nd</sup> Avenue  
Kamloops, BC V2C 5W1

Telephone No: 250-371-3733  
Facsimile No: 250-371-3942

HST Registration No: R107864738

Your contact is: Janet Ford

Our file: 7409571

### **TENURE OFFER**

March 27, 2013

VALEMOUNT GLACIER DESTINATIONS LTD.

Oberto Oberti

660 - 1188 Georgia St W

Vancouver, BC V6E 4A2

Dear Oberto Oberti:

**Re: Your Application for a Tenure over Crown Land**

Your application for a licence for alpine skiing purposes over:

All that unsurveyed Crown land lying west of Valemount, Cariboo District and containing 16,496.78 hectares, more or less

(the "Land") has been accepted by us subject to fulfillment of certain requirements. Accordingly, we are offering to you a licence on the terms and conditions set out in this letter.

Please be aware that you are required under this licence to observe, abide by and comply with all applicable laws, bylaws, orders, directions, ordinances and regulations of any competent governmental authority which in any way affects your use and occupation of the Crown land and any improvements made to that land. If you have any concerns or questions regarding any such laws, bylaws, orders, directions, ordinances and regulations you are encouraged to seek legal advice.

### **Deadline for Your Acceptance of this Offer**

This offer may be accepted by you within 60 days of the date of this offer (unless this deadline is extended in writing by us). To accept this offer, you must complete and return to us the enclosed acceptance page by that time. If you do not wish to accept this offer, please check the applicable box on the acceptance page and sign and return the page to us so that we may record your rejection of our offer.



## 1. Conditions of Offer

Enclosed are two copies of your licence. If you accept this offer by returning the acceptance page to us within the time set out above, you must then execute and return these documents to us within 60 days from the date of this letter together with all of the following:

### Security

You must deliver to us a security deposit in the amount of \$10,000.00 to guarantee the performance of your obligations under the licence. Please see attached information regarding acceptable types of security.

Your cheque or money order must be payable to the Minister of Finance and be delivered to 510 175 2<sup>nd</sup> Ave, Kamloops, BC V2C 5W1. Please quote our file number when sending us your payment.

### Insurance

You must deliver to us a Province of British Columbia Certificate of Insurance for the insurance required to be maintained under the licence. A sample certificate is enclosed. The Certificate must confirm the following:

That you have at your expense purchased the following insurance with insurers licensed to do business in Canada:

- (i) Commercial General Liability insurance in an amount of not less than \$2,000,000.00 inclusive per occurrence insuring against liability for personal injury, bodily injury (including death) and property damage, including coverage for all accidents or occurrences on the Land or the Improvements. Such policy will include cross liability, liability assumed under contract, provision to provide 30 days advance notice to us of material change or cancellation, and include us as additional insured.

You must also ensure that all insurance required to be maintained by you under the licence is primary and does not require the sharing of any loss by any of the Province of British Columbia insurers.

### Additional Requirements

You are required to submit a Communication Plan, which meets the satisfaction of the Province, which addresses safety and operational requirements of existing commercial operators in the License area.

The enclosed tenure documents must **all** be signed in the spaces provided on the signature page by persons authorized to sign on behalf of the corporation. **Return all copies to us.**

If you sign the licence documents and return them to us within 60 days from the date of this letter (unless this deadline is extended in writing by us), together with each of the items listed in this section, the licence documents will be signed on behalf of the Province. We will then return an executed copy of the licence to you. If the licence documents and each of the items listed in this section are not returned to us within 60 days from the date of this letter, we will be under no further obligation to issue the licence to you and this offer will terminate.

## **2. Acknowledgments of the Applicant**

By accepting this offer, you agree that:

- (a) This offer cannot be transferred to another person.
- (b) This offer and the licence do not guarantee that
  - (i) the Land is suitable for your proposed use,
  - (ii) the Land can be built on,
  - (iii) there is access to the Land, or
  - (iv) the Land is not susceptible to flooding or erosion.
- (c) This offer will survive the signing and issuance of the licence but if any contradiction exists between the terms of this offer and the licence, the terms of the licence will prevail.
- (d) This offer does not give you any right to use or occupy the Land for any purpose.
- (e) Under the *Land Act*, this offer is not binding upon the Province until the licence is signed by the Province.
- (f) Time is of the essence in this offer.

### 3. Your Representations

By accepting this offer, you confirm that:

- (a) You (or your authorized representative) have inspected the Land and are fully aware of its condition.
- (b) You have knowledge of all municipal and regional bylaws regulating the use and development of the Land.
- (c) You acknowledge that you have no right to use or occupy the Land unless and until the licence is issued to you under this offer.
- (d) Your company is incorporated or registered in British Columbia under BC0913310 and has the legal capacity to acquire land.

### Freedom of Information

Personal information is collected under the *Land Act* for the purpose of administering Crown land. Information on your application, and if issued, your tenure, will become part of the Crown Land Registry, from which information is routinely made available to the public under freedom of information legislation.

**For Your Information**

Please review the information about your tenure that we have listed on the attached page called "For Your Information". This information is being forwarded to you for information purposes only. The information itself does not form part of this offer.

Yours truly,

A handwritten signature in black ink, appearing to read 'Norman Lee', with a stylized, flowing script.

Norman Lee  
Executive Director  
Resort Development Branch  
Ministry of Forests, Lands and Natural Resource Operations

- 6 -

**Acceptance of Offer of licence**

File No. 7409571

Ministry of Forests, Lands and Natural Resource Operations  
510 175 2<sup>nd</sup> Ave  
Kamloops, BC V2C 5W1

Dear Janet Ford:

**Re: Application for licence**

- ☐ I/We accept the offer of licence made to me/us by way of a letter dated March 27, 2013 from the Ministry of Forests, Lands and Natural Resource Operations and I/we agree to perform and abide by my/our covenants, acknowledgements and representations set out in that offer.
- ☐ I/We do not accept the offer of licence made to me/us by way of a letter dated March 27, 2013 from the Ministry of Forests, Lands and Natural Resource Operations.

DATED the \_\_\_\_ of \_\_\_\_\_, \_\_\_\_.

\_\_\_\_\_  
Applicant's signature/Applicant's  
representative's signature

\_\_\_\_\_  
Applicant's signature/Applicant's  
representative's signature

\_\_\_\_\_  
Print name of person signing

\_\_\_\_\_  
Print name of person signing

## FOR YOUR INFORMATION

You may require a Road Use Agreement with the Road Permit holders and/or with the Province in order to gain access to the Licence area via existing Forestry roads.

## INTERIM AGREEMENT

THIS AGREEMENT is dated for reference the 27th day of March, 2013.

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA**, represented by the Minister responsible for the administration of the *Land Act* and the *Ministry of Lands, Parks and Housing Act*, with respect to all seasons, and alpine ski, resorts, Parliament Buildings, Victoria, British Columbia  
V8V 1X4

(the "Province")

AND

**VALEMOUNT GLACIER DESTINATIONS LTD.**  
660-1188 West Georgia Street  
Vancouver, BC V6E 4A2

(the "Company")

WHEREAS:

- A. The Company has submitted to the Province a proposal for an all seasons resort to be developed by the Company on Crown land in the Valemount area;
- B. The Province has reviewed the proposal and agrees in principle with it;
- C. In this agreement, the parties wish to set out how they will proceed to finalize the particulars of the agreement for the development of the resort;

The parties agree as follows:

### ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.01 In this Agreement,

- (a) "All Seasons Resort Policy" or "ASRP" means the policy of the Province in effect from time to time, pertaining to and governing to major resort developments on land that is owned by the Province.
- (b) "Commencement Date" means the commencement date of this Agreement under section 2.01;

- (c) **"Commercial Alpine Ski Policy" or "CASP"** means the policy of the Province in effect, from time to time, pertaining to and governing commercial alpine ski developments on land that is owned by the Province;
- (d) **"Crown Land"** means the Crown land outlined in black on Schedule A save and except those portions of that land that consists of trails, roads, highways, water courses, or that are covered by water;
- (e) **"Licence"** means the terms and conditions under which the Company will be permitted to enter into onto the Crown Land for the purposes of this Agreement as set out in Schedule B;
- (f) **"Master Development Agreement"** means an agreement between the Province and the Company following completion by the Company and approval by the Province of a Resort Master Plan and of the various reports, plans and studies contemplated under this Agreement setting out the terms and conditions and governing the development of an all seasons resort on the Crown Land, all in accordance with the All Seasons Resort Policy and the Resort Master Plan;
- (g) **"Merchantable Timber"** means timber of sufficient quantity and quality as to be commercially valuable at the time of the proposed Crown land disposition.
- (h) **"Other Existing Interests"** means those interests in, or affecting, the Crown Land which are not Prior Rights and which have been created prior to the date of this Agreement under the *Land Act*, the *Ministry of Lands Parks and Housing Act* or any other enactment of the Province of British Columbia including without limitation the *Coal Act*, *Forest Act*, *Mineral Tenure Act*, *Petroleum and Natural Gas Act*, *Range Act*, *Wildlife Act* and *Water Act*;
- (i) **"Prior Rights"** means certain interests in, or affecting, the Crown Land which have been made prior to the date of this Agreement under the *Land Act* or the *Ministry of Lands, Parks and Housing Act* as listed in Schedule E;
- (j) **"Resort Master Plan"** means the document entitled "TBD" dated "TBD": prepared by "TBD", a copy of which is on file with the Resort Development Branch of the Ministry of Natural Resource Operations at its Kamloops office. The plan of the proposed resort development includes, among other things, a description and location of all the major elements of the development including the ski lift and base facilities, lifts, trail systems, lodges, maintenance facilities, snow making equipment, parking facilities and conceptual plans for base area development (including residential housing, hotels and commercial developments), golf and other recreation facilities, a phasing schedule and environmental, wildlife and habitat management programs and other items as required by the Province or the All Seasons Resort Policy
- (k) **"Resort Master Plan Process"** means the process as determined by the Province for reviewing, completing and approving or rejecting a Resort Master Plan, which plan is required for the negotiations of a Master Development Agreement, and which process includes without limitation the steps, procedures and respective actions of the parties set out in section 6.4; and



- (l) **"Studies"** means all studies, investigations, reports, plans, documents and other information or materials, in any media form, prepared by or for the Company in the Resort Master Plan Process.

1.02 Wherever this Agreement provides that:

- (a) the form or content of a document being tendered, an action being taken, a decision or determination being made, or a review of something is to be satisfactory or acceptable to a party or subject to consent or approval by a party;
- (b) a decision or determination is to be made by a party; or
- (c) a party may request or require something;

then such party will act reasonably and in a timely manner except where this Agreement expressly states that a party has sole discretion (such as "in its sole discretion") in which case the action of the party will not be reviewable by a court, arbitrator or otherwise and will not be required to meet any objective standard, including a standard of reasonableness.

1.03 For the purposes of this Agreement, except as otherwise expressly provided:

- (a) "this Agreement" means this agreement, including all Schedules hereto, and any agreement, document or instrument entered into, made or delivered pursuant to the terms hereof, as any of them may from time to time be supplemented or amended and in effect;
- (b) the captions and headings contained in this Agreement are for convenience only and do not define or in any way limit the scope or intent of this Agreement or any provision thereof.
- (c) a reference to an enactment of the Province of British Columbia or of Canada will include a reference to every amendment to it, every regulation made under it and any subsequent enactment of like effect and, unless otherwise indicated, all enactments referred to in this Agreement are enactments of the Province of British Columbia; and
- (d) words importing the singular or masculine form will be construed as the plural or feminine or neuter form, as the case may be, and vice versa.

1.04 The following are the schedules to this Agreement:

- Schedule A - Map of the Proposed Resort Area
- Schedule B - Licence
- Schedule C - Company and Shareholder particulars
- Schedule D - Master Development Agreement Provisions
- Schedule E - Prior Rights
- Schedule F - Other Existing Interests

1.05 This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.

## **ARTICLE 2**

### **TERM**

- 2.01 Subject to earlier termination as provided in Article 10, this Agreement commences on its reference date and terminates on the fifth anniversary of that date unless extended in accordance with Section 2.02 or by written agreement of the parties.
- 2.02 If the Company has worked expeditiously in pursuing its obligations under the Resort Master Plan Process and is not in default of its obligations under this Agreement, but within the term of this Agreement:
- (a) the Resort Master Plan Process is not completed, or
  - (b) the Resort Master Plan Process has been completed and the Resort Master Plan Approved but the Parties have not concluded a Master Development Agreement,
- then the Province may, on written request from the Company, in its absolute discretion, extend the term of this Agreement for a further term or terms of up to 5 years. The Province may attach such terms and conditions to the granting of an extension under this section 2.02 as it, in its sole discretion, determines are necessary.

## **ARTICLE 3**

### **PROPOSER STATUS**

- 3.01 The Province hereby accepts the Formal Proposal document as being suitable for the Company to enter into the Resort Master Plan Process in accordance with the terms of this Agreement.
- 3.02 The Province agrees that during the term of this Agreement the Company is the sole proponent for an all seasons resort development on the Crown Land.

## **ARTICLE 4**

### **LICENCE**

- 4.01 The Province hereby grants to the Company a Licence of Occupation on the terms and conditions set out in Schedule "B".
- 4.02 The licence shall not come into effect until the following have occurred:
- (a) the delivery by the Company to the Province of a completed Province of British Columbia Certificate of Insurance as required by the Licence; and
  - (b) the delivery by the Company to the Province of the security required by the Licence.
- 4.03 In the event of any inconsistency between the terms of the Licence and any provision found in Articles 1 through 12 of the main body of this Agreement, then the provision found in Articles 1 through 12 shall prevail.

## ARTICLE 5 OTHER APPROVALS

- 5.01 The Company acknowledges that the Province has entered into this Agreement to set out the agreement of the parties relating to the Licence and the possible future disposition of Crown land through the exercise of the authorities to dispose of Crown land given to the Minister of Natural Resource Operations in the *Ministry of Lands, Parks and Housing Act* and the *Land Act*. This Agreement will not interfere with, influence, encroach upon or fetter the jurisdiction, processes or discretion or any minister, public official, agency or decision maker who may be entitled or required to make any other decision or to take any other action that may affect or relate to the Company's proposed development of an all seasons resort on the Crown Land.
- 5.02 Without limiting section 5.01, nothing in this Agreement fetters the powers of any minister responsible for the administration of the *Environmental Assessment Act* or any minister, public official, agency or other decision maker acting under the *Environmental Assessment Act*.
- 5.03 Despite the approval of the Resort Master Plan as contemplated by this Agreement the Company will remain responsible for obtaining all other approvals, authorizations, permits and licences that may be necessary or desirable in connection with the Company's proposed development of an all seasons resort on the Crown Land

## ARTICLE 6 RESORT MASTER PLAN PROCESS AND NEGOTIATION OF MASTER DEVELOPMENT AGREEMENT

- 6.01 The Company will during the term of this Agreement diligently pursue its obligations under the Resort Master Plan Process in respect of its proposed development of the Crown Land.
- 6.02 If at any time during the term of this Agreement it is determined by the Province that the Company is not diligently pursuing its obligations under the Resort Master Plan Process, the Province may provide notice to the Company in writing outlining the Company's failure to diligently pursue its obligations under the Resort Master Plan Process.
- 6.03 If, 60 days following receipt of the notice described in section 6.02, the Province determines that the Company has failed to correct the deficiencies described in the notice so that the Company is then diligently pursuing its obligations under the Resort Master Plan Process, the Province may terminate this Agreement.
- 6.04 The steps, procedures and respective actions of the parties in connection with the Resort Master Plan Process will include:
  - (a) as soon as reasonably possible after the commencement of this Agreement the Company will diligently:

- (i) take all such steps which may be required or advisable in connection with the Company's application for any Environmental Assessment Certificate as required by the *Environmental Assessment Act*;
    - (ii) conduct and complete all studies, investigations and reviews and prepare all studies, investigations, reports, plans, designs, layouts, documents or other information or materials necessary or required by the Province to be included in a Resort Master Plan under ASRP or under applicable laws and provincial policies apart from ASRP;
  - (b) the Company will work diligently to address the matters identified in the work plan and when such matters have been addressed will provide the Province with revised versions of the Resort Master Plan and the Province will advise the Company whether it is prepared to accept the Resort Master Plan for formal review and if it is not prepared to accept the Resort Master Plan for formal review the Province will provide an explanation for such non-acceptance containing reasonable detail;
  - (c) after the Province gives the Company notice that it will accept the draft Resort Master Plan for formal review it will proceed as expeditiously as possible with the review of the Resort Master Plan with other government agencies, the public and other stakeholders and give the Company notice of whether or not the Resort Master Plan is approved for the purpose of the Resort Master Plan Review Process. If the Resort Master Plan is not approved the Province will provide an explanation for the non-approval containing reasonable detail.
- 6.05 If the Resort Master Plan Process results in the approval of the Company's Resort Master Plan, the Province and the Company will for the balance of the term of this Agreement negotiate and in good faith attempt to conclude a Master Development Agreement consistent with the Resort Master Plan, Schedule D, all approvals required under any enactment, and, subject to section 6.06, the All Seasons Resort Policy.
- 6.06 Notwithstanding section 6.05, the Province acknowledges that:
- (a) the pricing components (in respect of percentage fees based upon gross revenues of a ski resort operator and in respect of land sales by the Province to a ski resort operator) of the All Seasons Resort Policy of the Province, in existence as of the reference date of this Agreement;
  - (b) the term of a Master Development Agreement; and
  - (c) the percentage fee review;
- all as set out in Schedule D, will apply to a Master Development Agreement entered into by the Province and the Company resulting from the negotiations referred to in section 6.05.
- 6.07 Despite any other provision of this Agreement, the Company acknowledges and agrees that the Province retains the right to restrict the development of an all seasons resort and the establishment of the controlled recreation area for the all seasons resort to a portion of the Crown Land. Such portion may be determined by the Province having regard to ASRP. Accordingly the Province may at its option negotiate with the Company

to enter into a Master Development Agreement pertaining only to that portion of the Crown Land properly relating to an all seasons resort or it may require the Company to negotiate in good faith separate Master Development Agreements for the all seasons resort and non- all seasons resort components of the overall development.

## **ARTICLE 7 STUDIES AND COPYRIGHT**

- 7.01 The Company hereby grants to, or will cause to be granted to, the Province an irrevocable, royalty-free, non-exclusive Licence of copyright in the Studies for the purpose of copying, distributing, using and reproducing the Studies in and for the Resort Master Plan Process only for the term of this Agreement (and any extensions thereof) or for reproducing the Studies where required by law, provided that where the Studies are used in the Resort Master Plan Process, the Province will take reasonable steps to notify those to whom the Studies are made available that the Province does not own the copyright in the Studies and that the Studies may be used only for the purpose of participating in the Resort Master Plan Process.
- 7.02 The Company hereby releases and forever discharges the Province, its employees and agents, from and against any and all claims, demands, causes of action, losses, costs and expenses of any kind and every nature which can or may arise from or by reason of the Licence of copyright in the Studies granted in section 7.01 or the copying, distributing, use and reproduction of the Studies under that Licence, provided that where the Studies are used in the Resort Master Plan Process, the Province will take reasonable steps to notify those to whom the Studies are made available that the Province does not own the copyright in the Studies and that the Studies may be used only for the purpose of participating in the Resort Master Plan Process.
- 7.03 If this Agreement is terminated for any reason, the Province agrees that, subject to any requirements or obligations under the *Freedom of Information and Protection of Privacy Act*, it will not, for five years after termination, provide the Studies to any future proponent of an all seasons resort development on the Crown Land without the prior written consent of the Company.

## **ARTICLE 8 WARRANTIES, REPRESENTATIONS AND ACKNOWLEDGEMENTS OF THE COMPANY**

- 8.01 The Company warrants and represents to the Province, with the knowledge that the Province will rely upon these warranties and representations in entering into this Agreement and completing its obligations under this Agreement, that
- (a) now and during the term of this Agreement,
    - (i) it has been incorporated and exists under the laws of the Province of British Columbia,
    - (ii) it has the corporate power, capacity and authority to enter into this Agreement and to carry out its obligations under this Agreement, all of which has been authorized by the necessary corporate proceedings,

- (b) on the date of this Agreement, Schedule C sets out a true and complete description of the Company, its officers and directors and the legal and beneficial ownership of the shares of the Company; and
- (c) now has and during the term of this Agreement it has the financial resources and management expertise to carry out its obligations under this Agreement and to undertake a development substantially in the terms proposed by it.

8.02 The Company acknowledges and agrees that:

- (a) nothing in this Agreement, the Resort Master Plan Process or the Licence constitutes a right on the part of the Company to commence an all seasons resort development on the Crown Land, and the Company acknowledges and agrees that the approval of a Resort Master Plan does not entitle the Company to commence an all seasons resort development on the Crown Land until authorized to do so under a Master Development Agreement;
- (b) before the Province enters into a Master Development Agreement it must be satisfied that applicable legal obligations to aboriginal peoples who assert rights or title to the Crown Land have been satisfied and that such action is consistent with any guidelines established by the Province and in effect from time to time pertaining to the Province's obligations to aboriginal persons;
- (c) this Agreement does not give the Company any right to require the Province to incur any cost in the event that the accommodation of aboriginal interests is required in connection with the development of the Crown Land.
- (d) it may not be possible to develop a Resort Master Plan which is consistent with the Prior Rights;
- (e) the "Controlled Recreation Area" as shown in the Resort Master Plan may be modified and reduced by the Province in the Resort Master Plan Process to include only that land that is approved by the Province for all seasons resort development;
- (f) if the Company is granted any interest in, or right to, the Crown Land in a Master Development Agreement then such interests and rights will be subject to the Prior Rights and to:
  - (i) all grants to or rights of any person made or acquired under the *Coal Act*, *Forest Act*, *Mineral Tenure Act*, *Petroleum and Natural Gas Act*, *Range Act*, *Wildlife Act* or *Water Act* or under any prior enactment of the Province of British Columbia of like effect, or any extension or renewal of the same, whether or not the Company has actual notice of them;
  - (ii) the exceptions and reservation of rights, interests, privileges and titles referred to in section 50 of the *Land Act*, and
  - (iii) all dispositions of the Crown Land made under the *Land Act* as of the date of the Master Development Agreement;
- (g) in addition to the Prior Rights there may be Other Existing Interests which may affect your ability to develop the Crown Land as you intend or that may continue

despite any Master Development Agreement or that may need to be taken into account during the Resort Master Plan Process; Schedule F lists those Other Existing Interests that have been identified as of the date of this Agreement but because the detailed review of the Crown Land status will occur during the Resort Master Plan Process we will have no responsibility to you under this Agreement if Schedule F is not complete;

- (h) the Licence does not grant exclusive use of the Crown Land to the Company, however
  - (i) the Province agrees that during the term of this Agreement that the Province will not enter into an agreement under the *Land Act* in respect of the Crown Land or authorize an activity on the Crown Land which would prohibit or severely restrict the ability of the Company to develop an all seasons resort development on the Land or impact the status of the Company under section 4.01 as the sole proponent for an all seasons resort development on the Crown Land during the term of this Agreement, without the prior written consent of the Company, such consent not to be unreasonably withheld; and
  - (ii) provided the Province administers the Crown Land under the *Land Act*, if at any time during the term of this Agreement the Province receives a referral from another ministry, department or branch in respect of an application by a person or persons other than the Province under the provisions of the *Coal Act*, *Forest Act*, *Mineral Tenure Act*, *Petroleum and Natural Gas Act*, *Wildlife Act* or *Water Act* in respect of the Crown Land which would prohibit or severely restrict the ability of the Company to develop an all seasons resort development on the Crown Land, the Province, where it is not prohibited at law from doing so, will notify the Company of such referral;
- (i) the Crown Land is located in the Thompson Okanagan Provincial Forests;
- (j) the Studies, all other studies, assessments and any other work completed by the Company, under the Resort Master Plan Process or otherwise, in respect of an all seasons resort development proposal for the Crown Land are to be completed solely at the initiative, cost, expense and risk of the Company;
- (k) the Studies, other studies, assessments, information or other work compiled or undertaken by the Company under this Agreement may not be acceptable in the Resort Master Plan Process;
- (l) there are no warranties, representations, collateral agreement or contract between the parties relating to the subject matter of this Agreement;
- (m) the Province is under no obligation, express or implied, to provide financial assistance or to contribute, in any way, to the cost of the preparation by the Company for participation in the Resort Master Plan Process or to the cost of developing and operating an all seasons resort development on the Crown Land if the Company, at any time, is authorized to commence and operate such a development;

- (n) in addition to its obligations under subsection 8.02(j), the Company will pay for all costs incurred by the Company in complying with its obligations under the Resort Master Plan Process;
- (o) nothing in this Agreement constitutes the Company as the agent, joint venture or partner of the Province;
- (p) this Agreement may be inspected by the public at the times and places determined by the Province; and
- (q) the Company will provide to the Province (i) annually on or before the anniversary of the commencement of the Term, and (ii) from time to time when requested by the Province in writing, notice in writing of any changes to the information set out in Schedule C.

## ARTICLE 9

### WARRANTIES AND REPRESENTATIONS OF THE PROVINCE

- 9.01 The Province warrants and represents to the Company that it has the power and authority to enter into this Agreement and the necessary proceedings have been taken by it to enter into this Agreement and to carry out its obligations under this Agreement.
- 9.02 The Province makes no warranties or representations to the Company as to the fitness of the Crown Land for any particular use, including but not limited to the use of it as a site for an all seasons resort development.

## ARTICLE 10

### TERMINATION

- 10.01 The Province may exercise any or all of its remedies under section 10.02 on the happening of any one or more of the following events:
  - (a) if the Company fails to observe, perform or keep any of its covenants or obligations under this Agreement or the Licence and the default continues for a period of 60 days after written notice has been given by the Province to the Company specifying the default and requiring the same to be remedied, or if the nature of the default reasonably requires more than 60 days to be remedied and the Company commences remedying the default within the 60 day period but fails to complete with diligence and continuity the remedying of the default;
  - (b) if an order is made, a resolution passed or a petition filed for the liquidation or winding up of the Company;
  - (c) if the Company makes an assignment for the general benefit of its creditors, commits an act which would entitle a person to take action pursuant to the *Bankruptcy and Insolvency Act* (Canada) or if a bankruptcy petition is filed or presented against the Company or the Company consents to the filing of the



petition or a decree is entered by a court of competent jurisdiction adjudging the Company bankrupt under any law relating to bankruptcy or insolvency;

- (d) if any execution, sequestration, extent or other process of any court becomes enforceable against the Company or if a distress or analogous process is levied on its interest under this Agreement or the Licence or the property of the Company or the Company fails to defend such process in good faith while having posted adequate security to pay the full amount claimed in the event the claim is valid;
- (e) if a receiver or receiver-manager is appointed to administer or carry on the business operations of the Company;
- (f) if the Company does any act or thing or omits to do any act or thing that constitutes a default (and fails to remedy such default within any grace period provided for) under any indenture, mortgage, deed of trust, bill of sale or other security instrument to which the Company is a party or is bound provided that such instrument relates directly to Company's obligations under this agreement and the other party to such instrument commences proceedings against the Company in respect of such default;
- (g) if the Company fails to provide, after receipt from the Province of a written request, a list containing the names of each and every legal and beneficial owner of shares (with or without voting rights) in the issued share capital of the Company setting out opposite the name of each owner the number and class of the shares held by that owner, provided that if an owner of such shares is a corporation, the list must also set out the name of each individual who, directly or indirectly, is a beneficial owner of shares of the issued share capital of that corporation;
- (h) if the Province is entitled to terminate this Agreement as provided in section 6.03 as a result to the failure of the Company to diligently pursue the Resort Master Plan Process;
- (i) if the Province rejects the Company's Resort Master Plan following a final formal review of that plan as provided in section 6.04;

10.02 On the happening of an event described in section 10.01 or at any time thereafter, the Province may do any one or more of the following:

- (a) pursue any remedy available to it at law or in equity, it being acknowledged by the Company that specific performance (with respect to the provisions of this Agreement), injunctive relief (mandatory or otherwise), or other equitable relief may be the only adequate remedy to cure the breach;
- (b) take any action in its own name or in the name of the Company that may be required to cure the breach, in which case all payments, costs and expenses incurred by the Province will be paid by the Company to the Province by the Province drawing down the security maintained under section 6.01 of the

Licence, provided such payments, costs and expenses will not exceed the amount of the security;

- (c) suspend the rights of the Company under this Agreement and the Licence or under either of them;
- (d) terminate this Agreement and the Licence or either of them; or
- (e) waive the default provided, however, that any waiver of a breach will not operate as a waiver of any subsequent or continuing breach.

10.03 Provided the Province is properly entitled to exercise its rights under section 10.02 the Company will not be entitled to any compensation from the Province arising from the exercise of such rights including but not limited to the termination of this Agreement and the Licence or either of them.

10.04 The Company may terminate this Agreement and the Licence if:

- (a) in its reasonable opinion, the Province has failed to fulfill its obligations under this Agreement;
- (b) the Company reasonably determines that the development of an all seasons resort on the Crown Land is not economically viable; and

provided that any termination will not release the Company from its obligation to pay to the Province all money owing to the Province by the Company under, or in connection with this Agreement and the Licence.

10.05 If this Agreement is terminated, the Licence is deemed to be terminated concurrently with the termination of this Agreement without any further act or acts of the parties.

## ARTICLE 11 ARBITRATION

11.01 Any dispute under this Agreement which cannot be settled by the parties to this Agreement will be determined by reference to a single arbitrator appointed under the *Commercial Arbitration Act* and the cost of the arbitration will be borne equally by the parties provided however that nothing in this section will preclude the Province from pursuing any remedy or taking an action that it may be entitled to pursue or take in accordance with the *Land Act*.

**ARTICLE 12  
MISCELLANEOUS**

- 12.01 Any communication given under this Agreement may be delivered by hand, courier, double-registered mail or facsimile transmission to the party to whom it is to be delivered to the following address or facsimile number:

to the Province

Ministry of Forests, Lands and Natural Resource Operations  
Resort Development Branch  
510 175 2<sup>nd</sup> Avenue  
Kamloops, British Columbia  
V2C 5W1  
Facsimile: (250) 371-3942

to the Company  
Valemount Glacier Destinations Ltd.  
660-1188 West Georgia Street  
Vancouver, BC V6E 4A2  
Facsimile: (604) 662-7958

provided, however, that a party may, by notice in writing to the other, specify another address or facsimile number for delivery of communications under this Agreement and, where another address or facsimile number is specified by a party, all communications must be delivered to that address or facsimile number in accordance with this section.

- 12.02 This Agreement is binding upon and enures to the benefit of the parties, their successors and, subject to section 12.03, their assigns.
- 12.03 This Agreement may not be assigned by the Company, in whole or in part, without the prior written consent of the Province, which consent is within the sole discretion of the Province, provided that the Province will not unreasonably withhold its consent.
- 12.04 This Agreement creates contractual rights only between the parties, does not create any equitable or legal interest in the Crown Land and will not be registered by the Company at any land title office at any time. If the Company registers or attempts to register this Agreement at any land title office at any time, the Province may terminate this Agreement and section 10.03 will apply to such termination.
- 12.05 The Province and the Company will perform such further other acts and execute such further documents as may reasonably be required to give effect to this Agreement.

This Agreement has been executed by the parties as of the date first written above.

**SIGNED on behalf of HER MAJESTY  
THE QUEEN IN RIGHT OF THE  
PROVINCE OF BRITISH COLUMBIA**  
by an authorized representative of the Minister  
responsible for the *Land Act* and the *Ministry of  
Lands, Parks and Housing Act*

---

Authorized Signatory

**SIGNED by an authorized signatory of  
Valemount Glacier Destinations Ltd.**

---

Authorized Signatory

**SCHEDULE A**  
**CROWN LAND**  
**(SEE ATTACHED)**

**SCHEDULE B**

**LICENCE**

IN PURSUANCE OF SECTION 39 OF THE *LAND ACT*

THIS LICENCE dated for reference the 27th day of March, 2013

**BETWEEN:**

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA**, represented by the Minister responsible for the Land Act, Parliament Buildings, Victoria, British Columbia V8V 1X4

(the "Licensor")

**AND**

**Valemount Glacier Destinations Ltd.**  
**660-1188 Georgia Street W**  
**Vancouver, BC V6E 4A2**

(the "Licencee")

THE PARTIES AGREE AS FOLLOWS:

**ARTICLE I**  
**DEFINITIONS**

1.01 In this Licence and the Schedules to it

"**Commencement Date**" means March 27, 2013;

"**Administrative Fee**" means \$10,000.00;

"**Interim Agreement**" means the agreement entered into by the parties dated for reference the 27<sup>th</sup> day of March, 2013

"**Realty Taxes**" means all taxes rates, levies, duties, charges and assessments, if any, now or hereafter assessed, levied or charged by any competent governmental authority which relate to the Crown Land;

"**Security**" means the security referred to in Article 6; and

"**Term**" means the term of this Licence as provided in section 3.01.

1.02 Wherever this Licence provides that:

- (a) the form or content of a document being tendered, an action being taken, a decision or determination being made, or a review of something is to be satisfactory or acceptable to a party or subject to consent or approval by a party;
- (b) a decision or determination is to be made by a party; or
- (c) a party may request or require something;

then such party will act reasonably and in a timely manner except where this Licence expressly states that a party has sole discretion (such as "in its sole discretion") in which case the action of the party will not be reviewable by a court, arbitrator or otherwise and will not be required to meet any objective standard, including a standard of reasonableness.

- 1.03 Any capitalized term in this Licence shall, unless otherwise expressly stated have the same meaning as given to that term in section 1.02 of the Interim Agreement.
- 1.04 The Province acknowledges that the exception of the trail, roads and highways from the definition of "Crown Land" as set out in the Interim Agreement does not diminish any right the Company may have, as a member of the public, to use such trails, roads and highways.

## **ARTICLE 2 GRANT OF LICENCE**

- 2.01 The Licensor grants to the Licensee a Licence to enter on the Crown Land for the purpose of the Licensee undertaking such studies, inspections, investigations, surveys and other activities as may be reasonably required to allow the Company to satisfy its obligations under the Resort Master Plan Process.

## **ARTICLE 3 TERM**

- 3.01 This Licence will commence on the Commencement Date and continue for the term of the Interim Agreement, unless canceled or otherwise terminated in accordance with the terms of this Licence or the Interim Agreement.

## **ARTICLE 4 COVENANTS OF THE LICENSEE**

- 4.01 The Licensee covenants with the Licensor
  - (a) to pay the Administrative Fee to the Licensor on or before the Commencement Date;

- (b) to observe, abide by and comply with all laws, bylaws, orders, directions, ordinances and regulations of any competent governmental authority in any way affecting the Crown Land or any improvements on the Crown Land;
- (c) to use the Crown Land solely for the purpose set out in section 2.01;
- (d) to keep the Crown Land in a safe, clean and sanitary condition to the satisfaction of the Licensor;
- (e) not to commit or permit anyone under its control or for whom it is responsible to commit any willful or voluntary waste, spoil or destruction on the Crown Land or to do or permit anyone under its control or for whom it is responsible to do on the Crown Land anything that may be or become a nuisance or annoyance to any owner or occupier of land in the vicinity of the Crown Land;
- (f) to pay interest to the Licensor on any sum of money payable in accordance with this Licence, in arrears, at the rate of interest prescribed from time to time under the *Land Act*;
- (g) to pay all premiums and monies necessary to maintain all policies of insurance required to be maintained by the Licencee under this Licence as the same become due provided, however, that if the Licencee defaults in the payment of any of the premiums or sums of money, the Licensor may (but will be under no obligation to) pay the same and the amounts so paid will be added to the Fee and will be payable to the Licensor immediately upon demand;
- (h) to deliver to the Licensor, from time to time immediately upon demand,
  - (i) certified copies of all policies of insurance required to be maintained by the Licencee under this Licence as of the Commencement Date, or any replacement of such policies, and
  - (ii) receipts or other evidence of the payment of insurance premiums, or other monetary obligations of the Licencee required to be observed by the Licencee under this Licence,
- (i) to indemnify and save the Licensor, its employees and agents, harmless against all claims, actions, causes of action, losses, damages, costs and liabilities, including fees of solicitors and other professional advisors, arising out of any personal injury, death or property damage occurring or happening on or off the Crown Land, by virtue of the Licencee's use of the Crown Land, and the Licensor may add the amount of such losses, damages, costs and liabilities to the Fee and the amount so added will be payable to the Licensor immediately upon demand;
- (j) to pay all accounts and expenses incurred by or on behalf of the Licencee, as they become due, for labour performed on, or materials supplied to, the Crown Land;
- (k) on the expiration or earlier termination of this Licence



- (i) to peaceably vacate the Crown Land,
- (ii) to leave the Crown Land in the condition in which it existed on the Commencement Date, to the satisfaction of the Licensor, acting reasonably,
- (iii) to remove from the Crown Land all machinery, equipment and other improvements installed on the Crown Land by or on behalf of the Licencee during the Term, other than those which the Licensor by notice in writing permits the Licencee to leave on the Crown Land,

and, to the extent necessary, this covenant will survive the expiration or earlier termination of this Licence;

- (l) to permit the Licensor, its servants, agents and authorized representatives to enter upon the Crown Land at any time to inspect the Crown Land;
- (m) not to cut or remove, or both, Crown timber on the Crown Land without
  - (i) the prior consent of the Licensor, and
  - (ii) being granted the right to harvest Crown timber on the Crown Land pursuant to an agreement issued under the *Forest Act*;
- (n) to deliver to the Licensor on the Commencement Date and from time to time upon demand, a "Province of British Columbia Certificate of Insurance" (in the form approved, from time to time, by the Treasury Board) which has been completed by the Licencee's insurer to evidence the maintenance of all policies of insurance required to be maintained by the Licencee under this Licence;
- (o) to observe and perform all terms and provisions of this Licence and not to do or permit anyone under its control or for whom it is responsible to do anything contrary to any terms or provision of this Licence;
- (p) to pay and discharge when due all charges incurred by or on behalf of the Licencee for electricity, gas, water and other utilities supplied to the Crown Land;
- (q) not to interfere with any person's exercise of any right granted to them by the Licensor; and
- (r) not to place any improvements on the Crown Land.

## ARTICLE 5 ASSIGNMENT

- 5.01 The Licencee will not assign, subLicence or transfer this Licence, in whole or in part, without the prior written consent of the Licensor.

## ARTICLE 6 SECURITY

- 6.01 On the Commencement Date the Licencee will deliver to the Licensor security in the amount of \$10,000.00 in a form acceptable to the Licensor that will guarantee the performance of the Licencee's obligations under this Licence and the Interim Agreement and the Security will, subject to section 6.03, be maintained in effect until the Licensor certifies in writing that the Licencee has performed its obligations under the Licence and the Interim Agreement.
- 6.02 If the Licencee defaults in the performance of its obligations under this Licence or the Interim Agreement then the Licensor may sell, call in and convert the Security, or any part of it, and the Security will be deemed to be forfeited to the Licensor to the extent of the default in performance.
- 6.03 The rights of the Licensor under this Article will continue for 12 months following the expiration or earlier termination of this Licence.
- 6.04 The Licencee acknowledges and agrees that the Licensor acting reasonably may, by written notice delivered to the Licencee, require that the Security posted pursuant to section 6.01 be changed to an amount set out in the notice, and, notwithstanding section 6.01, the Licencee will, within 30 days of its receipt of the notice,
- (a) cause the Security to be changed accordingly; and
  - (b) deliver to the Licensor written confirmation that the change has been made.

## ARTICLE 7 INSURANCE

- 7.01 At all times during the Term the Licencee will effect and keep in force insurance, with insurers Licenced in British Columbia, protecting the Licensor and the Licencee (without any rights of cross-claim or subrogation against the Licensor) against claims for personal injury, death, property damage, third party or public liability claims arising from any accident or occurrence resulting from the Licencee's use of the Crown Land for an amount of \$2,000,000.00 per occurrence.
- 7.02 All policies of insurance referred to in section 7.01 will be written in the name of the Licensor and the Licencee as the insured's, with loss payable to the Licensor, and the Licencee and will contain a waiver of subrogation clause to the effect that any release from liability entered into by the Licencee prior to any loss will not affect the right of the Licencee or the Licensor to recover and each policy of insurance referred to in section 7.01 will contain a provision or bear an endorsement that the insurer will not cancel such policy without first giving the Licensor at least 30 days' notice in writing of its intention to cancel the policy.

## ARTICLE 8 PROVISOS

8.01 Provided always and it is agreed as follows:

- (a) if, after the expiration or earlier termination of the Licence, the Licensor permits the Licencee to remain using the Crown Land and accepts a fee in respect of that use, a tenancy from year to year will not be created by implication of law and the Licencee will be deemed to be a monthly tenant only, subject to all terms and conditions of this Licence, except as to duration in the absence of a written agreement to the contrary;
- (b) the Licensor is under no obligation to provide access or services to the Crown Land;
- (c) if, on the expiration or earlier termination of this Licence, the Licencee fails to remove from the Crown Land the machinery, equipment and other improvements required to be removed from the Crown Land under subsection 4.01(k), then the Licensor may remove the machinery, equipment and other improvements from the Crown Land and the Licencee will compensate the Licensor, immediately upon demand for all expenses incurred by it for that purpose;
- (d) this Licence is subject to the Prior Rights and to
  - (i) all grants to or rights of any person made or acquired under the *Coal Act*, *Forest Act*, *Mineral Tenure Act*, *Petroleum and Natural Gas Act*, *Range Act*, *Wildlife Act* or *Water Act* or under any prior enactment of the Province of British Columbia of like effect, or any extension or renewal of the same, whether or not the Licencee has actual notice of them,
  - (ii) the exceptions and reservation of rights, interests, privileges and titles referred to in section 50 of the *Land Act*, and
  - (iii) all dispositions of the Crown Land made under the *Land Act* as of the date of the Licence,
- (e) the Licencee acknowledges and agrees with the Licensor that
  - (i) any interference with the rights of the Licencee under this Licence by virtue of the exercise or operation of the rights, privileges or interests reserved to the Licensor or otherwise described in subsections 8.01(d) will not constitute a breach of the Licensor's obligations under this Licence and the Licencee releases and discharges the Licensor from and against any claims for loss or damage arising directly or indirectly out of any such interference,
  - (ii) all of the Licencee's costs and expenses, direct or indirect, that arise out of any interference with the rights of the Licencee by virtue of the exercise or operation of the rights, privileges or interests reserved to

the Licensor or otherwise described in subsections 8.01(d) will be borne solely by the Licencee, and

- (iii) it will not commence or maintain proceedings under section 65 of the *Land Act*, in respect of any interference with its rights under this Licence arising directly or indirectly out of the exercise or operation of the rights, privileges or interest reserved to the Licensor or otherwise described in subsections 8.01(d); and
- (f) this Licence and all of its terms and conditions may be inspected by the public at the times and places determined by the Licensor.

## ARTICLE 9 EVENTS OF DEFAULT

9.01 This Licence is subject to the limitation that

- (a) if the Licencee defaults in the payment of any sum payable under this Licence, and the default continues for 60 days after the Licensor gives written notice of the default to the Licencee;
- (b) if the Licencee fails to perform or observe any of the covenants, agreements, conditions or provisos contained in this Licence on the part of the Licencee to be performed or observed (other than the payment of the Fee or any other sum of money) and the failure continues for, or is not remedied within, the period of 60 days after the Licensor gives written notice to the Licencee of the nature of the failure;
- (c) if this Licence is taken in execution or attachment by any person or the Licencee commits an act of bankruptcy, becomes insolvent, is petitioned into bankruptcy or voluntarily enters into an arrangement with its creditors; or
- (d) if an order is made or a resolution passed for the liquidation, dissolution or winding up of the Licencee or if a petition is filed for the liquidation, dissolution or winding up of the Licencee and that petition is not dismissed within 60 days of its filing;

this Licence will, at the option of the Licensor and with or without entry, terminate and all the rights of the Licencee with respect to the Crown Land will be absolutely forfeited and will lapse.

- 9.02 In the event that the Licensor, following consultation with the Licencee, reasonably determines that it is no longer necessary for the Licencee to use the Crown Land for the purposes contained in this Licence, the Licensor may, on 60 days' written notice to the Licencee, terminate this Licence, in whole or in part.
- 9.03 The Licencee acknowledges and agrees that it will not claim compensation upon the termination of this Licence in accordance with the terms hereof.

## ARTICLE 10 ARBITRATION

- 10.01 Any dispute under this Licence which cannot be settled by the parties to this Licence will be determined by reference to a single arbitrator appointed under the *Commercial Arbitration Act* and the cost of the arbitration will be borne equally by the parties provided however that nothing in this section will preclude the Province from pursuing any remedy or taking an action that it may be entitled to pursue or take in accordance with the *Land Act*.

## ARTICLE 11 NOTICE

- 11.01 Any communication given under this Agreement may be delivered by hand, courier, double-registered mail or facsimile transmission to the party to whom it is to be delivered to the following address or facsimile number:

to the Licensor:

Ministry of Forests, Lands and Natural Resource Operations  
Resort Development Branch  
510 175 2<sup>nd</sup> Avenue  
Kamloops, British Columbia  
V2C 5W1  
Facsimile: (250) 371-3942

to the Licencee:

Valemount Glacier Destinations Ltd.  
660-1188 West Georgia Street  
Vancouver, BC V6E 4A2  
Facsimile: (604) 662-7958

provided, however, that a party may, by notice in writing to the other, specify another address or facsimile number for delivery of communications under this Licence and, where another address or facsimile number is specified by a party, all communications must be delivered to that address or facsimile number in accordance with this section.

## ARTICLE 12 MISCELLANEOUS

- 12.01 No term, condition, covenant or other provision of this Licence will be considered to have been waived by a party unless the waiver is expressed in writing by that party. The waiver by a party of any breach by the other party of any term, condition, covenant or other provision of this Licence will not be construed as or constitute a waiver of any further or other breach of the same or any other term, condition, covenant or other provision of this Licence and the consent or approval of a party to any act by the other party requiring the consent or approval of that party will not be

considered to waive or render unnecessary the consent or approval of that party to any subsequent same or similar act by the other party.

- 12.02 No remedy conferred upon or reserved to a party is exclusive of any other remedy in this Licence or provided by law, but that remedy will be in addition to any other remedy in this Licence or any other remedy then existing at law, in equity, or by statute.
- 12.03 In no event will the grant of a subLicence or an assignment of this Licence release or relieve the Licencee from its obligation to perform all the terms, covenants and conditions of this Licence on the Licencee's part to be performed unless the Licensor has specifically released or relieved the Licencee from its obligations in the Licensor's consent to the subLicence or assignment.
- 12.04 The terms and provisions of this Licence will extend to, be binding upon and enure to the benefit of the parties, their successors and permitted assigns.
- 12.05 The Licencee acknowledges and agrees with the Licensor that
  - (a) the Licensor is under no obligation, express or implied, to provide any financial assistance or contribution toward the cost of servicing, creating or developing any portion of the Crown Land or undertaking and completing the obligations of the Licencee under the Interim Agreement or the Resort Master Plan Process and that the Licencee is solely responsible for all costs and expense associated with its use of the Crown Land for the purposes set out in this Licence; and
  - (b) nothing in this Licence constitutes the Licencee as the agent, joint venture or partner of the Licensor or gives the Licencee any authority or power to bind the Licensor in any way.

## ARTICLE 13 INTERPRETATION

- 13.01 Wherever the singular or masculine form is used in this Licence it will be construed as the plural or feminine or neuter form, as the case may be, and vice versa where the context or parties so require.
- 13.02 The captions and headings contained in the Licence are for convenience only and do not define or in any way limit the scope or intent of this Licence.
- 13.03 This Licence will be interpreted according to the laws of the Province of British Columbia.
- 13.04 Where there is a reference to an enactment of the Province of British Columbia or of Canada in this Licence, that reference will include a reference to every amendment to it, every regulation made under it and any subsequent enactment of like effect and, unless otherwise indicated, all enactments referred to in this Licence are enactments of the Province of British Columbia.

- 13.05 If any section or this Licence, or any part of a section, is found to be illegal or unenforceable, that section or part of a section, as the case may be, will be considered separate and severable and the remaining section or part of a section, as the case may be, will not be affected and will be enforceable to the fullest extent permitted by law.
- 13.06 Each schedule attached to this Licence is an integral part of this Licence as if set out at length in the body of this Licence.
- 13.07 This Licence constitutes the entire agreement between the parties and no understanding or agreement, oral or otherwise, exists between the parties with respect to the subject matter of this Licence except as provided for in this Licence and the Interim Agreement and this Licence may not be modified except by subsequent agreement in writing.
- 13.08 Each of the parties will, upon the reasonable request of the other, make, do, execute or cause to be made, done or executed all further and other lawful acts, deeds, things, devices, documents, instruments and assurances whatever for the better or more perfect and absolute performance of the terms and conditions of this Licence.
- 13.09 Time is of the essence of this Licence.

SIGNED on behalf of **HER MAJESTY  
THE QUEEN IN RIGHT OF THE  
PROVINCE OF BRITISH COLUMBIA**  
by an authorized representative of the Minister  
responsible for the *Land Act*

---

Authorized Signatory

SIGNED by an authorized signatory of  
**Valemount Glacier Destinations Ltd.**

---

Authorized Signatory

Page 34 redacted for the following reason:

-----

s.21



## SCHEDULE D

### MASTER DEVELOPMENT AGREEMENT PROVISIONS

In any Master Development Agreement entered into by the Province and the Company pursuant to section 6.05 of the Agreement the following provisions will be incorporated in the final document:

| item                                               | Description of key term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Term                                               | 60 years subject to early termination upon occurrence of events of default and subject to right to apply, on or after the 30 <sup>th</sup> anniversary but not later than the 58 <sup>th</sup> anniversary, for a replacement term of up to 60 years                                                                                                                                                                                                                                                                                                                    |
| Percentage fee for Recreation Improvements and CRA | s.21 or a revised percentage, of Gross Revenue for each Financial Year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Percentage Fee for Golf Course Land                | s.21 or a revised percentage, of Golf Course Revenue for each Financial Year provided that this fee will not be less than \$10,000 for any Financial Year.                                                                                                                                                                                                                                                                                                                                                                                                              |
| Percentage Fee for Independent Operator Operations | s.21 or a revised percentage, of the Independent Operator Revenue for each Independent Operator for each Financial Year, but if the Independent Operator Revenue for a particular Independent Operator is less than \$10,000 in a particular Financial Year then no fee shall be payable in respect of that operator for that year                                                                                                                                                                                                                                      |
| Revision of percentages                            | <p>The Province may increase or decrease the percentages on the tenth Anniversary and on each subsequent fifth Anniversary provided that:</p> <ul style="list-style-type: none"> <li>(a) an increase or decrease is not more than s.21</li> <li>(b) the percentage specified in relation to Recreation Improvements and CRA will not exceed percentages specified in applicable policies at that time; and</li> <li>(c) the percentage specified in relation to golf course lands will not exceed percentages specified in applicable policies at that time.</li> </ul> |
| Price for sale of Crown owned base development     | The purchase price for a parcel of Crown Land, other than Golf Course Land, will be an amount equal to the sum of the value of the Merchantable Timber and, for any Application made to purchase during the period as follows:                                                                                                                                                                                                                                                                                                                                          |

|       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| lands | <p>(a) 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;</p> <p>(b) for years 11 to 15, the greater of \$12,355 per hectare (\$5000 per acre) or S21 of the appraised land value based on its intended use as a fully serviced land;</p> <p>(c) for years 16 to 35, the greater of \$12,355 per hectare (\$5000 per acre) or S21 of the appraised land value based on its intended use as a fully serviced land;</p> <p>(d) for years 36 to 45, the greater of \$12,355 per hectare (\$5000 per acre) or S21 of the appraised land value based on its intended use as fully serviced land;</p> <p>(e) for years 46 to 60, the greater of \$12,355 per hectare (\$5000 per acre) or S21 of the appraised land value based on its intended use as fully serviced land;</p> <p>Where the Appraised Land Value (ALV) is determined by an independent appraisal based on standard terms of reference, they will be conducted and fixed at the beginning of years 1, 11 and then every successive 5 years of the Master Development Agreement.</p> <p>For a parcel of Golf Course Land, the purchase price will be:</p> <p>(f) for years 1 to 10, the greater of \$12,355 per hectare (\$5000 per acre) or the appraised land value based on un-serviced land;</p> <p>(g) for years 11 and each successive 5-year period thereafter, the appraised land value based on its intended use as a fully serviced land.</p> <p><b>The minimum purchase price for any parcel of land is \$10,000</b></p> |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**SCHEDULE E**  
**PRIOR RIGHTS**

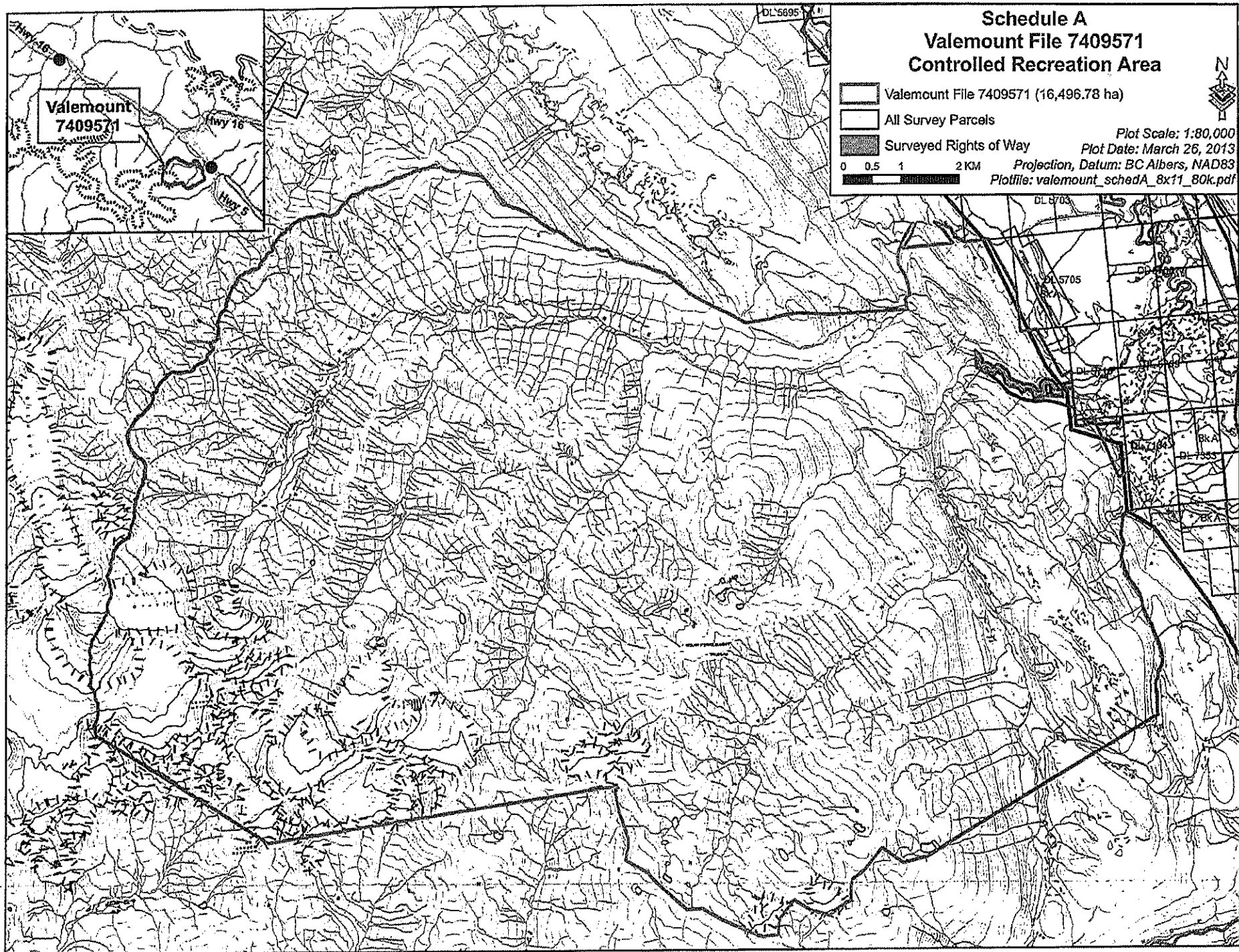
| TYPE OF INTEREST          | DESCRIPTION | IN FAVOUR OF                                                                 |
|---------------------------|-------------|------------------------------------------------------------------------------|
| STATUTORY<br>RIGHT OF WAY | POWERLINE   | BC HYDRO AND POWER AUTHORITY<br>FILE 7408510, PLANS BCP34054 AND<br>BCP34052 |
| STATOTORY<br>RIGHT OF WAY | POWERLIINE  | BC HYDRO AND POWER AUTHORITY<br>FILE 7407820, PLAN BCP10194                  |

## SCHEDULE F

## OTHER EXISTING INTERESTS

| TYPE OF INTEREST         | DESCRIPTION          | IN FAVOUR OF/ GOVERNMENT REF.                                       |
|--------------------------|----------------------|---------------------------------------------------------------------|
| NOTIATION OF INTEREST    | POWERLINE PURPOSES   | FLNRO FILE 0336972                                                  |
| LICENCE OF OCCUPATION    | HELISKIING           | CANADIAN MOUNTAIN HOLIDAYS<br>FILE 7404014                          |
| LICENCE OF OCCUPATION    | HELISKIING           | CANADIAN MOUNTAIN HOLIDAYS<br>FILE 7404097                          |
| LICENCE OF OCCUPATION    | CAT SKI              | TERRY CINNAMON, FILE 7407488                                        |
| NOTATION OF INTEREST     | ALPINE SKIING        | FLNRO FILE 7407040                                                  |
| LICENCE OF OCCUPATION    | SNOWMOBILING         | MOUNTAIN RIDING ADVENTURES<br>FILE 7408985                          |
| PUBLIC RECREATION SITE   | RECREATION TRAIL     | FLNRO, SITES AND TRAILS<br>FILE 16031                               |
| PUBLIC RECREATION SITE   | RECREATION TRAIL     | FLNRO, SITES AND TRAILS<br>FILE 1456                                |
| PUBLIC RECREATION SITE   | RECREATION TRAIL     | FLNRO, SITES AND TRAILS<br>FILE 31931                               |
| MINERAL TENURE ACT       | PLACER CLAIM         | MINISTRY OF ENERGY, MINES AND<br>PETROLEUM RESOURCES<br>FILE 363359 |
| MINERAL TENURE ACT       | PLACER CLAIM         | MINISTRY OF ENERGY, MINES AND<br>PETROLEUM RESOURCES<br>FILE 330210 |
| GUIDE OUTFITTER          | CERTIFICATE #701151  | MINISTRY OF ENVIRONMENT                                             |
| TRAPLINE                 | TR0702T006           | MINISTRY OF ENVIRONMENT                                             |
| TRAPLINE                 | TR0702T005           | MINISTRY OF ENVIRONMENT                                             |
| WOODLOT LICENCE          | W0276                | s.22                                                                |
| COMMUNITY FOREST LICENCE | VILLAGE OF VALEMOUNT | MINISTRY OF FORESTS, LANDS AND<br>NATURAL RESOURCE OPERATIONS       |
| WATER LICENCE            | C11084, PCL #22143   | MINISTRY OF FORESTS, LANDS AND<br>NATURAL RESOURCE OPERATIONS       |
| WATER LICENCE            | C109422, PCL #21810  | MINISTRY OF FORESTS, LANDS AND                                      |

|                                   |                     |                                                                                                           |
|-----------------------------------|---------------------|-----------------------------------------------------------------------------------------------------------|
| WATER LICENCE                     | C043712, PCL #09802 | NATURAL RESOURCE OPERATIONS<br>MINISTRY OF FORESTS, LANDS AND<br>NATURAL RESOURCE OPERATIONS              |
| FOREST SERVICE<br>ROAD            | 9934 / 9910         | MINISTRY OF FORESTS, LANDS AND<br>NATURAL RESOURCE OPERATIONS-<br>DISTRICT MANAGER HEADWATERS             |
| FOREST SERVICE<br>ROAD            | 3693 / 8247         | MINISTRY OF FORESTS, LANDS AND<br>NATURAL RESOURCE OPERATIONS<br>DISTRICT MANAGER HEADWATERS              |
| FOREST SERVICE<br>ROAD            | 2064 / 4849         | MINISTRY OF FORESTS, LANDS AND<br>NATURAL RESOURCE OPERATIONS-BC<br>TIMBER SALES MANAGER PRINCE<br>GEORGE |
| ROAD PERMIT                       | 178470 / R11625     | S22<br>R11625                                                                                             |
| ROAD PERMIT                       | 226833 / R14710     | VALEMOUNT COMMUNITY FOREST<br>COMPANY LTD<br>R14710                                                       |
| ROAD PERMIT                       | 226837 / R14714     | VALEMOUNT FOREST PRODUCTS LTD<br>R14714                                                                   |
| COMMUNITY<br>FORESTS<br>AGREEMENT | K2T                 | VALEMOUNT COMMUNITY FOREST<br>COMPANY LTD.                                                                |
| MAP NOTATION                      | FILE MN1104         | MINISTRY OF FORESTS, LANDS AND<br>NATURAL RESOURCE OPERATIONS,<br>DISTRICT MANAGER HEADWATERS             |
| MAP NOTATION                      | FILE MN3252         | MINISTRY OF FORESTS, LANDS AND<br>NATURAL RESOURCE OPERATIONS<br>DISTRICT MANAGER HEADWATERS              |
| MAP NOTATION                      | FILE MN3358         | MINISTRY OF FORESTS, LANDS AND<br>NATURAL RESOURCE OPERATIONS<br>DISTRICT MANAGER HEADWATERS              |
| MAP NOTATION                      | FILE MN3359         | MINISTRY OF FORESTS, LANDS AND<br>NATURAL RESOURCE OPERATIONS<br>DISTRICT MANAGER HEADWATERS              |
| MAP NOTATION                      | FILE MN0695         | MINISTRY OF FORESTS, LANDS AND<br>NATURAL RESOURCE OPERATIONS<br>DISTRICT MANAGER HEADWATERS              |
| SPECIAL USE<br>PERMIT             | FILE S25440         | s.22                                                                                                      |
| RANGE                             | GRAZING LICENCE     | s.22<br>FILE RAN077690                                                                                    |
| RANGE                             | GRAZING LICENCE     | S22<br>FILE RAN077691                                                                                     |
| RANGE                             | GRAZING LICENCE     | S22<br>FILE RAN077692                                                                                     |





Ministry of Forests, Lands and  
Natural Resource Operations  
510 175 2<sup>nd</sup> Avenue  
Kamloops, BC V2C 5W1

Telephone No: 250-371-3733  
Facsimile No: 250-371-3942

HST Registration No: R107864738

Your contact is: Janet Ford

Our file: 7409571

**TENURE OFFER**

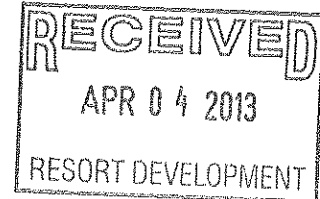
March 27, 2013

VALEMOUNT GLACIER DESTINATIONS LTD.

Oberto Oberti

660 - 1188 Georgia St W

Vancouver, BC V6E 4A2



Dear Oberto Oberti:

**Re: Your Application for a Tenure over Crown Land**

Your application for a licence for alpine skiing purposes over:

All that unsurveyed Crown land lying west of Valemount, Cariboo District and containing 16,496.78 hectares, more or less

(the "Land") has been accepted by us subject to fulfillment of certain requirements. Accordingly, we are offering to you a licence on the terms and conditions set out in this letter.

Please be aware that you are required under this licence to observe, abide by and comply with all applicable laws, bylaws, orders, directions, ordinances and regulations of any competent governmental authority which in any way affects your use and occupation of the Crown land and any improvements made to that land. If you have any concerns or questions regarding any such laws, bylaws, orders, directions, ordinances and regulations you are encouraged to seek legal advice.

**Deadline for Your Acceptance of this Offer**

This offer may be accepted by you within 60 days of the date of this offer (unless this deadline is extended in writing by us). To accept this offer, you must complete and return to us the enclosed acceptance page by that time. If you do not wish to accept this offer, please check the applicable box on the acceptance page and sign and return the page to us so that we may record your rejection of our offer.

## 1. Conditions of Offer

Enclosed are two copies of your licence. If you accept this offer by returning the acceptance page to us within the time set out above, you must then execute and return these documents to us within 60 days from the date of this letter together with all of the following:

### Security

You must deliver to us a security deposit in the amount of \$10,000.00 to guarantee the performance of your obligations under the licence. Please see attached information regarding acceptable types of security.

Your cheque or money order must be payable to the Minister of Finance and be delivered to 510 175 2<sup>nd</sup> Ave, Kamloops, BC V2C 5W1. Please quote our file number when sending us your payment.

### Insurance

You must deliver to us a Province of British Columbia Certificate of Insurance for the insurance required to be maintained under the licence. A sample certificate is enclosed. The Certificate must confirm the following:

That you have at your expense purchased the following insurance with insurers licensed to do business in Canada:

- (i) Commercial General Liability insurance in an amount of not less than \$2,000,000.00 inclusive per occurrence insuring against liability for personal injury, bodily injury (including death) and property damage, including coverage for all accidents or occurrences on the Land or the Improvements. Such policy will include cross liability, liability assumed under contract, provision to provide 30 days advance notice to us of material change or cancellation, and include us as additional insured.

You must also ensure that all insurance required to be maintained by you under the licence is primary and does not require the sharing of any loss by any of the Province of British Columbia insurers.



### Additional Requirements

You are required to submit a Communication Plan, which meets the satisfaction of the Province, which addresses safety and operational requirements of existing commercial operators in the License area.

The enclosed tenure documents must **all** be signed in the spaces provided on the signature page by persons authorized to sign on behalf of the corporation. **Return all copies to us.**

If you sign the licence documents and return them to us within 60 days from the date of this letter (unless this deadline is extended in writing by us), together with each of the items listed in this section, the licence documents will be signed on behalf of the Province. We will then return an executed copy of the licence to you. If the licence documents and each of the items listed in this section are not returned to us within 60 days from the date of this letter, we will be under no further obligation to issue the licence to you and this offer will terminate.

## **2. Acknowledgments of the Applicant**

By accepting this offer, you agree that:

- (a) This offer cannot be transferred to another person.
- (b) This offer and the licence do not guarantee that
  - (i) the Land is suitable for your proposed use,
  - (ii) the Land can be built on,
  - (iii) there is access to the Land, or
  - (iv) the Land is not susceptible to flooding or erosion.
- (c) This offer will survive the signing and issuance of the licence but if any contradiction exists between the terms of this offer and the licence, the terms of the licence will prevail.
- (d) This offer does not give you any right to use or occupy the Land for any purpose.
- (e) Under the *Land Act*, this offer is not binding upon the Province until the licence is signed by the Province.
- (f) Time is of the essence in this offer.

### **3. Your Representations**

By accepting this offer, you confirm that:

- (a) You (or your authorized representative) have inspected the Land and are fully aware of its condition.
- (b) You have knowledge of all municipal and regional bylaws regulating the use and development of the Land.
- (c) You acknowledge that you have no right to use or occupy the Land unless and until the licence is issued to you under this offer.
- (d) Your company is incorporated or registered in British Columbia under BC0913310 and has the legal capacity to acquire land.

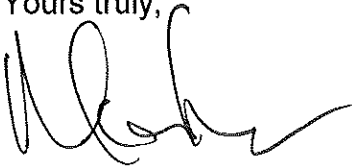
### **Freedom of Information**

Personal information is collected under the *Land Act* for the purpose of administering Crown land. Information on your application, and if issued, your tenure, will become part of the Crown Land Registry, from which information is routinely made available to the public under freedom of information legislation.

### **For Your Information**

Please review the information about your tenure that we have listed on the attached page called "For Your Information". This information is being forwarded to you for information purposes only. The information itself does not form part of this offer.

Yours truly,

A handwritten signature in black ink, appearing to read 'Norman Lee', with a stylized, flowing script.

Norman Lee  
Executive Director  
Resort Development Branch  
Ministry of Forests, Lands and Natural Resource Operations

**Acceptance of Offer of licence**

File No. 7409571

Ministry of Forests, Lands and Natural Resource Operations  
510 175 2<sup>nd</sup> Ave  
Kamloops, BC V2C 5W1

Dear Janet Ford:

**Re: Application for licence**





I/We accept the offer of licence made to me/us by way of a letter dated March 27, 2013 from the Ministry of Forests, Lands and Natural Resource Operations and I/we agree to perform and abide by my/our covenants, acknowledgements and representations set out in that offer.

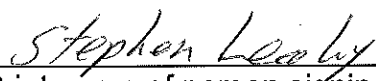


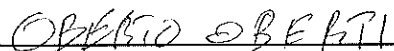
I/We do not accept the offer of licence made to me/us by way of a letter dated March 27, 2013 from the Ministry of Forests, Lands and Natural Resource Operations.

DATED the \_\_\_\_ of \_\_\_\_\_, \_\_\_\_.

  
\_\_\_\_\_  
Applicant's signature/Applicant's  
representative's signature

  
\_\_\_\_\_  
Applicant's signature/Applicant's  
representative's signature

  
\_\_\_\_\_  
Print name of person signing

  
\_\_\_\_\_  
Print name of person signing

## FOR YOUR INFORMATION

You may require a Road Use Agreement with the Road Permit holders and/or with the Province in order to gain access to the Licence area via existing Forestry roads.

Not Responsive

Not Responsive

Record of phone call disc'n  
with Tom Oberti re CMH +  
↓ Communication Plan fr. Apr. 8.

Not Responsive

Disc'n w Tom Oberti re VGRD providing  
the Draft Comm. Plan to CMH +  
Terry Cinnamon for review + comment.

Page

## Hunter, Bill FLNR:EX

---

**From:** Hunter, Bill FLNR:EX  
**Sent:** Wednesday, April 10, 2013 1:01 PM  
**To:** 'Oberto Oberti'; 'Tommaso Oberti'  
**Cc:** Frymire, Drew FLNR:EX; Humphrey, Gordon J FLNR:EX  
**Subject:** communication plan

**Categories:** Purple Category

Hello Tom and Oberto,

Could you please confirm when you've forwarded the draft communication plan to Mr. Butler at CMH and Terry Cinnamon of Cariboo Snowcat for their review and comment?

I'm in and out of the office this afternoon but will try to follow up with you by phone.

Thank you,

Bill

---

**Bill Hunter | Manager, Major Projects | Mountain Resorts Branch**

Ministry of Forests, Lands and Natural Resource Operations

510 - 175 2nd Ave, Kamloops, BC V2C 5W1

Phone: 250-371-3917 | Fax: 250-371-3942

---

## Hunter, Bill FLNR:EX

---

**From:** Tommaso Oberti [toberti@pheidias.ca]  
**Sent:** Wednesday, April 10, 2013 2:55 PM  
**To:** dbutler@cmhinc.com  
**Subject:** Draft Communications plan for comment  
**Attachments:** 2388-BHunter-VGD\_CommunicationsPlan-April10-2013.pdf

**Categories:** Purple Category

Hello Dave,

Please find attached a draft letter outlining a communications plan for Valemount Glacier Destinations for your information and comment. We plan to send it to Bill Hunter by next Tuesday and would appreciate your feedback before then.

Thank you and regards,  
Tom

Tommaso Oberti  
Vice President

--

**Pheidias Project Management Corp.**  
*Development Management & Design*

660 - 1188 West Georgia Street  
Vancouver, BC V6E 4A2  
[www.pheidias.ca](http://www.pheidias.ca)

Tel: 604.662.8833  
Fax: 604.662.7958

**CAUTION:**

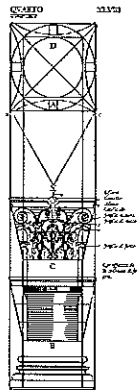
This message is confidential. It may also be privileged. If you have received it by mistake, please let us know by email reply and delete it; you may not copy or disclose its contents to anyone. Our work is copyrighted and may not be modified, repurposed or distributed without prior written authorization by us. Please note the integrity of email cannot be guaranteed on the Internet. Thank you.



# pheidias project management corporation

660 – 1188 West Georgia Street  
Vancouver, BC V6E 4A2 Canada

t: 604-662-8833 f: 604-662-7958  
www.pheidias.ca



April 10, 2013

Bill Hunter, Manager, Major Projects, Resort Development Branch  
Ministry of Forests, Lands and Natural Resource Operations  
510-175 2<sup>nd</sup> Avenue  
Kamloops, BC  
V2C 5W1

## Re: VGD Communications Plan

Dear Mr. Hunter,

We are writing on behalf of Valemount Glacier Destinations Ltd. (VGD) to confirm the commitment of this company to work in a cooperative spirit with existing operators during field studies for the Master Plan process.

In particular in order to avoid potential conflicts the company undertakes to follow precautions as noted below:

1. In winter and during operations by CMH, by Cariboo Snow Catskiing and Tours Ltd. (Cariboo), and by any other identifiable operator holding a license, will notify the affected license holder a day in advance by facsimile or e-mail when planning to enter the proposed Controlled Recreation Area for studies by helicopter, airplane or snowmobile, and also when entering their respective license areas.
2. Aircraft pilots will be instructed to follow normal safety rules in terms of communications with other operators.
3. Experienced consultants will be employed on-site and when prudent, fieldwork will be carried out with experienced local guides who will endeavour to avoid conflicts and risks.
4. When feasible, the opportunity to use equipment and personnel available through CMH and Cariboo will be explored.
5. In summer, aircraft use will follow the same precautions as winter when there is the potential of conflict with operations by CMH and Cariboo and any other licensed operator, but no notification will be made for field work done by hiking or by use of existing forestry roads.
6. VGD will ask CMH and Cariboo and other known licensed operators to be kept informed of their seasons, license area boundaries and operations so that good planning may be made to avoid potential conflicts.

We trust that the above precautions will be of assistance in order to work in a cooperative manner.

With kind regards,

**Pheidias Project Management Corporation**

Per: Tommaso Oberti, Vice-President

cc: Mr. Stephen Leahy, Chairman of the Board, Valemount Glacier Destinations Ltd.

DRAFT

## Hunter, Bill FLNR:EX

---

**From:** Tommaso Oberti [toberti@pheidias.ca]  
**Sent:** Monday, April 22, 2013 12:00 PM  
**To:** Hunter, Bill FLNR:EX; Frymire, Drew FLNR:EX  
**Cc:** Stephen M. Leahy  
**Subject:** Re: VGD Communications Plan

**Categories:** Purple Category

Thx Bill.

I'm not sure we can agree on the 5 days' notice. There are plenty of instances in the past where we've had to make last-minute change of plans due to changing weather, consultants' schedules, aircraft availability, etc. Of course we'll try to notify the other license holders with as much notice as possible, but to hold ourselves to a 5 day timeline (and place us in a difficult position if weather or other circumstances arise) doesn't seem reasonable. I'm sure no other license-holder has had to do such a thing. I can't think of why they need to know our movements (including simple aircraft overflights) with 5 days' notice.

Tom

---

**From:** Bill Hunter <Bill.Hunter@gov.bc.ca>  
**Date:** Friday, 19 April, 2013 3:36 PM  
**To:** Tommaso Oberti <toberti@pheidias.ca>  
**Cc:** "Stephen M. Leahy" <sleahy@natungsten.com>, Drew Frymire <drew.frymire@gov.bc.ca>  
**Subject:** RE: VGD Communications Plan

Hi Tom,

Please see the following recommendations:

- Suggest that five days minimum advanced notice to commercial operators would be more appropriate than one day.
- Suggest you say, 'as much advanced notice as possible will be given to operators, with a minimum of five days'
- Remove reference to 'Controlled Recreation Area' and replace with 'Study Area' which is more reflective of your Licence and overlap with existing commercial tenures.
- Please confirm and make reference to contact information with both CMH and Cariboo Snowcat within the Communication Plan. I have the following contact info however you'll confirm:
  - CMH Valemount Lodge Manager: Donny Stoffel
    - Phone 250 566 4111 and email ?
  - CMH Cariboo Lodge Manager: John Mellis
    - Phone 250 566 9888 and email ?
  - CMH Director of Sustainability: Dave Butler
    - Phone: 250-426-3599 Fax: 250-426-3517 Email: [dbutler@cmhinc.com](mailto:dbutler@cmhinc.com)
  - Cariboo Snowcat
    - Owner, Terry Cinnamon email: [cskiing@cariboocatskiing.com](mailto:cskiing@cariboocatskiing.com) phone: 250 566 9809
  - Guiding Manager, Matt Reynolds email: [matt@mountainguiding.ca](mailto:matt@mountainguiding.ca) phone: (780) 852-5042
- Please review and make reference to the two attached CMH management plans for their heli-hiking and heli-skiing tenures:

- Please review and make reference to the attached Cariboo Catski management plan.

Please ring if you'd like to discuss these comments further.

Thank you and have a great weekend,  
Bill

---

**From:** Tommaso Oberti [<mailto:toberti@pheidias.ca>]  
**Sent:** Thursday, April 18, 2013 1:47 PM  
**To:** Hunter, Bill FLNR:EX  
**Cc:** Stephen M. Leahy  
**Subject:** VGD Communications Plan

Hello Bill,

Please find attached our proposed communications plan with area license holders in fulfillment of the Interim Agreement for Valemount Glacier Destinations Ltd. As you know, a draft of the plan was sent to CMH for comment on April 10th. While we understand they are unable to provide feedback at this time, we remain open to future updates and revisions to the plan as might be appropriate. We look forward to the expedient completion of the Interim Agreement so that we can continue with the work of preparing of a draft Master Plan -- particularly as we are now entering the most favourable months to conduct site visits and field studies and need to coordinate the schedules of our staff and subconsultants.

Kind regards,  
Tom

Tommaso Oberti  
Vice President

--

**Pheidias Project Management Corp.**  
*Development Management & Design*

660 - 1188 West Georgia Street  
Vancouver, BC V6E 4A2  
[www.pheidias.ca](http://www.pheidias.ca)

Tel: 604.662.8833  
Fax: 604.662.7958

**CAUTION:**

This message is confidential. It may also be privileged. If you have received it by mistake, please let us know by email reply and delete it; you may not copy or disclose its contents to anyone. Our work is copyrighted and may not be modified, repurposed or distributed without prior written authorization by us. Please note the integrity of email cannot be guaranteed on the Internet. Thank you.

## Hunter, Bill FLNR:EX

---

**From:** Tommaso Oberti [toberti@pheidias.ca]  
**Sent:** Thursday, April 25, 2013 11:11 AM  
**To:** Hunter, Bill FLNR:EX  
**Cc:** Terry Cinnamon; John Mellis; Danny Stoffel; Dave Butler; Stephen M. Leahy  
**Subject:** Valemount Communications Plan  
**Attachments:** 2388-BHunter-VGD\_CommunicationsPlan-April25-2013.pdf

**Categories:** Purple Category

Hello Bill,

Please see the attached letter outlining the precautions we plan to take to ensure good communications with existing license holders. I've made a few revisions since the first draft based on some of the feedback I've received.

Best regards,  
Tom

Tommaso Oberti  
Vice President

--

**Pheidias Project Management Corp.**  
*Development Management & Design*

660 - 1188 West Georgia Street  
Vancouver, BC V6E 4A2  
[www.pheidias.ca](http://www.pheidias.ca)

Tel: 604.662.8833  
Fax: 604.662.7958

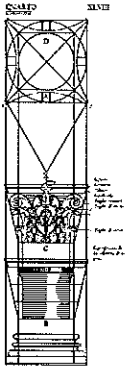
**CAUTION:**

This message is confidential. It may also be privileged. If you have received it by mistake, please let us know by email reply and delete it; you may not copy or disclose its contents to anyone. Our work is copyrighted and may not be modified, repurposed or distributed without prior written authorization by us. Please note the integrity of email cannot be guaranteed on the Internet. Thank you.

## **pheidias project management corporation**

660 -- 1188 West Georgia Street  
Vancouver, BC V6E 4A2 Canada

t: 604-662-8833 f: 604-662-7958  
www.pheidias.ca



April 25, 2013

Bill Hunter, Manager, Major Projects, Resort Development Branch  
Ministry of Forests, Lands and Natural Resource Operations  
510-175 2<sup>nd</sup> Avenue  
Kamloops, BC  
V2C 5W1

### **Re: VGD Communications Plan**

Dear Mr. Hunter,

We are writing on behalf of Valemount Glacier Destinations Ltd. (VGD) as their prime consultants and appointed agents to confirm the commitment of VGD to work in a cooperative spirit with existing operators during field studies for the Master Plan process.

As mentioned in our telephone conversations, I would like to reiterate that the basis for this plan is to provide a framework for courteous communications with the aim of minimizing disruptions to both the work required to prepare a Master Plan in accordance with the *All Seasons Resort Policy* and to the operations of overlapping license holders, where possible. It is not a contract, nor does it entail binding obligations.

In order to avoid potential conflicts VGD proposes the following precautions:

1. In winter and during operations by CMH, by Cariboo Snow Catskiing and Tours Ltd. (Cariboo), and by any other identifiable operator holding a license, will notify the affected license holder with as much advance notice as possible with a minimum of two days' by facsimile or e-mail when planning to enter the proposed Study Area for studies by helicopter, airplane or snowmobile, and also when entering their respective license areas.

CMH Contact: CMH Cariboos Area Manager (John Mellis or his designate, at 250-566-9888). Emails: JMellis@cmhinc.com and dstoffel@cmhinc.com

Cariboo Snowcat Contact: Terry Cinnamon, phone: 250-566-9809; email: cskiing@cariboocatskiing.com

2. Aircraft pilots will be instructed to follow normal safety rules in terms of communications with other operators.
3. Experienced consultants will be employed on-site and when prudent, fieldwork will be carried out with experienced local guides who will endeavour to avoid conflicts and risks.

.../2

4. When feasible, the opportunity to use equipment and personnel available through CMH and Cariboo will be explored.
5. In summer, aircraft use will follow the same precautions as winter when there is the potential of conflict with operations by CMH and Cariboo and any other licensed operator, but no notification will be made for field work done by hiking or by use of existing forestry roads.
6. VGD will ask CMH and Cariboo and other known licensed operators to be kept informed of their seasons, license area boundaries and operations as well as any other relevant changes and issues that may have arisen in the previous operating season(s) so that good planning may be made to avoid potential conflicts.

In addition to conversations with area residents and local backcountry users and operators, we have reviewed the *CMH Commercial Recreation Management Plan for CMH Cariboos* (1999), the *Commercial Mechanized Ski Guiding Management Plan for CMH Cariboos and CMH Valemount* (2005), and the *Alpine Country Rentals Ltd. Commercial Recreational Management Plan ATV Touring Snowmobile Touring* (2008) to familiarize ourselves with the CMH and Cariboo Snowcat Skiing operations and management planning. Based on prior experience, we expect conflicts, if any, to be minimal.

We trust that the above precautions will be of assistance in order to work in a cooperative manner.

With kind regards,

**Pheidias Project Management Corporation**



Per: Tommaso Oberti, Vice-President

cc: Mr. Stephen Leahy, Chairman of the Board, Valemount Glacier Destinations Ltd.

## Hunter, Bill FLNR:EX

---

**From:** Dave Butler [dbutler@cmhinc.com]  
**Sent:** Thursday, April 25, 2013 6:57 AM  
**To:** Hunter, Bill FLNR:EX  
**Cc:** 'Thierry Brossard (T)'; John Mellis; Danny Stoffel; MacRae, Heather FLNR:EX; Davis, Jennifer C JTST:EX; 'Tommaso Oberti (toberti@pheidias.ca)'  
**Subject:** RE: Proposed "Communication Plan" for VGDL  
**Categories:** Purple Category

Thanks for that confirmation, Bill.

I will assume it is government's decision as to the conditions contained in any License which may be issued.

Dave

---

**From:** Hunter, Bill FLNR:EX [mailto:Bill.Hunter@gov.bc.ca]  
**Sent:** April-24-13 6:15 PM  
**To:** Dave Butler  
**Cc:** 'Thierry Brossard (T)'; John Mellis; Danny Stoffel; MacRae, Heather FLNR:EX; Davis, Jennifer C JTST:EX; 'Tommaso Oberti (toberti@pheidias.ca)'  
**Subject:** RE: Proposed "Communication Plan" for VGDL

Hi Dave,

Thank you very much for your comments on the draft Communication Plan. I have forwarded them onto Tommaso Oberti who, I can confirm, is a representative of Valemount Glacier Destinations Ltd.

Have a good evening,  
Bill Hunter

---

**Bill Hunter | Senior Manager, Major Projects | Mountain Resorts Branch**  
Ministry of Forests, Lands and Natural Resource Operations  
510 - 175 2nd Ave, Kamloops, BC V2C 5W1  
Phone: 250-371-3917 | Fax: 250-371-3942

---

---

**From:** Dave Butler [mailto:dbutler@cmhinc.com]  
**Sent:** Wednesday, April 24, 2013 7:28 AM  
**To:** Hunter, Bill FLNR:EX  
**Cc:** Thierry Brossard (T); John Mellis; Danny Stoffel; MacRae, Heather FLNR:EX; Davis, Jennifer C JTST:EX; Tommaso Oberti (toberti@pheidias.ca)  
**Subject:** Proposed "Communication Plan" for VGDL

Bill – please see attached letter, and call me if you have any questions.

Dave



Sincerely,  
Dave Butler, RPF, RPBio  
Director of Sustainability  
CMH Heli-Skiing and Summer Adventures  
Phone: 250-426-3599 Fax: 250-426-3517  
Mailing address: 3101 5<sup>th</sup> Street S., Cranbrook, BC V1C 6H7

## Hunter, Bill FLNR:EX

---

**From:** Hunter, Bill FLNR:EX  
**Sent:** Wednesday, May 15, 2013 11:24 AM  
**To:** 'Tommaso Oberti (toberti@pheidias.ca)'  
**Cc:** 'Oberto Oberti'; Humphrey, Gordon J FLNR:EX; Frymire, Drew FLNR:EX  
**Subject:** Valemount discussion

**Categories:** Purple Category

Hi Tom,

As discussed, the issues tracking sheet is in draft form and contains the raw referral comments. Gord and I will be making refinements, including cleaning up the language, etc. I will work with Tom to fill in the proponent comments/response column to finalize it for our (and others) reference in the master plan review process.



CMH Submission Cariboo Snowcat  
re the "Formal ... Skiing respons...

Please see Cariboo Snowcat and CMH's referral responses attached.

I look forward to discussing these and other responses and finalizing the tracking table with you soon.

Tom, Gord, I would like to have this completed by the June 5<sup>th</sup> Public Info session so maybe we can set aside time next week to discuss it further.

Thank you,  
Bill

---

**Bill Hunter | Senior Manager, Major Projects | Mountain Resorts Branch**  
Ministry of Forests, Lands and Natural Resource Operations  
510 - 175 2nd Ave, Kamloops, BC V2C 5W1  
Phone: 250-371-3917 | Fax: 250-371-3942

---

## Hunter, Bill FLNR:EX

---

**From:** Matt Reynolds [mattmountainguiding@gmail.com]  
**Sent:** Monday, December 10, 2012 2:11 PM  
**To:** Hunter, Bill FLNR:EX  
**Subject:** Cariboo Snowcat Skiing response to VGD formal proposal  
**Attachments:** Cariboo Snowcat Skiing & Tours Ltd. VGD formal proposal Comment Form Dec 10, 2012.pdf

Hi Bill,

Please find attached Cariboo Snowcat Skiing & Tours formal response to the VGD formal proposal.

Sincerely,

Matt Reynolds  
ACMG / IFMGA Mountain Guide  
Guiding Manager for Cariboo Snowcat Skiing & Tours Ltd.  
[matt@mountainguiding.ca](mailto:matt@mountainguiding.ca)  
(780) 852-5042

**Comment Form:**

**Request for comments on VGD's Valemount All Seasons Resort Formal Proposal**

**Please return a completed copy of this comment form by December 10, 2012, 4:30pm PST.**

Please send your comments either as an electronic Word document or email to [bill.hunter@gov.bc.ca](mailto:bill.hunter@gov.bc.ca), or forward a hard copy of the completed comment form to the following address:

Attention: Bill Hunter  
Ministry of Forests, Lands, and Natural Resource Operations  
Resort Development Branch  
510, 175 Second Avenue  
Kamloops, BC  
V2C 5W1

1. Are you aware of existing land uses which may preclude the development of a four-season resort in this location? \_\_\_ no \_\_X\_\_ yes. If yes, please identify:

Yes,

Cariboo Snowcat Skiing and Tours Ltd. (CSS) operates within the study area described in the Valemount Glacier Destinations Ltd. (VGD) formal proposal, and is the current lease holder on Mt Trudeau within the proposed Controlled Recreation Area (CRA) as described in the Valemount Glacier Destinations Ltd. (VGD) formal proposal.

2. Do you or your agency have specific interests within or adjacent to the study area? \_\_\_ no \_\_X\_\_ yes. If yes, please describe:

Yes,

CSS operates within and adjacent to the area outlined in the VGD formal proposal. Long-term CSS operations are threatened by VGD's current proposal.

S21

S21

S21

S21 VGD's formal proposal is in direct conflict with CSS's ability to maintain our current product at buildout.

3. Are you aware of any other interests/values in this land? \_\_\_no \_\_\_X\_\_\_yes. If yes, please describe.

Yes,

Canadian Mountain Holidays (CMH) has a long history of operating within VGD's proposed CRA. CMH will also be negatively impacted if VGD succeeds in their bid for a tenure within the CRA described in VGD's formal proposal.

4. Do you have any specific concerns, comments or objections with respect to the issuance of an Interim Agreement and associated Licence of Occupation for the purpose of preparing a Resort Master Plan and the Master Plan Review Process?

Yes,

Should VGD be granted an Interim Agreement and associated License of Occupation, this gives the right to the VGD group to occupy the land CSS currently operates within. This has the potential to create some obvious conflict. I am certain Mr. Oberti will have you believe he has every intention of working with CSS

S22

S22

and the VGD. CSS has yet to meet with Mr.

Oberti or the VGD group with respect to clarification on concerns raised on the proposed development. CSS has also found several inaccuracies, and misleading statements within the formal proposal that have a persuasive effect on the reader. Examples include, but are not limited to:

a.) On page 22 of the formal proposal it states; "the ski area must be large enough to reach the glaciers, and to allow for year round skiing". VGD shows this summer area to be on the NW slopes of Mt Arthur Meighan. Mr. Oberti also writes "A year-round skiing area and sightseeing viewpoint near the summit of Mt. Arthur Meighen will be unparalleled in North America. It will offer the only substantial summer-skiing on the continent..."

The proposed area for year round skiing has no reasonable egress to valley bottom, leading to safety concerns. Should the ski lift break down, retreat to safety from this remote area would require skiing through a maze of crevasses that is almost un-navigable even by experienced mountaineers using rope work in winter when the crevasses are partially filled in with snow. If skiers were to survive this in summer when there is little snow and bare ice, they would then expose themselves to icefall and technical mountaineering terrain in. There is no ground access for Snowcat groomers to access this area in either summer or winter. As well the lift access would deposit skiers on a sharp ridgeline that drops off quite steeply and within 200m becomes quite flat. The entire skiable area would be 500m wide. An area roughly 200m long and 500m wide does not fit Mr Oberti's description of the only substantial summer-skiing on the continent.

b.) Mr Oberti writes in several places throughout the formal proposal about the vertical. "The ski area will need to be large enough to achieve one of the largest vertical drops in the world and the longest ski run in the world;"

The reality is that Mr. Oberti is misleading us once again. The NW slopes of Mt. Arthur Meighan is where he is proposing a lift to go, but it is not possible to ski down from this glaciated plateau. The highest elevation from a place where you could ski down to valley bottom is 2,560m. This location is at 52.78226 degrees

North and 119.45636 degrees West. This run would eventually run into the McLennan drainage where it is flat at 52.84977 degrees North and 119.43627 degrees West with an elevation of 1,220m. From here the run would follow the McLennan creek for at least another 11km to the airport losing a total of 403m in 11km. This works out to an average slope angle of 2 degrees. Mr. Oberti has mislead readers by taking the highest elevation his lifts could potentially go and the lowest elevation in the study area and claimed it a run. This is simply not reality. The more realistic vertical of this resort would be 1,340m which ranks below Whistler and Revelstoke on his comparison graph on page 46 of the formal proposal. The longest ski run would be a CMH run called 'push along' which heli skiers only ski to an elevation of 1,632m where the terrain becomes too flat to ski. Mr. Oberti's worlds longest run would then follow the creek until it runs into the McLennan following the creek to the airport. From an elevation of 1,632m it would take at least 18km to reach the airport losing 816m giving an average slope angle of 2.6 degrees. Let's round it up to 3 degrees for 18km. This is not a world class run. This is not even a alpine ski run! This also makes VGD's claim of ski in/out from the airport nothing more than fantasy.

c.) With respect to snowfall amounts. VGD's formal proposal is misleading once again.

They make a claim that the area within the CRA gets 14m of snowfall. They make this claim by mis-quoting CMH, a reputable heli ski company. The proposal says that CMH advertises 14m of annual snowfall within it's tenure, which I have no doubt is true. What Mr. Oberti fails to recognize is that snowfall amounts vary from drainage to drainage, and the CRA is in an area that historically receives less snowfall than several other drainages within CMH's tenure. CSS maintains annual snowfall records and we have yet to see a settled snowpack exceed 3m. VGD also makes claim that it never rains in Valemount, however CSS has had to cancel commercial days during winter operation due to rain. This proposal tries to mislead readers once again by skewing statistics that make no sense. Historical data proves that Fernie, Revelstoke, Whistler have deeper snow-packs than the snowpack within the CRA. Often when it rains in the valley bottom it snows at higher elevations where the resorts tend to be for good reason. The graphs shown throughout the formal proposal don't properly represent the CRA or the compared resorts.

d.) On page 34 of the proposal the VGD group claims highway access to be comfortable.

Have you ever been on hwy 5 between Kamloops and Valemount, or hwy 16 either from Prince George or from Jasper. If you have than comfortable winter driving is not what comes to mind. This is just a ludicrous statement aimed at misleading readers over and over again.

After reviewing VGD's formal proposal in its entirety, it is increasingly clear that this proposal is misleading and full of inaccuracy. It states in VGD's formal proposal that

**“the ski area must be large enough to reach the glaciers, and to allow for year round skiing;**

**The ski area will need to be large enough to achieve one of the largest vertical drops in the world and the longest ski run in the world;”**

Please note the terminology ‘must be’ and ‘need to be’. It is clear that this resort does not have the most skiable vertical, it does not have the world's longest run, the summer skiing is not significantly better than Blackcomb or Mt Hood., the logistics and feasibility of skiing in and out from the airport is fantasy, and the area within the CRA does not receive 14m of annual snowfall. This puts the formal proposal at odds with itself. Mr. Oberti makes it very clear that these conditions are necessary for the resort to be successful, so in essence he is saying that his own resort will not be successful when the misleading statements are fully understood.

CSS is a locally owned and operated company that has a very loyal and expanding client base. CSS's master plan includes establishing a staging area in a location that best serves operations on both Mica mtn. and Mt. Trudeau.

S21

S21

CSS has stated that we do not oppose a ski area development in the Valemount area. This is well documented in VGD's formal proposal. This still holds true, however CSS does not support the VGD proposal in its current state. The reasons are not solely that CSS's tenure may be negatively impacted, but also CSS feels the community of Valemount has been misled by Mr. Oberti. CSS believes that the VGD is clearly not the right group of people to take this project forward. Take away the false claims of VGD being the best in the world at this and at that and it becomes another resort similar to recent developments like Kicking Horse Mtn. Resort and Revelstoke Mountain Resort which past studies have shown to be un-successful in the Valemount area.

By issuing an Interim Agreement and associated Licence of Occupation for the purpose of preparing a Resort Master Plan and the Master Plan Review Process, you will be closing the door on a successful, locally owned and operated business and opening a door to an idea that is unlikely to see the light of day when investors learn the truths regarding this proposal. CSS believes there is a better option than VGD's formal proposal for the community of Valemount to move forward with a ski area.



Referring agency:  
Cariboo Snowcat Skiing & Tours Ltd.

Contact name and information:  
Terry Cinnamon  
Phone: (250) 566-9809  
Email: [info@cariboocatskiing.com](mailto:info@cariboocatskiing.com)

Date:  
Dec 10, 2012

## Hunter, Bill FLNR:EX

---

**From:** Dave Butler [dbutler@cmhinc.com]  
**Sent:** Monday, December 17, 2012 2:27 PM  
**To:** Hunter, Bill FLNR:EX  
**Cc:** Lee, Norman FLNR:EX  
**Subject:** CMH Submission re the "Formal Proposal" for a Glacier Destination near Valemount  
**Attachments:** CMH SUBMISSION IN RESPONSE TO VA RESORT FORMAL PROPOSAL.DEC.17.2012.pdf; Preliminary Assessment of the Valemount Glacier Destination Proposal Feb 8 2012.pdf

Bill – attached please find a copy of our written submission (along with a report referred to therein) in response to your referral dated November 9, 2012.

As noted previously, this is submitted “under protest” because of the procedural and timing concerns which are described in detail in our submission.

Our position on, and response to this formal proposal should be clear to you and your colleagues as a result of this submission.

We need you to keep us informed on all decisions made from this point onwards.

Sincerely,  
Dave Butler, RPF, RPBio  
Director of Sustainability  
CMH Heli-Skiing and Summer Adventures  
Phone: 250-426-3599 Fax: 250-426-3517  
Mailing address: 3101 5<sup>th</sup> Street S., Cranbrook, BC V1C 6H7



**RESPONSE TO "FORMAL PROPOSAL" BY**  
**VALEMOUNT GLACIER DESTINATIONS LTD.**

**AND**

**PHEIDIAS PROJECT MANAGEMENT CORPORATION**

December 17, 2012

**A.) INTRODUCTION**

Canadian Mountain Holidays Inc. (CMH) received a referral from the Resort Development Branch of the Ministry of Forests, Lands and Natural Resource Operations on November 9, 2012, relating to a Formal Proposal - submitted by the a/n proponent – for a "glacier tourism destination" near Valemount. This submission is in response to that "Formal Proposal."

As the largest and longest-standing existing legal interest in the area, this document is submitted by CMH "under protest" due to the insufficient time allowed by the Ministry for CMH to fully assess the proposal and develop a proper response (refer to (C.) (a.) below). CMH does not specialize in mountain ski resort planning, so the short time-frame provided by the Ministry for a response did not allow it sufficient time to consult with outside experts to assist with as thorough an assessment as is merited under the circumstances.

**B.) BACKGROUND**

CMH is the world's first and largest helicopter skiing company. In fact, the entire heli-ski industry in BC developed as a result of the vision and effort of CMH's founder: Hans Gmoser. Unlike resort-based skiing, helicopter and snow-cat skiing have become an extremely unique tourism experience for which British Columbia has few competitors. In the same vein as experiences such as coastal grizzly bear viewing and aboriginal tourism, it is a product that is unique on a global scale. And CMH is the world's leader in providing that unique experience.

CMH has been operating in the Valemount area - in one form or another – since April of 1963. As soon as *Land Act* tenures were available under the province's first Commercial Mechanized Ski Guiding Policy, CMH obtained Licenses of Occupation for its helicopter skiing (and more recently, its helicopter hiking) operations near Valemount. But its presence there pre-dates the entire tenure system for mechanized skiing.

CMH currently holds Licence of Occupation No. 705957 and a Park Use Permit for ski terrain in Wells Gray Provincial Park. The Licence is for a term of 30 years, expiring May 15, 2035. It grants a licence of occupation for Commercial Recreational Heliskiing purposes as set out in CMH's Management Plan. Similarly, CMH holds

Licence of Occupation No. 703670 for heli-hiking; this was issued in April of 1999 for a 20-year term (and is currently under application for a mid-term replacement). CMH pays the province a considerable fee in exchange for its rights under the Licences and Permits. While the Licences are not exclusive, they support CMH's legitimate expectation that inconsistent tenures will not be granted over the areas which are the subject of the Licences. As set out in the heli-skiing Management Plan, CMH has proceeded on the understanding that any other commercial recreational proposals that might be made in the area will only be approved by the Ministry if they are compatible with CMH operations. It is clear that the Formal Proposal does not meet this standard.

CMH has fulfilled all of its obligations under the Licences. The terms of the Licences require CMH to make "diligent use" of the land provided for in the Licences. CMH has done so, and has every intention and wish to continue to do so. Consistent with the policies underlying the Licences, CMH is also committed to ensuring that it does not compromise the environmental and recreational values of the area.

The nature of CMH's business, as set out in the Management Plans, is such that CMH attempts to avoid any areas being used by the public whenever possible. The heli-ski Management Plan specifies 13 ski zones, the boundaries of which were proposed as a result of significant consideration on the part of CMH, including:

- Environmental matters such as the removal (and/or identification) of areas of goat or caribou habitat on the inside or on the periphery of the tenures and ensuring the tenures boundaries are consistent with the area's Sustainable Resource Management Plan.
- Cooperation with other interested parties resulting in changes as a result of negotiations with local users.

As set out in the Management Plans, CMH is committed to use ski and hiking terrain as it is, including maintaining natural forest cover (except under the authority of an Occupant License to Cut). The plans set out in the Formal Proposal will have a material adverse impact on, and may well negate the ability of CMH to fulfill its obligations under its Licences in accordance with its terms. Notwithstanding those serious consequences, CMH has yet to be consulted by the proponent or the Ministry in any meaningful fashion.

The *Land Act* tenures have become a critical component of two separate CMH operations:

- "CMH Cariboo" – CMH's "Cariboo Lodge" (located about 25 km west of Valemount in the Canoe River drainage) was built in 1974, and has been extensively renovated and up-graded since then. This is the base for 44 heli-skiers each week during the winter months, and is also used for summer heli-hiking and mountaineering. In the same vein as CMH's Bugaboo Lodge, it (and the skiing accessed from the lodge) has become a global icon in the world of skiing.
- "CMH Valemount" – this operation was based in the town of Valemount for many years. CMH's Valemount Lodge (located about 6 km south of Valemount) opened for the 1998/99 ski season. This lodge has become CMH's premier private heli-ski lodge, catering to a high-end clientele from around the world including royalty and political and business leaders.

The two lodges were located and constructed after very careful and thorough consideration of the location, safety and diversity of ski terrain, pick-ups and landings, weather patterns, geography and glaciology, forest types and the need to make efficient use of helicopters. For heli-skiing, it is this unique combination of terrain types and distribution which allow CMH to offer a safe, world-class product in all weather and snow

conditions. It is an exceptional piece of operational choreography which has developed over many decades. Removing key pieces of terrain can and will change the entire nature and viability of the business.

This is the only one of CMH's tenure areas which acts as the base for two separate full winter operations. This means much more intensive use of ski terrain than occurs in other tenure areas. As a result of its extensive communications and dealings with the Ministry over many years, CMH is confident that the Ministry is aware of this fact.

The existence of the tenures has allowed CMH to invest in permanent infrastructure (including two major lodges and other permanent facilities such as communication sites, remote fuel caches, weather stations and rescue caches) which is now valued at just under \$20 million.

In addition, the tenures allow CMH to host an average of 5,813 heli-skier-days per year (based on the last 5 years). In the last two winters, this number jumped up by 36% as a result of improving global economic conditions. This level of visitation translates to operational and capital expenditures in the order of \$41.3 million in the last 5 years alone. CMH has also developed leading-edge environmental stewardship and avalanche safety practices which have become the industry standard, and it has confirmed its leading role in sustainable tourism in North America through – among other things – issuance of regular public sustainability reports.

Because of the revenue generated by these (and other CMH operations), CMH is in a position to be involved in local initiatives such as VARDa (Valemount and Area Recreation Development Association; as a founding member and supporter), the Chamber of Commerce, and in providing an annual scholarship to a local high school student. In the 2012/13 ski season, 10 CMH staff are living in the community. CMH mountain guides and pilots from Alpine Helicopters are commonly asked to perform search and rescue functions for local backcountry skiers and snowmobilers in the area. At the provincial and national levels, the success of the business has allowed CMH to take leadership roles in BC's (and Canada's) tourism industry and avalanche safety community and to become involved in a wide range of projects with the BC government including the creation of *Destination BC*, review of the Adventure Tourism Policy, work on the mountain caribou recovery plan, Resource Roads legislation, ORV legislation and other government initiatives.

CMH also has a history of engaging with local user groups to negotiate land use agreements to address issues of conflict and incompatibility between various recreation activities in the Valemount area (and the safety, experiential and business viability issues which resulted). It is through such extensive consultation and cooperation that a resolution was crafted to address the conflict between snowmobiling and heli-skiing activities in the area, as provided for in the Licence of Occupation – Controlled Recreation Area Pilot Project (File # 3411215 dated December 1, 2005). Having engaged in such a lengthy and costly process, CMH is particularly struck by the lack of consultation that has transpired to date. CMH also maintains strong relationships with other stakeholders in the region, including individuals involved in forest management, environmental management, trapping, guide outfitting and land use planning.

As a result of CMH's extensive involvement in these prior processes, CMH legitimately expected a fulsome consultation process in respect of any proposed tenure that would conflict with CMH's existing licences. Unfortunately that has not occurred to date. Instead, in January, CMH received only a short referral in respect of the proponent's Expression of Interest prior to being provided with the Formal Proposal. CMH notes that the Expression of Interest was significantly more conceptual than the Formal Proposal. As such, no real consultation has taken place with CMH with the exception of the Ministry forwarding to CMH the Formal Proposal and the subsequent exchange of emails in respect of this matter. No communication between the proponent and CMH has occurred during this time.

## **C.) PROCESS CONCERNS**

Although as described below the information provided by the Ministry to date is incomplete, CMH understands that the Minister is in the process of considering whether to grant a disposition of land in some manner as a result of the Formal Proposal. It must be emphasized that this is a strategic, higher level statutory decision which will have a significant adverse impact on CMH's existing business and rights, as the decision will crystallize the rights of the proponent in the form of an Interim Agreement. As a result, it is critical that the government and proponent engage in a fulsome consultation process, and ensure that CMH's interests are appropriately accommodated, before the Ministry makes this important decision. Unfortunately this has not occurred to date in this case.

The provincial government's own Crown Land Allocation Principles make clear that decisions must be made in accordance with due process. In the circumstances, it is integral that the process undertaken by the Ministry ensure that stakeholders have the opportunity to respond fully to the Formal Proposal. This is the only way in which the Ministry can ensure a decision is only made after the best information about the land and its resources is made available. Unfortunately this has not occurred. The information necessary for responding has yet to be provided to stakeholders. CMH has had very little contact with the proponent (and none since being made aware of the Expression of Interest), as is indicated by the Formal Proposal itself (see Formal Proposal, Section 11 List of Stakeholder Consultations). These procedural inadequacies have been further exacerbated by the extremely short timeline for response to the Ministry's referral.

Without fulsome responses, the Ministry will be deprived of the ability to make a well-considered decision prior to potentially taking the significant step of entering into an Interim Agreement with the proponent. This is contrary to the intention of the CAS Policy, which lists as a primary objective the consistent, fair and transparent management of Crown land. This is also contrary to the CLA Principles, which specifically list appropriate consultation as a hallmark of a fair process.

### **a. RESPONSE TIME FOR REFERRAL**

As noted above, CMH is very concerned about the response time allowed for this Formal Proposal. While it is aware that a 30-day response time is defined in CASP, it is also aware that this is only a guideline which can be changed where circumstances require. It is suggested that – in light of the information noted above and the significance of the decision to be made, as well as the potential impact on CMH's business which this proposal creates – it should have been given a reasonable amount of time (at least 60 – 90 days) to respond, a period of time which recognizes and is reflective of the degree to which the company is more than just an "average stakeholder" in the area. To give CMH 38 days to assess and respond to a complex project proposal consisting of 193 pages (plus accompanying materials) is insufficient and unreasonable in the circumstances.

The short time-frame for a response has prevented CMH from bringing in outside experts to assist with as thorough an assessment of the Formal Proposal as is merited under the circumstances. CMH has also been deprived of the ability to obtain relevant information. Having been denied such information by the Ministry (as set out below), CMH submitted a Freedom of Information request; however, the short timeline for response to the Formal Proposal means that any response to the Freedom of Information request will come after the deadline for submissions.

## **b. INFORMATION NECESSARY FOR RESPONDING TO REFERRAL**

There are three pieces of information which CMH has not received from the Ministry which were required in order for CMH to conduct a fair and complete assessment of this Formal Proposal:

- Digital shape files for the proponent's "area of interest." This request was initially denied because the proponent claimed that the files were "proprietary information." CMH was eventually able to get shape files from the Ministry, which had been created by government (not the proponent).
- Correspondence from the proponent to the Ministry which accompanied the Formal Proposal dated November 2012. This would have allowed CMH to understand exactly what it was that the proponent was requesting of government, and which of the two proponent companies is the actual proponent in this situation. This request was refused by the Ministry. This correspondence may have also included a detailed business case for the project, although there is no way for CMH to know this. Without being aware of precisely what disposition of the land is being sought, CMH is prevented from assessing the full ramifications of the proposed disposition and making submissions which properly reflect its interest.
- Any and all records relating to discussions between the Ministry and the proponent companies, and/or directions given by government to the proponent companies with respect to CMH's interests in the subject area (or other areas which might be under consideration by the proponent). This is the focus of a formal request by CMH under *Freedom of Information*; the requested information has not been received by CMH as of the date of this submission.

CMH is not in a position to specify what additional relevant information may exist, but notes that a December 7, 2012 email from Bill Hunter, Manager, Major Projects of the Resort Development Branch indicated that there was "no additional information of significance that will be forwarded during this phase of the review process." Mr. Hunter did not indicate that there was no further relevant information, just that nothing further would be provided to CMH. The logical conclusion is that the Ministry has withheld relevant information from CMH. The Ministry's conduct in this regard has negatively impacted CMH's ability to respond fully to the Formal Proposal.

## **c. LACK OF CONTACT BY PROPONENT**

The Best Practices Guide for Resort Development in British Columbia specifically states that "it is best to identify existing users' rights and concerns" and "successful negotiations and agreements with other existing land users and tenure holders are desirable." No such negotiation has occurred.

CMH became aware that the proponent was considering a resort proposal for the subject area in November of 2011. Immediately upon discovering this, CMH staff contacted MFLNRO Resort Development Branch staff; they confirmed that a proposal was being developed, and they suggested "the areas they're looking at would be in CMH territory, and Oberto knows that will be one of the first things he has to deal with." CMH staff met with Oberto Oberti for the first (and only) time on December 7th, 2011, and in a letter shortly thereafter, expressed the company's concern over the

lack of contact with CMH and advised of its opposition to the project based on the project's impacts on its business (see (E.) below).

CMH submitted a response – dated February 14, 2012 – to the proponent's January 2012 Expression of Interest. The Expression of Interest was a highly conceptual document, and did not have nearly the detail found in the Formal Proposal. That Expression of Interest was submitted to – and accepted by – government without any contact with CMH to discuss the nature of its legal interests or how the overlap might be addressed or resolved. CMH's response noted its concern – at that time – about the lack of contact by the proponent.

Since that time, the proponent has made no attempt to contact CMH, despite taking nine months to develop and submit a Formal Proposal (November 2012) which itself refers to the desirability of cooperation with operations such as CMH (at p. 56). As outlined in (E.) below, this proposal contains no substantive comment on, or proposed resolution of the overlap between CMH's existing legal interests and the proposed resort development. In fact, any comments the proponents do make are patronizing and inaccurate. This appears to be inconsistent with the CAS Policy. While CMH has submitted a Freedom of Information request in order to determine the nature of any conversations with or direction given to the proponent by the Ministry with respect to CMH's legal interests (not received by the date of this submission), it appears that a pattern of ignoring CMH's interests has developed, to which the Ministry appears to be complicit.

It is clear that the proponent is aware of CMH's interests, and yet has chosen (and up until now has been allowed) to continue to ignore them. It is troubling to note that the proponent takes great pride in listing its meeting with Mike Wiegele Helicopter Skiing on May 16, 2011, where the company indicated its opposition to a project on Mt Albreda. That idea was abandoned, apparently because of expressed opposition.

CMH notes that the proponent did ski in CMH's heli-ski tenure without authority from the Crown last winter while in the company of representatives from France Neige International (et al). They claimed they were only there because of an invitation from the local community, but CMH's investigations showed this to be a spurious assertion. CMH did file a formal complaint about this because of significant issues over safety, which was not taken seriously by the Ministry. The effect of this pattern of conduct has been to undermine the existence and value of CMH's substantive legal rights as granted by the Licence.

CMH also understands that at least one other tenured interest in the area (Cariboo Snowcat Skiing & Tours Ltd.) has also been ignored by the proponent in the preparation of this Formal Proposal. This is once again evidence of a disturbing pattern to which the Ministry is complicit.

The Formal Proposal acknowledges opposition to the plan on behalf of heli-skiing organizations, but nonetheless claims that "it is intended that the project will work in cooperation with those activities" (p. 56). So far, as set out above, no such cooperation has occurred. As such, this stated "intention" appears to be questionable at best.

#### **d. GOVERNMENT ADVOCACY SLANTED IN FAVOUR OF RESORT PROPONENT**

It is the Resort Development Branch of the Ministry of Forests, Lands and Natural Resource Operations which is responsible for the All Seasons Resort Policy, and for using "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.” However, the goal of the Branch is “to support and facilitate new and expanded resort developments” and the vision of the policy is “to develop BC as a world-class resort destination.” This is evidence, in CMH’s opinion, of a clear bias towards resort proponents.

As a result, and because there appears to be no organizations inside the BC government which are similarly advocating for the interests of existing companies such as CMH and Cariboo Snowcat Skiing & Tours Ltd., the CASP process for the subject resort proposal is now in its second stage with a significant imbalance, inequity and bias having already developed to the distinct advantage of the proponent. In fact, it appears that the Branch is treating the proponent as having more rights than does an existing successful business with legal rights to use the land.

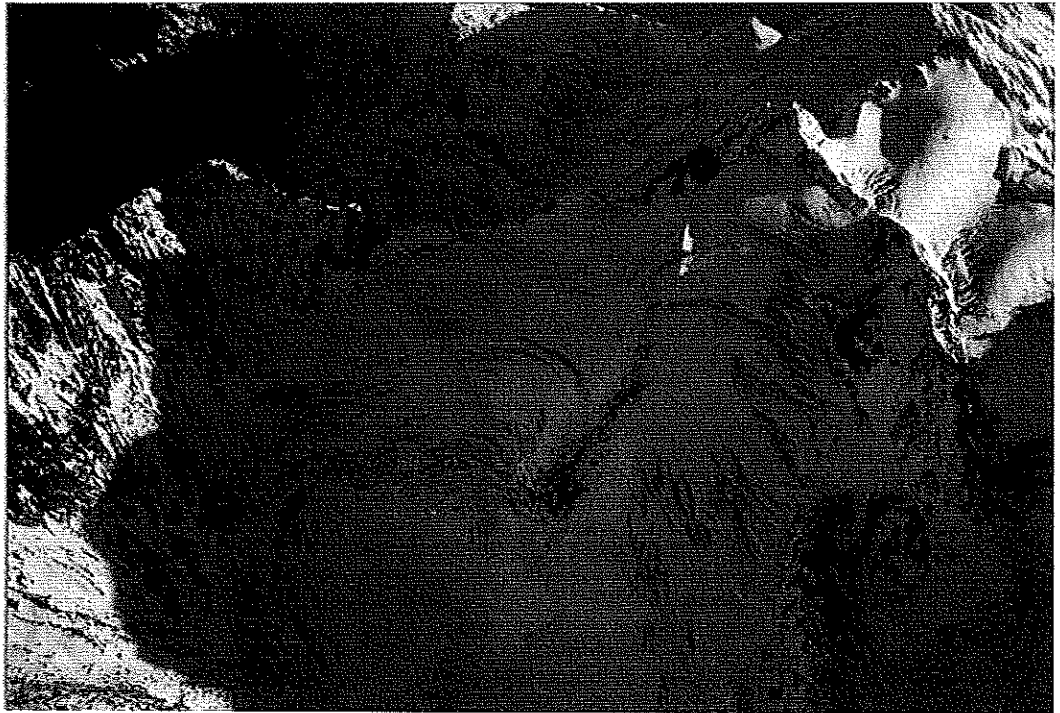
#### **D.) TECHNICAL INFORMATION CONTAINED IN PROPOSAL**

As a result of the lack of contact with CMH and other important sources, the proponent has included information in the Formal Proposal which is incorrect, inaccurate or misleading and which fails to meet the requirements of the CAS Policy and associated guidelines. It appears to be more of a marketing piece to attract investors than it is an accurate description of the technical aspects and realities of the project. This cannot be a reason to allow the proponent to move to the next stage of the CAS Policy process. The missing information could have been easily obtained simply by talking to knowledgeable individuals. These omissions substantially detract from the credibility of the proponent and the Formal Proposal.

##### **a. ALPINE SKIING**

There are a number of pieces of information in the Formal Proposal which are inaccurate or misleading. It would have been possible for CMH to flesh these out, and to identify additional problems, if sufficient time had been given to allow for a proper assessment. These inaccuracies could also have been corrected through simple conversations with knowledgeable individuals. These include:

- The proposal significantly underestimates travel times from major airports and paints an inaccurate picture of the quality of the highways in winter driving conditions.
- The proposal claims the longest vertical drop in the world of 2400 m. Not only has CMH never, ever skied from the summit of Mt Arthur Melghen (it is not technically possible), but its longest ski run in the entire study area is 900 m. This suggests that the claim is spurious at best, or may involve a significant amount of cross-country skiing over flat terrain. While the Twilight glacier (a run which is tenured to CMH) offers some amazing skiing, it is a heavily crevassed glacier which can only be skied when the snow conditions allow. See photo below. It is certainly not skiable in the summer.



- The proposed summer skiing from Mt Arthur Meighen is nowhere near 400 – 700 m, aside from the fact that many of the glaciers in the area are receding quickly and are heavily crevassed. In addition, the area below the proposed skiing is a complex combination of crevasses and rock-fall. It would not be possible to ski from this area – summer or winter – to the airport (which means that claims re the world's longest run, and the world's only ski in/ski out airport are hallucinations).
- We note that the proponent visited CMH's web-site to gain data on snow-falls. While it is possible to have a total accumulation of snow in a good winter of up to 14 meters (and that is historic data that may no longer be relevant using today's climatic patterns), the reality is that one can expect a maximum of 250 cm on the ground at high elevations in this area, tapering to below 100 cm below 1800 m elevation. The proposal also fails to note that the area experiences at least one major warming event each winter, which can see rain falling up to high elevations. In some rare years, CMH has had to cancel skiing for parts of some weeks because of this event.
- The proponent continually contradicts itself in the proposal. On the one hand they suggest that "few lifts are necessary," that "just one lift is necessary" or that the project can be done with "low infrastructure costs." On the other hand, they go on to describe how full build-out might require up to 12 lifts (or more) (see (f.) below).
- The proponent correctly notes the presence of a Notation of Interest on Mt Trudeau. CMH disagrees with the suggestion that this proposal is simply an extension of that notation. It is clearly a project which is orders of magnitude different in size, location and impact.
- It is interesting to note that some of the very same claims that the proponent is making about this proposal were also made by them about the Jumbo Resort proposal. Now that the

Jumbo project has been approved by government, it appears that the proponent principals are moving on to their next project; the fact that some of the same claims of uniqueness are being used does not appear to trouble them. Examples include the unique aspects of the project in comparison to existing ski resorts in BC, and the unique nature of summer glacier skiing.

#### **b. HELI-SKI TERRAIN**

The proponent claims that “accommodating current tenure holders is important.” And yet, the proponent appears to have chosen to consult with local “guides” to build an understanding of CMH use of terrain, rather than talk to CMH directly. As a result, it has provided a completely inaccurate picture of the nature and use of heli-ski terrain in the area and the potential impact of the project on CMH’s business. This is further detailed in (E.) below. This is a fundamental failure in the proposal.

First, it is important to note that – despite the proponent’s claims to the contrary - CMH guests come from around the world (many from Europe) for an experience that is the very antithesis of multiple-lift-serviced resorts, which appears to be the vision in this proposal. Skiing with CMH guides in seemingly wild places, in deep powder snow and using a helicopter as the means of transport, are what has made helicopter skiing in BC (and at the Cariboo and Valemount operations, in particular) such a unique and valued experience on a global scale. CMH guests will not be interested in moving to a ski resort, and the proponent’s suggestion that building a heli-ski lodge in the resort base area – with gondolas and lifts lining the ridges and peaks where landings most often occur – is absurd and shows a fundamental lack of understanding about CMH’s business.

The proponent suggests that “the Westridge area is heavily utilized by CMH.” It then uses that as a reason to support removal of the area from the original CRA concept (and to designate it as “heli-skiing,” which is laughable). This is a bad assumption based on equally bad information. If the proponent had done any homework at all, it would have discovered the Westridge area has largely been abandoned for heli-skiing not only to proactively allow for resolution of local land use issues in the Blue River- Valemount SRMP (some terrain in the area was actually dropped from the heli-ski tenure in the most recent renewal as a result of the plan), but because it has largely been over-run by managed and un-managed snowmobiling.

In fact, the proposal ignores the significant value which the terrain inside the proposed study area provides to on-going and long-standing CMH operations. It suggests this overlap may somehow be resolved at the master planning stage. It is clear to CMH that dealing with an overlap of such magnitude should not – and cannot - be left to the next stage in the process.

As a result, not only does the proposal inaccurately depict CMH’s interests, but it does nothing to begin to resolve the clear and significant conflict between CMH’s existing business and substantive legal rights, and the plan contemplated by the Formal Proposal, as is required in the CAS Policy.

#### **c. WILDLIFE HABITAT**

The proponent’s commitment to environmental management is laudable. However, while the proponent has correctly indicated that it is not common to see red-listed mountain caribou in the subject area, it has completely ignored the fact that there are at least two areas of key mountain goat winter habitats directly in the area where lifts are proposed. It is likely that information from the Ministry of Environment will support this fact, which has been missed by the proponent.

These winter goat habitats are shown on CMH's management plan (as a result of nearly 40 years of experience in the area and as required by government), and are a constant issue of management concern for CMH guides and pilots throughout each winter. CMH's wildlife procedures allow it to effectively deal with this issue. Such a dynamic approach is not possible with permanent infrastructure. This could have a significant impact on the development of infrastructure.

**d. LAND USE PLANNING**

The proponent appears to be basing some of its proposal on old information. It has completely ignored the existence of the Blue River – Valemount SRMP, a land use plan approved by government. This plan provides a significant amount of detail on – and direction for – land use zoning, resolution of local recreation and tourism conflicts, improvements on safety and experience, and a diversification and strengthening of the local economy. Two of the main and very positive results from this plan were the creation of VARDA (the efforts of which have seen a dramatic increase in sled traffic and sledder experience), and a significant reduction in ski-sled conflicts. After many years of local negotiations, the plan includes discussion of a local ski area on Mt Trudeau, but did not contemplate the scope or scale of proposal now being considered.

**e. FIRST NATIONS**

The proponent's attempt to work with First Nations is also laudable. However, we note that the area proposed for a "First Nations expansion area" in the McLennan River drainage is a narrow, dangerous, complex and avalanche-prone valley in which CMH would never attempt to construct any form of infrastructure. CMH is surprised and shocked that the proponent proposes to "give" this to First Nations as though it is an exciting opportunity for economic development through a "complimentary project." Because it is proposed as the final phase, it brings into question the credibility of the proponent and raises the possibility of unrealized expectations. This is something government and First Nations will have to consider and address.

CMH assumes that the Simpcw First Nation is aware of the realities of the situation, the lack of realistic development potential of the area, and the liability issues associated with it (and requirement to engage Qualified Avalanche Professionals).

**f. FINANCIAL VIABILITY OF THE PROJECT**

The proponent has expended a considerable effort in laying out the technical aspects of the project, but has offered no assessment – even at a preliminary level – on whether or not the project makes any business or financial sense. This is a requirement of a Formal Proposal under the CAS Policy. CMH must assume that either the proponent did not include this information (and the Formal Proposal was therefore accepted in error), or the Ministry has chosen not to share it with key stakeholders such as CMH. In either event, CMH's ability to properly participate in the consultation process is hindered by this lack of information.

In researching the original Expression of Interest submitted by the proponent, CMH contracted a very experienced mountain planning firm<sup>1</sup> to review the proposal. A copy of their report for CMH is attached. They suggested that:

---

<sup>1</sup> Ecosign Mountain Resort Planners Ltd. – Feb. 8/12

- The proposed study area is about twice the size of Whistler and Blackcomb combined. The consultants described it as a "very, very large" proposal.
- The development proposed would "eventually reach a needed investment of at least \$100 million or more, and that such an investment would require approximately 350,000 skier visits each year just to reach break-even EBITDA and 600,000 visits to reach reasonable profit." This is at the very upper levels of the proponent's plans and is well beyond what Sun Peaks has achieved after many years. It is suggested that the likelihood of reaching this level is extremely low.
- This inflated goal ignores the existing unrealized existing capacity in the ski industry in BC, which is estimated to be at least 1 million skiers.
- Aside from the fact that the proponent seems to have proposed only up to 2000 bed units to stay below (avoid) the Environmental Impact Assessment thresholds, this level of accommodation would "guarantee the failure of the project" because it would not generate enough skiers per day. Normal ski industry rates are about 0.65 skiers per bed per day; therefore, 2000 beds would only generate 1300 skiers per day. The suggestion that Valemount can provide all of the necessary remaining beds (anywhere between 1700 and 3700 beds, using the proponent's own figures) is untested and not borne out by the current levels of accommodation or investment in the community.
- It is also noted that the proposal suggests the base area will be self-sufficient in terms of "municipal and commercial services." This begs a significant question about the scope and scale of economic opportunities which might – or might not – flow to the local community if this project was to proceed.

## E.) IMPACT OF PROPOSAL ON CMH

CMH's longstanding business activities, along with the rights conferred on CMH by the Licences, will be adversely impacted in a material fashion if the Formal Proposal is accepted and the Ministry enters into an Interim Agreement with the proponent. Throughout its dealings with the Ministry, and as set out in the Management Plan, CMH has proceeded on the legitimate expectation that its existing substantive rights would result in meaningful consultation in respect of this matter. No such consultation has taken place.

Contrary to the requirements in the CAS Policy, there has been no meaningful engagement by the proponent with respect to the economic ramifications to existing businesses if the Formal Proposal comes to fruition. The All Season Resort Guidelines provide that a formal proposal must contain "a discussion of the economic and social impacts, land use issues and proposed methods of resolution of conflicts." The Formal Proposal has included no such content or made any meaningful attempts to address the conflict. The proponent must adequately address that deficiency, as well as the other deficiencies outlined above, in advance of being granted the opportunity to enter into an Interim Agreement. This is especially the case given the existing substantive rights conferred upon CMH by virtue of the Licences, as well as CMH's well-known and long-established business operations in the area.

It is important to note that because the proponent has chosen – and appears to have been allowed – to continue to ignore the interests of CMH in the area despite the Licenses, the Formal Proposal includes a

glaring and egregious gap in its description of the nature of CMH's interests, and in ways in which the proponent proposes to address these interests.

CMH is disappointed, frustrated and surprised that the Ministry referred this Formal Proposal to stakeholders for comment with such glaring omissions. It is the opinion of CMH that the Formal Proposal should have been rejected. The Ministry's requirement for Formal Proposals clearly states that these proposals should include: "economic and social impacts and land use issues, including proposed means of conflict resolution." In the context of the impacts of this resort proposal on CMH's existing and long-standing interests in the area, the Formal Proposal is largely silent other than a patronizing mention that "CMH is opposed" and that "further discussions may be held with CMH as the project progresses through the Master Plan stage."

Under the Ministry's own Adventure Tourism Policy, the onus is on proponents, in even the most basic of adventure tourism proposals, to contact existing interests and do all they can to resolve any overlaps, early in the process. Surely a lower standard should not be acceptable for a major overlap such as this.

As a result, it is very difficult for CMH to properly assess the proposal. This is particularly the case during what is the busiest time of the year for CMH. Having said that, CMH will do the best it can with very limited information with which to work:

**a. WINTER**

As noted above, CMH currently holds a License which provides the authority it needs to offer helicopter skiing from its Cariboo and Valemout Lodges. While a tenure of one form or another has been in place since such tenures were originally available (early 1980's?), CMH has been operating in the area since 1963.

The tenure allows CMH to host 44 skiers weekly for an 18 or 19-week season each year from its Cariboo Lodge. Along with the Bugaboo Lodge, CMH Cariboo Lodge is now an icon in the world of heli-skiing and CMH has made significant investments in upgrading the lodge and associated infrastructure throughout the decades. Similarly, up to 10 skiers per week are hosted at Valemout Lodge. This is an exclusive private lodge which caters to some of the wealthiest people on the planet.

In particular, the terrain in the overlap area provides critical north-facing heli-ski terrain which can be accessed easily from both lodges. It is located in the Morning Glory/Twilight, Lower Canoe and Upper Canoe ski zones as defined in the CMH management plan on file and approved by government. Much of this area is glacial and high-elevation terrain (although the glaciers are receding quickly) and because of the need for crevasses to fill, is most often used well in to late April. The nature of the overlap with the areas in the Formal Proposal is as follows:

|                                                                                                 | Study Area                | Proposed CRA area         |
|-------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| Overall overlap with CMH heli-ski tenure (sq km)                                                | 102.05 sq km              | 46.17 sq km               |
| Overlap with tenured CMH ski terrain (sq km)                                                    | 18.83 sq km               | 8.41 sq km                |
| Overlap with tenured CMH heli-ski runs                                                          | 38 existing heli-ski runs | 16 existing heli-ski runs |
| Estimated amount of skiing lost by CMH if the current proposal was to proceed (# skier-runs)(*) | 3549 skier-runs per year  | 1235 skier-runs per year  |

(\*this can vary dramatically from year-to-year depending on snow, avalanche and flying conditions, weather, guest abilities, and the presence of wildlife and public recreationists)

Loss of this ski terrain (and the skiing it offers when conditions allow) would be catastrophic for both the Cariboo and Valemount operations. Because it cannot be replaced and because it is very economical to utilize (i.e. the amount of skiing it offers as a function of helicopter flying time is very high), loss of this terrain would mean a dramatic change to the existing business model for CMH, and would likely mean that the Cariboo Lodge would no longer be viable.

#### **b. SUMMER**

CMH also holds a *Land Act* Licence of Occupation for heli-hiking over a much smaller area than is covered by the heli-ski tenure. The proponent has not mentioned this fact, which is another glaring omission in the Formal Proposal. The management plan for this tenure shows a range of hiking and mountaineering routes in the study area (in the Lower Canoe, Upper Canoe and McLennan hiking zones), all of which would be negatively affected by – and essentially lost because of – the proposed infrastructure and the summer activities in the study area. In the approved management plan, these zones together contribute 84.4 % of the annual hiking and mountaineering use. These activities occur from the Cariboo Lodge, although in the past, they have also been based out of the Valemount Lodge as well.

While CMH has not been in a position to offer hiking in the area over the last couple of years because of the economic down-turn, it does have an aggressive marketing and sales strategy in place to grow the summer business and is being encouraged to do so by government. The Cariboo Lodge would likely be the next lodge to re-open for summer activities when this strategy succeeds, which would mean additional investment and employment. These plans and investments would have to be put on hold if this proposal proceeds any further.

#### **F.) FUTURE STEPS IN PROCESS**

The Resort Development Branch has indicated that – following the Province’s review of the Formal Proposal – it will consider the issuance of an Interim Agreement. This legal contract would include a License of Occupation allowing the proponent to “enter onto the land to conduct studies, investigations, data collection activities, etc. necessary for preparation of a Resort Master Plan.” It would be required to “observe, abide by and comply with all laws, bylaws, orders, directions, ordinances and regulations of any competent government authority in any way affecting the Crown Land or improvements on the Crown land.” The Interim Agreement would prohibit the Ministry from entering into other agreements with a “materially adverse impact” to the proponent’s plan. Ironically, CMH’s faces precisely such a material adverse impact if the proposed Interim Agreement is executed on the basis of the Formal Proposal.

The proponent has already shown – through two stages of this process – that it is fully willing to ignore CMH interests in the area, and it has already unlawfully entered the area in bad winter weather without any consultation with CMH. If the Ministry authorizes the proponent to occupy Crown land through a License of Occupation, land which is already under tenure to CMH, the Ministry will have given it *carte blanche* authority to create direct and catastrophic effects on the safety of CMH’s guests and staff. This would have a direct bearing on CMH’s “safe and quiet enjoyment” of the legal rights which have been granted to it by government.

In addition, CMH has – like all successful businesses – significant plans for investments in these operations which are necessary for it to grow (and to meet the Province’s growth goals for tourism). These include investments in:

- lodges and other infrastructure, including repairs, maintenance and up-grading

- international marketing and sales campaigns
- staff training and development
- on-going environmental stewardship programs
- in the case of Cariboo Lodge, CMH has applied to develop a micro-hydro system to cut energy costs and remove the GHG's emissions associated with diesel and propane.

If the Ministry allows this proposal to proceed any further, it puts CMH in a very difficult and uncertain position surrounding these investments.

## G.) SUMMARY

The approval of the Formal Proposal is a strategic, high level statutory decision which will have a significant adverse impact on CMH and other stakeholders in the area. It would be inappropriate to take further steps towards granting the proponent an Interim Agreement in the circumstances. To allow this matter to proceed in the face of the numerous deficiencies in the Formal Proposal, as well as the procedural concerns articulated by CMH, denies stakeholders such as CMH their due and frustrates the intent of the Ministry's own policy and guidelines.

Based on all of the information above, it is clear to CMH that the Formal Proposal submitted by the proponent includes many erroneous statements and a number of significant gaps in information, the most major and egregious of which is the failure to accurately and thoroughly address the existing interest of CMH and/or to provide any attempts to resolve them. It would not be prudent or logical to allow the proponent to move ahead to the next stage of the process on the assumption that the proponent will answer the many outstanding questions, and to correct the many erroneous statements in the Formal Proposal, during a subsequent stage in the process.

It is the position of CMH that this Formal Proposal should have been rejected by the Ministry based on its own policy. The inclusion of inaccurate and misleading information brings the proponent's credibility into serious question. The objectives of the CAS Policy are to ensure that the Ministry has a comprehensive view of the issues prior to making a significant decision. For the reasons set out above, both procedural and substantive, this has not been achieved. As a result of the significant information deficiency, the Ministry is not in a position to make a well-informed decision in accordance with its statutory mandate.

By apparently endorsing this proposal, the Resort Development Branch has now put CMH in a very difficult position. CMH's business, which has been built and proven over 40+ years, is being subjected to a process that at minimum will be a huge expense and distraction and could possibly threaten its viability, all because of a proposal that's based on shaky, misleading and inaccurate assumptions. With so many outstanding questions and concerns, a decision to allow the proponent to proceed to the next stage of the process would be nonsensical and would have a direct and material effect on CMH's business.

Because of the Province of BC's express desire to grow tourism, it is assumed that the Ministry will not attempt to achieve this goal by accepting a questionable proposal at the expense of an existing ski business with a long track record of success. This is a critical question in light of the significant existing capacity in BC's alpine ski industry.

Therefore, CMH demands that the proponent be sent back to the drawing board to develop a Formal Proposal which is a more accurate and thorough depiction of the project and the context within which it is being proposed.



In particular, a new Formal Proposal should properly reflect the existing legal interests in the area as per the CAS Policy and – through a requirement to meet and resolve issues with CMH – reflect a resolution to the overlaps between their proposal and CMH’s long-standing legal interests in the area. This may require a major change in the nature, scope and location of the project. It is then, and only then, that consideration should be given to allowing the project to proceed to the Interim Agreement stage.

CMH is not just another stakeholder in this process. The company is a major business investor in the area, with existing legal interests and a long and successful fiscal, social and environmental track record. The Province of BC must begin to take this matter extremely seriously, much more seriously than it has done in the last 12 months.

CMH recognizes that the Ministry of FLNRO’s Resort Development Branch has a clear mandate to “support and facilitate” the desires of the proponent in this project. But it should not allow the review process to proceed any further until CMH’s prior rights and interests are given their due consideration.

## **Preliminary Assessment of the Valemount Glacier Destination Proposal**

### **1.0 INTRODUCTION**

---

Valemount Glacier Destination Limited and Pheidias Project Management Corporation have submitted an "Expression of Interest" to the Government of British Columbia for development of a sight-seeing and year-round skiing destination on Mount Arthur Meighen near Valemount, British Columbia. The principal of Pheidias Project Management Corporation, Mr. Oberto Oberti, an architect based in Vancouver was apparently approached by the Village of Valemount to study the development of a large alpine skiing and sight-seeing resort west of the Village. Mr. Oberti has made a cursory examination of the site and has made some rather significant claims.

The Project Introduction makes the following claims:

- The largest patrolled vertical drop in the world – 2,400 metres (7,818 feet);
- The longest in bounds ski run in the world;
- An abundance of north facing slopes;
- Numerous glaciers suitable for summer skiing;
- A peak elevation of 3,205 metres;
- Valley base areas that are above the natural snowfall line;
- Some of the largest average yearly snowfall in Canada – 536 centimetres in Valemount and 14 metres at 1,800 metres elevation;
- No current or anticipated snowmaking requirements;
- The only ski-in/ski-out airport in North America;
- Multi valley skiing opportunities similar to Les Trois Vallees in France;
- Ease of access and proximity to existing infrastructure.

The Valemount Glacier proposal covers a significant amount of the existing heli skiing tenure held by Canadian Mountain Holidays (CMH – Cariboos/Valemount). CMH has contacted Ecosign to provide a preliminary assessment on the merits of the proposal and challenges faced by this most recent proposal considering technical, economic and market realities for such a massive development in a remote area such as Valemount.

## **2.0 OVERVIEW OF COMMERCIALY VIABLE SKI RESORTS**

---

Ecosign has designed and assisted development of a significant number of new resorts in British Columbia including Powder King, Mount Washington, Cayoosh, Shames Mountain and Blackcomb. Ecosign has also been responsible for the substantial redesign, renovation and expansion of Hemlock Valley, Sun Peaks Resort (formerly Tod Mountain), Panorama, Fernie Alpine Resort, Kimberley Alpine Resort, Whistler Mountain and Kicking Horse Resort near Golden. Ecosign has also designed over 300 resorts in 38 countries of the world, so suffice to say that Ecosign Mountain Resort Planners are amongst the most pro ski area development companies in the world.

Given our extensive experience in the design of new and/or expansion of existing facilities, Ecosign has realized a number of significant barriers to new “Greenfield” resorts. Ecosign has completed a large number of feasibility studies over the years and the Greenfield projects face certain technical, economic and market challenges.

- **Technical Assets**

Given the high level of development within the ski industry worldwide, the low hanging fruit has already been picked in areas close to population centres. Ski pioneers have by necessity gone further and further afield from the developed markets with sufficient populations to support increasingly larger new resort developments. To launch a new resort these days requires an almost perfect mountain, large level base lands, easy beginner slopes above the base area, about 70 percent intermediate terrain and some expert and advanced slopes high on the mountain. All of this needs to be sheltered from winds and in relatively high snow fall areas, much as claimed in the Valemout Glacier Destination proposal. We also believe that size matters so the farther from destination populations the larger the ultimate mountain resort must be. The proposed Valemout Glacier Destination is huge, (study area 16,680 Ha.) and much of the terrain is in fact suitable for commercial alpine skiing and snowboarding. While a more detailed technical map assessment is required to determine the capacity and balance of the natural terrain, we do see a significant amount of high intermediate to expert ski terrain.

- **Economic Reality**

Ecosign has recently (November 2011) completed a feasibility study for a new ski area in Patagonia, South America called Rio Villegas on a Greenfield site. The mountain is beautiful and currently used for heli skiing and is located only 45 minutes from Bariloche, a major mountain resort area in Argentina. The problems faced in Patagonia are the same faced in Valemout. Development of the Rio

Villegas area will require a new access road approximately 22 kilometres in length, bringing 3-phase electric power to the site some 20 kilometres, developing water collection, storage and distribution and sewage collection, treatment and disposal infrastructure. We faced very similar challenges at the Cayoosh Resort proposed by Al Raine on the Duffy Lake Road between Pemberton and Lillooet. Our experience with Greenfield resorts has proven that to drive to the resort on a paved road, turn on the lights and flush the toilet costs between \$50 and \$75 million.

Ballast Needham purchased an existing area, Whitetooth which is near Golden and they have spent in total \$100 million dollars on infrastructure, resort development and operating losses during the past 11 years. Furthermore, the resort remains well below the break-even level with just 160,000 skier visits and 30,000 summer visits. The area was recently sold to Resorts of the Canadian Rockies.

On the other hand, Nippon Cable purchased Tod Mountain in April 1992 with all basic infrastructure in place and has invested \$55 million in the ski area facilities and grown to 340,000 skier visits which is economically sustainable.

A destination ski area by its very nature must be large enough to attract people from major population centers to rather remote areas. For many years, Ecosign has used a benchmark of 4,000 skiers per day as a minimum comfortable carrying capacity. Given today's costs for new development of about \$15,000 per unit of skier carrying capacity, we can estimate the minimum start-up costs for the ski area facilities alone will be in the order of \$60 million such that when added to the costs for the basic infrastructure one reaches approximately \$100 million in overall development costs. While these costs can be offset somewhat by development and sales of real estate, these significant financial hurdles are most difficult to overcome without tremendous market support. We roughly estimate that a \$100 million investment would require approximately 350,000 skier visits just to reach break-even EBIDTA and about 600,000 visits to reach any kind of reasonable profit.

- **Market Reality**

Valemount (population 1,000) lies in a beautiful but remote area of British Columbia and is a four-hour drive to Kamloops (87,000 population), or Prince George (76,000 population) which are both served by existing ski areas. Our conclusion is that visitors to the Valemount Destination will by necessity have to be brought to the site by air. Since the current airport is actually an airstrip incapable of accommodating scheduled commercial flights, we question how destination guests can reach Valemount? Edmonton or Calgary are the only

currently viable airports which handle sufficient transportation capacity from destination markets in Europe, the United States and Asia. Will destination visitors accept a 7 or 8 hour transfer by coach from Calgary or Edmonton to Valemount? The airports in Prince George and Kamloops are not of sufficient size or capacity to really solve the problem. Kamloops in particular is under capacity now to support the highly developed resort at Sun Peaks.

### **3.0 SUSTAINABLE BED BASE**

---

Given that the Valemount Glacier proposal will by necessity be a destination resort, it will be required to accommodate almost all visitors on site as there simply is no other significant accommodation in the region. To ski 4,000 skiers per day would require an on-site bed base of between 6,000 and 7,000 commercially available public beds which does not include private real estate developments such as condominiums, town homes and single family houses.

The Oberti proposal states that only 2,000 beds will be developed. We believe that this was done simply to come below the threshold of the B.C. Environmental Assessment Act. However, 2,000 beds would only generate 1,300 skiers on a peak day given a skier yield of .65 skiers per bed consistent with other BC resorts. Since the resort could never be sustainable with this low level of development, it is Ecosign's experienced opinion that development of only 2,000 beds will guarantee the failure of the project. The bed base proposed by Valemount Glacier Destinations Ltd. is simply too few to support the most basic level of resort development.

### **4.0 PREVIOUS STUDIES IN THE AREA**

---

Ecosign is aware of a number of different studies of the area for Alpine skiing and tourism development.

#### **4.1 Jack Johnson Study 1995**

Mr. Jack Johnson, an avid heli-skier and long term customer of CMH Heli-Skiing is an engineer based in Park City, Utah whose company used to work on land and ski area developments. Mr. Johnson drew up a conceptual master plan for a ski area with a base area at 1,190 meters and top elevation of 2,100 meters for an overall vertical drop of 910 meters. We believe the Johnson proposal was on the existing map notation recognizing an alpine ski area as priority use of the lands surrounding Mount Trudeau as described in the project introduction. Ecosign was hired in 1997 by Mr. Silvio Gislimberti from the Village of Valemount to review those plans and our conclusions were that while the seven lifts were on primarily east facing slopes and generally acceptable for commercial

ski area development, the planned capacity of 10,320 per day was not economically viable given probable support from the local and regional markets.

#### **4.2 1998 Ski Area Feasibility Study**

In 1998, Ecosign completed a Ski Area Feasibility Study for an “appropriately sized” ski hill on a site five kilometres west of the Village of Valemount. This site was accessible by an existing logging road and we proposed installation of two used TBar drag lifts and one handle tow. The concept plan had 618 meters of vertical rise on north facing slopes with a daily capacity of 790 skiers per day. Total costs using used equipment and some donated materials and labour were \$770,000 (1998). The economic break-even analysis calculated cash operating break-even at 11,368 skier visits and economic break-even at 23,000 skier visits. The market study determined the local and regional market boundaries from which potential visitors could be drawn and a population analysis to determine the growth within the region. The 1998 Valemount Feasibility Study by Ecosign documented and estimated the annual skier visitation that might be expected at a ski facility at Valemount, with a low forecast of 4,000 skier visits increasing to 4,600 skier visits by 2008 and a high forecast ranging from 4,600 in 1998 up to 5,300 by 2008. Basically, we concluded that the local and regional population is so low that it cannot support even a minor local ski hill with drag lifts.

#### **4.3 1999 Valemount and Area Economic Development Commission Study**

In 1999, the Valemount and Area Economic Development Commission hired Ecosign to study the feasibility for an aerial sight-seeing tramway on Canoe Mountain. We studied aerial jig back tramways and mono cable gondolas on four different alignments. After a site inspection of Canoe Mountain, evaluation of the mountain top at the 2,600-metre elevation and the four different base locations, Ecosign recommended the Option 1 alignment as being far superior and most cost effective compared to the other three base area sites. This site and alignment offered excellent views of all the mountains to the south, west, north and east including Mount Robson and an excellent view of the Valemount Valley and the Premier Range and a glimpse of the Canoe Reach of Kinbasket Lake. The Rocky Mountain Trench bracketed by the Premier Range and the Selwyn Range and the Village of Valemount can be seen to the northwest. Major mountain peaks that are visible include Mount Robson, the highest mountain in the Canadian Rockies, Mount Terry Fox and Mount McKirdy.

Parks Canada’s Front Country Operations estimated the number of vehicles entering Jasper National Park through the three routes of entry from January to December of 1998 at 1.26 million, with 63 percent of vehicles stopping to visit the Park. At 2.8 passengers per vehicle it can be calculated that approximately 3 million people travelled through the area. Ecosign estimated that a summer sight-seeing gondola could attract visitation

ranging from approximately 80,000 to 100,000 visitors during the first year of operation and increase to between 170,000 and 190,000 by Year Ten.

Ecosign of course recognized the skiing potential associated with the Canoe Mountain sight-seeing lift and it would require only a slight increase in operational and maintenance costs to operate the gondola during the winter season. We recommended that the lift be operated for access to skiing from the 2,210 meter elevation to the valley floor providing 1,380 meters (4,527 feet) of skiable vertical when conditions permit. The market study estimate between 300 and 400 skiers per day on weekends and holidays and perhaps 100 per day midweek.

Capital costs were determined to be \$11,350,000 (\$2000) for the project. Proforma Income Forecasts were prepared with all revenues and expenses documented and a Profit (Loss) and Cash Flow prepared. The Conservative visitation forecast lost \$393,263 in the opening year and became cash positive in year four with cumulative cash positive in year 7. The Optimistic visitation forecast lost \$280,858 in year one and became cash positive in year 3 and cumulative cash positive in year 5. Overall, Ecosign recommended that this may well be a feasible tourism project.

#### **4.4 Economic Diversity in Valemount**

The purpose of mentioning the aforementioned studies is the fact that the Village of Valemount has been working very hard to find new investments to achieve a healthy, mixed and diversified economy. The Slocan Mill shut down on August 8, 2002 with significant job losses and the Land Resource Management Plan (LRMP) identified sustainable yields over the long term as being considerably lower than the then current annual allowable cut. It became apparent that additional sources of contributions to the economy had to be developed to enable Valemount to have a bright and prosperous future.

The Mayor and Council were strongly involved in formulating an economic development strategy. The Village prepared a guide to investors and funded the Canoe Hot Springs study and the Canoe Mountain Tram study by Ecosign. They also studied the feasibility of a cedar lawn furniture manufacturing plant in Valemount, a remote campus for College of New Caledonia. Over \$2.0 million was spent over seven years on upgrading the quality of the streetscape and infrastructure in the village center. The Economic Development Officer was having discussions with numerous investment groups and finally had some traction on development of the Canoe Hot Springs and the Canoe Mountain Tramway. Mr. Gerry Levasseur, President and owner of Sunrise International Inc. of Spruce Grove, Alberta looked at the opportunities for developing a large Jack Johnson ski hill, a small local ski hill and the Canoe Mountain sight-seeing gondola with limited skiing and ultimately decided to pursue the Canoe Mountain

development. Sunrise International hired Ecosign to prepare a Resort Area Master Plan in 2004. The Canoe Mountain Resort Master Plan was completed in August 2005 proposing a boutique mountain resort centered upon a major tourist attraction, one of the world's largest and longest (5 kilometers) scenic gondola systems. The master plan also envisions limited but important winter use with development of a community size ski hill which will be supported by residents in the region and more importantly by the future home owners and overnight guests at the resort. We planned routing for a championship eighteen hole golf course over 7,105 yards long and a nine hole par 34 "family course" to be developed at later stages. The master plan also calls for a myriad of mountain resort based activities in all seasons of the year to strengthen the market draw and the economic viability of this All Season Boutique Resort. The heart of the Canoe Mountain Resort lies in a small village center adjacent to the gondola terminal with five condominium hotel sites, a 140 room hotel and 55,000 m<sup>2</sup> of commercial retail and restaurant space. Sunrise International negotiated with the Village of Valemount and various ministries and agencies of the Government of British Columbia and received a Master Development Agreement in the fall of 2006. Construction began on the access road, clearing the village center and clearing the gondola lift line in 2007 and continued into 2008. Sunrise International intended to commence the project with development of nine holes of golf and some single family lots which were designed to attract snowmobilers with sled in/out home sites along the golf course and upper benches with outstanding views. In August 2008, the Great Recession arrived in British Columbia and that fall Sunrise stopped progress on the project due to lack of market support for recreational real estate. The project however is approved, has a sophisticated investor/operator and is waiting for the markets to turn around before continuing on, perhaps with a new investment partner.

## **5.0 TECHNICAL PROPOSAL**

---

We have prepared a cursory review of the Valemount Glacier Destination Lift concepts. The reader should be advised that resort designers have different preferences and habits so it is not easy to make comments from one designer to another. We would also like to mention that Ecosign has worked in collaboration with Pheidias Project Management Corporation on two separate assignments. In 2005, Mr. Oberto Oberti contacted Ecosign to assist in preparing a new overall ski area and lift master plan for the Jumbo Glacier project. It became evident over time that the former proposal had far too many lifts with not enough skiing. We cut the number of lifts by roughly one-half for the Jumbo proposal and also commented that the ski capacity was far in excess of the capacity of the proposed village with just 2,000 beds.

In 2008, Kicking Horse Mountain Resort hired Ecosign to prepare an update of the original master plan prepared by Pheidias Project Management because the original lift systems were very poorly planned and the ski area could not accommodate enough skiers to operate profitably. The Ecosign lifting plan is currently under review by the new



ownership Resorts of the Canadian Rockies. It is noteworthy that 1,500 beds have been developed at Kicking Horse but the new master plan has an allocation of 20,000 beds so that the resort has at least a chance to become economically sustainable in the future. Due to our long working relations with Mr. Oberti and the fact that different designers see through different coloured lenses, we would like to just make a few comments on the Technical Proposal for the benefit of CMH/Valemount and other stakeholders.

### **5.1 Size of Area**

The study area proposed includes a total 16,680 Ha. (41,215 Acs.). The proposed Controlled Recreation Area (CRA) encompasses 8,340 Ha. (20,608 Acs.) and the ski area set aside for First Nations encompasses 4,290 Ha. (10,600 Acs.). For comparison sake, the largest ski resort in North America is Whistler/Blackcomb. Whistler has a Controlled Recreation Area of 3,710 Ha. and Blackcomb 2,110 Ha. for a grand total of 5,820 Ha. This means that the combined CRA and First Nations area are 2.17 times larger than Whistler and Blackcomb combined.

We conclude that this is a very, very large resort development proposal.

### **5.2 Gondola Access from Airport**

We see a four section gondola travelling 2.5 km from the airport to a hotel near the golf course on top of a ridge, then it proceeds another 1.2 kilometers to the village center and another 2.5 km to a shoulder. A gondola 6 km in length with four stations will certainly cost in the order of \$25 to \$30 million. We only comment on this because it is not logical to us. Assuming the airport is improved substantially to handle Dash 8 aircraft and if we could get 16 planes per day we might have 70 persons per hour arriving at this airport. It would be far cheaper to pick the people up in a bus and drive fifteen minutes to the resort center than to build a \$25 million gondola to run empty. Same thing applies to connect to the golf course. Golf courses handle four people every ten minutes or so, forty person per hour. One does not need a \$25 million gondola with a capacity of 2,800 persons per hour to transport forty golfers per hour or 70 people per hour arriving by plane.

### **5.3 Access to the Glaciers**

The Technical Proposal shows five sections of what we assume are gondolas from the village up to the glaciers. Only the first section has return cycle skiing so this is a lift system built primarily for sight-seeing. It appears that sections 1, 2, 3 and 4 might be eight passenger monocable gondola systems. However, section 5 which is 4.5 km in length must span huge glaciers and massive ice falls so this by necessity will be a 3S (3 ropes) system similar to the Peak 2 Peak system linking Whistler and Blackcomb

Mountains which is 4.4 km and cost \$52 million in 2008/09. The total length of the gondola system from the airport to the glacier is 19 km horizontal on a map which will be very near to 20 km slope length given the vertical rises involved. One could easily imagine \$15 to \$20 million per section so the total cost going from the airport up to the glacier could easily reach \$130 million. The total time with transfers through the various stations would be about 1.5 hours in each direction.

#### **5.4 Glaciers**

From what we can see on Google Earth and the topographic maps we have studied very little of the skiing is on glaciers and the glaciers that can be reached are quite flat and boring. We question the wisdom of such a huge expense to reach such low value glacier skiing.

#### **5.5 Other Ski Lifts**

There are eleven other ski lifts illustrated ranging from 1 km up to 3 km in length with large verticals and there are in general one or two ski routes from the top stations of these lifts to the bottom station. We make no further comment other than that we would probably design the lifts and ski trails differently but that is the prerogative of Valemout Glacier Destination Ltd.

#### **5.6 First Nations Ski Area Expansion**

The Technical Proposal illustrates 4,290 Ha of land for “First Nations” Ski Expansion. This terrain lies in a broad, heavily glaciated valley with extremely steep slopes and avalanche chutes on all sides. We can see almost no commercial skiing on the First Nation Ski Area Expansion zone and we are confident that this area is not physically feasible for alpine skiing.

### **6.0 POLICY CONSIDERATIONS**

---

#### **6.1 Canoe Mountain Resort**

Ecosign Mountain Resort Planners Ltd. has worked in the Valemout area for quite a number of years, we know many people there and we feel the pain of those who have lost their jobs due to the downturn in the cyclical forest industry. It is for this reason that we have worked diligently to try to find “appropriately sized” tourism developments which can be supported by the existing population and annual flow of tourists. We have previously concluded and strongly support development of a boutique resort with a two section sight-seeing gondola 5.0 km in length at a cost of \$15 million supported by golf, hotel for tour busses and importantly sled in/out home sites for the very many

snowmobilers coming to British Columbia from our neighbouring Province of Alberta. Sunrise International Ltd. also believed in this project and commenced the new mountain project but have run into intransigence on the part of the British Columbia Resort Development Branch to alter the phasing of the development. Sunrise wishes to start with golf and some housing to build the project up more slowly. The Province of British Columbia, accordingly to the operator is demanding the gondola goes first or nothing at all. The developer has refused this heavy handed approach and the project is stalled.

## **6.2 Technical and Economic Feasibility**

Ecosign agrees with Pheidias Project Management Corporation that a massive resort featuring alpine skiing and sight-seeing appears possible on these lands. However, in our rough estimation it will require a minimum \$100 million to start the resort and probably \$500 million to reach the glaciers with sight-seeing aerial cableways in five sections. The Resort could never be sustainable with only 2,000 beds, more likely 20,000 to 30,000 beds are required. It is our recommendation that if a huge international investor is found and wishes to invest \$500 million that the area be designed to sustain itself over time with the appropriate number of public and private overnight accommodations to sustain the ski and year round tourism business. This will of course require proceeding under the BC Environmental Act which is the law in British Columbia

## **6.3 Existing Helisking Tenures**

Canadian Mountain Holidays currently operates two Heliskiing operations; CMH Valemout with a lodge near the airport and CMH Cariboos with a beautiful lodge just a 7 or 8 minute flight up the Canoe River. In Ecosign's opinion, it would be unwise for the Village of Valemout and/or the Province of British Columbia to threaten the many tourists and jobs brought to the region by CMH prior to having a resort area master plan, financial plan and market study be prepared by competent professionals. After that, a very, very substantial world-wide investor would be required. We at Ecosign have worked for the biggest and the best in more than 350 ski resorts in the world and we are confident that Intrawest, Vail Resorts or Skistar from Sweden would never consider an investment of this size in such a remote location. It just does not meet the test of common business sense.

## **6.4 The BC Ski Industry**

We also point to the existing condition of the BC ski industry. BC has grown tremendously from about 1.2 million skier days in 1978 up to 6.15 million skier visits in 2010/11. This growth was initiated by a very successful government program called the Travel Industry Development Subsidiary Agreement (TIDSA) which invested \$50 million into Whistler and other BC resorts improving access roads and building basic

infrastructure such as underground parking, sewer and water, electrical power etc. Accordingly to a study by Ecosign for the Canada West Ski Areas Association, the existing ski areas in British Columbia have the capacity to accommodate 18.85 million skier days annually. While this is too high of a figure because no one ever reaches 100% utilization, if we use a utilization of 45% the existing resorts could accommodate another two million skier visits. Furthermore, the existing ski areas can more than double their existing capacity. For example, Kicking Horse Resort has 1,500 beds developed and a master plan permit to develop 20,000. Sun Peaks Resort near Kamloops has developed 7,000 beds and has permission to develop 27,300 beds, so only about one-fourth developed. Revelstoke Resort launched their project into the Great Recession and is struggling financially with 100 unsold condos on the market.

We at Ecosign believe strongly in the future of the BC ski industry and we have been key participants in the design, development and progress of the ski industry during the past thirty-five years. We therefore recommend that prudence be brought to bear and that programs and support be implemented to fill our existing areas and raise the entire British Columbia ski industry to well above 10 million skier days on par with Colorado.

## **6.5 Conclusion**

There does appear to be suitable terrain and snow conditions to support a very large alpine ski area within the CRA proposed by Pheidias Project Management Corporation. However, much more work needs to be done to prepare an efficient and economically viable system of lifts and trails. The resort will need at least ten times more beds than currently proposed and we believe the initial investment must be at minimum about \$100 million rising to \$500 million before achieving the penultimate goal of reaching the glaciers.

Respectfully submitted,



Paul E. Mathews  
President

## Hunter, Bill FLNR:EX

---

**From:** Tommaso Oberti [toberti@pheidias.ca]  
**Sent:** Thursday, May 16, 2013 4:30 PM  
**To:** Hunter, Bill FLNR:EX  
**Subject:** Re: Valemount Communications Plan  
**Attachments:** 2388-BHunter-VGD\_CommunicationsPlan-May16-2013.pdf

**Categories:** Purple Category

Hi Bill.

Pls see attached.

---

**From:** Bill Hunter <[Bill.Hunter@gov.bc.ca](mailto:Bill.Hunter@gov.bc.ca)>  
**Date:** Thursday, 16 May, 2013 11:09 AM  
**To:** Tommaso Oberti <[toberti@pheidias.ca](mailto:toberti@pheidias.ca)>  
**Subject:** RE: Valemount Communications Plan

Tom,  
Could you please incorporate the following changes to your Communication Plan submitted on Apr 25<sup>th</sup>:

Dear Mr. Hunter,

We are writing on behalf of Valemount Glacier Destinations Ltd. (VGD) as their prime consultants and appointed agents to confirm the commitment of VGD to work in a cooperative spirit with existing operators during field studies for the Master Plan process.

~~As mentioned in our telephone conversations, I would like to reiterate that the basis for this plan is to provide a framework for courteous communications with the aim of minimizing disruptions to both the work required to prepare a Master Plan in accordance with the *All Seasons Resort Policy* and to the operations of overlapping license holders, where possible. It is not a contract, nor does it entail binding obligations.~~

In order to avoid potential conflicts VGD proposes the following precautions:

1. In winter and during operations by CMH, by Cariboo Snow Catskiing and Tours Ltd. (Cariboo), and by any other identifiable operators within the Study Area or work area holding a license, will notify the affected license holder operators with as much advance notice as possible with a minimum of two days' by facsimile or e-mail when planning to enter the proposed Study Area for studies by helicopter, airplane or snowmobile, and also when entering their respective license areas.

CMH Contact: CMH Cariboos Area Manager John Mellis (or his designate, at 250-566-9888). CMH Valemount Manager Dan Stoffel  
Emails: [JMellis@cmhinc.com](mailto:JMellis@cmhinc.com) and [dstoffel@cmhinc.com](mailto:dstoffel@cmhinc.com)  
Cariboo Snowcat Contact: Terry Cinnamon, phone: 250-566-9809; email: [eskiing@cariboocatskiing.com](mailto:eskiing@cariboocatskiing.com)

2. Aircraft pilots will be instructed to follow normal safety rules in terms of communications with other operators.

3. Experienced **and qualified** consultants will be employed on-site and when prudent, fieldwork will be carried out with experienced local guides who will endeavour to avoid conflicts and risks.  
April 25, 2013

4. When feasible, the opportunity to use equipment and personnel available through CMH and Cariboo will be explored.

5. In summer, aircraft use will follow the same precautions as winter when there is the potential of conflict with operations by CMH and Cariboo and any other licensed operator, but no notification will be made for field work done by hiking or by use of existing forestry roads.

6. VGD will ask CMH and Cariboo and other known licensed operators to be kept informed of their seasons, license area boundaries and operations as well as any other relevant changes and issues that may have arisen in the previous operating season(s) so that good planning may be made to avoid potential conflicts.

In addition to conversations with area residents and local backcountry users and operators, we have reviewed the *CMH Commercial Recreation Management Plan for CMH Cariboos* (1999), the *Commercial Mechanized Ski Guiding Management Plan for CMH Cariboos and CMH Valemount* (2005), and the *Alpine Country Rentals Ltd. Commercial Recreational Management Plan ATV Touring Snowmobile Touring* (2008) to familiarize ourselves with the CMH and Cariboo Snowcat Skiing operations and management planning. Based on prior experience, we expect conflicts, if any, to be minimal.

We trust that the above precautions will be of assistance in order to work in a cooperative manner.

With kind regards,

I'll call you to discuss these edits, Tom.

Cheers,  
Bill

---

**From:** Tommaso Oberti [<mailto:toberti@pheidias.ca>]

**Sent:** Thursday, April 25, 2013 11:11 AM

**To:** Hunter, Bill FLNR:EX

**Cc:** Terry Cinnamon; John Mellis; Danny Stoffel; Dave Butler; Stephen M. Leahy

**Subject:** Valemount Communications Plan

Hello Bill,

Please see the attached letter outlining the precautions we plan to take to ensure good communications with existing license holders. I've made a few revisions since the first draft based on some of the feedback I've received.

Best regards,

Tom

Tommaso Oberti  
Vice President

--

**Pheidias Project Management Corp.**  
*Development Management & Design*

660 - 1188 West Georgia Street  
Vancouver, BC V6E 4A2  
[www.pheidias.ca](http://www.pheidias.ca)

Tel: 604.662.8833  
Fax: 604.662.7958

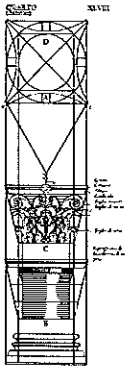
**CAUTION:**

This message is confidential. It may also be privileged. If you have received it by mistake, please let us know by email reply and delete it; you may not copy or disclose its contents to anyone. Our work is copyrighted and may not be modified, repurposed or distributed without prior written authorization by us. Please note the integrity of email cannot be guaranteed on the Internet. Thank you.

## **pheidias project management corporation**

660 -- 1188 West Georgia Street  
Vancouver, BC V6E 4A2 Canada

t: 604-662-8833 f: 604-662-7958  
www.pheidias.ca



May 16, 2013

Bill Hunter, Manager, Major Projects, Resort Development Branch  
Ministry of Forests, Lands and Natural Resource Operations  
510-175 2<sup>nd</sup> Avenue  
Kamloops, BC  
V2C 5W1

### **Re: VGD Communications Plan**

Dear Mr. Hunter,

We are writing on behalf of Valemount Glacier Destinations Ltd. (VGD) as their prime consultants and appointed agents to confirm the commitment of VGD to work in a cooperative spirit with existing operators during field studies for the Master Plan process.

In order to avoid potential conflicts VGD proposes the following precautions:

1. In winter and during operations by CMH, by Cariboo Snow Catskiing and Tours Ltd. (Cariboo), and by any other identifiable operators within the Study Area or work area, will notify the affected operator with as much advance notice as possible with a minimum of two days' by facsimile or e-mail when planning to enter the proposed Study Area for studies by helicopter, airplane or snowmobile, and also when entering their respective license areas.

CMH Contact: CMH Cariboos Area Manager John Mellis or his designate, at 250-566-9888. CMH Valemount Manager Dan Stoffel. Emails: JMellis@cmhinc.com and dstoffel@cmhinc.com

Cariboo Snowcat Contact: Terry Cinnamon, phone: 250-566-9809; email: cskiing@cariboocatskiing.com

2. Aircraft pilots will be instructed to follow normal safety rules in terms of communications with other operators.
3. Experienced and qualified consultants will be employed on-site and when prudent, fieldwork will be carried out with experienced local guides who will endeavour to avoid conflicts and risks.
4. When feasible, the opportunity to use equipment and personnel available through CMH and Cariboo will be explored.

.../2



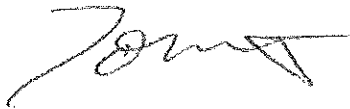
5. In summer, aircraft use will follow the same precautions as winter when there is the potential of conflict with operations by CMH and Cariboo and any other licensed operator, but no notification will be made for field work done by hiking or by use of existing forestry roads.
6. VGD will ask CMH and Cariboo and other known licensed operators to be kept informed of their seasons, license area boundaries and operations as well as any other relevant changes and issues that may have arisen in the previous operating season(s) so that good planning may be made to avoid potential conflicts.

In addition to conversations with area residents and local backcountry users and operators, we have reviewed the *CMH Commercial Recreation Management Plan for CMH Cariboos* (1999), the *Commercial Mechanized Ski Guiding Management Plan for CMH Cariboos and CMH Valemount* (2005), and the *Alpine Country Rentals Ltd. Commercial Recreational Management Plan ATV Touring Snowmobile Touring* (2008) to familiarize ourselves with the CMH and Cariboo Snowcat Skiing operations and management planning. Based on prior experience, we expect conflicts, if any, to be minimal.

We trust that the above precautions will be of assistance in order to work in a cooperative manner.

With kind regards,

**Pheidias Project Management Corporation**



Per: Tommaso Oberti, Vice-President

cc: Mr. Stephen Leahy, Chairman of the Board, Valemount Glacier Destinations Ltd.