

**MEDIA BACKGROUNDER
THE LAND CONSERVANCY OF BC
October 2013**

The Land Conservancy of BC (TLC) has been instrumental in preserving historic, natural and cultural properties across BC. Founded in 1998, TLC is the only membership-driven land trust in British Columbia and has played a unique role in saving places the public cares deeply about.

In the past 15 years, TLC has raised \$75 million and leveraged a further \$100 million to protect more than 130,000 acres of precious land in the province. This is equivalent to 130 Stanley parks, or more than 700 Beacon Hill Parks.

TLC has negotiated protective covenants for more than 300 properties in BC. The vast majority of these have been transferred to third parties for on-going management and care. TLC currently owns and manages 50 properties in BC and monitors more than 250 covenants on these and other properties, all within BC.

In the past, TLC has acquired properties without endowment funds to manage them, relying upon donors to provide the funds necessary to manage the properties. As a result of economic factors, donations did not materialize at historic and anticipated levels, and TLC therefore found it necessary to borrow funds to manage the properties. TLC now has \$7.5 million in short and long term debt.

In May 2012, after two years of cost cutting measures, TLC was not able to pay its creditors, lenders and suppliers, including the Canada Revenue Agency (CRA) and Employment Standards. The former Executive Director retired and the volunteer Board of Directors took over the management of the organization.

The TLC Board established a working group with senior staff and has adopted the following objectives:

1. Save as many of the properties held as possible;
2. Pay off debts;
3. Reduce the number of properties held by TLC by transferring/selling to alternative owners preferably and where appropriate with protective covenants;
4. Further reduce TLC operational costs to the level of reliable small donations from members and supporters.

These remain TLC's objectives. The fourth objective has generally been achieved. Average monthly cash in is \$101K, cash out \$98K.

The TLC Board has been working for the past year to find a resolution to the organization's financial challenges, working within the limits of the BC Charitable Purposes Preservation Act (CPPA). The Board determined that the terms of the Charitable Purposes Preservation Act may prevent the organization from selling properties, even with covenants in place. The Board remains committed to finding a solution that will achieve its four objectives.

Through the Summer and Fall of 2013, working with legal counsel, TLC determined the best path to a definitive solution was to file under the federal Companies' Creditors Arrangement Act (CCAA), which, under the oversight of an independent Monitor and the supervision of a judge of the BC Supreme Court, allows TLC a period of time under creditor protection to re-structure, re-allocate properties and associated costs, pay its creditors and retain only those properties which can be properly looked after within a realistic budget.

TLC sought and was granted protection under CCAA on October 7, 2013.

TLC's primary mandate is to benefit the community by protecting habitat for natural communities of plants and animals. This primary purpose will guide the organization through the CCAA process.

TLC is committed to keeping its membership informed as it goes through this restructuring process.

ABOUT CCAA

The Companies' Creditors Arrangement Act (commonly referred to as the "CCAA" or the "CC, double A") is a Federal Act that allows financially troubled corporations and other organizations the opportunity to restructure their affairs. By allowing the debtor to restructure its financial affairs, through a formal Plan of Arrangement under the supervision of a Monitor and the Court, the CCAA presents an opportunity for the company to avoid bankruptcy and allows creditors the best possibility of recovering payment for amounts owing to them by the debtor.