

Celebrating Success in Conservation

Like the fresh seedlings emerging from B.C.'s warming ground, the increased light of spring has sparked TLC's blossoming resurgence.

On April 2, 2015, TLC's Plan of Arrangement, as agreed upon by TLC and our creditors, was approved by the Supreme Court of B.C.

The Plan will see all creditors paid in full through three stages of repayment.

The creation of the Plan, this past fall and winter, has been an epic labour for all involved. In order to satisfy our Members that we would find the best homes for the properties we can no longer continue to own and meet our financial obligations to creditors, it was necessary to complete our due diligence.

This process has included meeting with communities that are invested in preserving our properties, like the Ross Bay Villa Society or the Friends of Maltby Lake Watershed Society, to find the best solutions possible. You can read more about the approved Plan of Arrangement on Page 2 of this LANDmark.

The partnerships we have been fostering these past months will shape TLC's future.

The Board of Directors and I have been working to ensure the organization will have a thriving future upon completion of the *Companies' Creditors Arrangement Act* (CCAA) process. A pillar of this new model are the partnerships with other groups to further the Trust movement as a whole. For further details regarding the future of the organization I encourage you to read Briony Penn's message on Page 4.

As this LANDmark goes to print we are finalizing discussions with the Capital Regional District (CRD) regarding TLC's three properties at the Sooke Potholes. We are optimistic that TLC's parcels will be transferred to the CRD, ensuring that the Sooke Potholes Regional Park remains intact for the public to enjoy. The CRD will be continuing TLC's discussions with the T'Sou-ke First Nations regarding the operation of the campground.

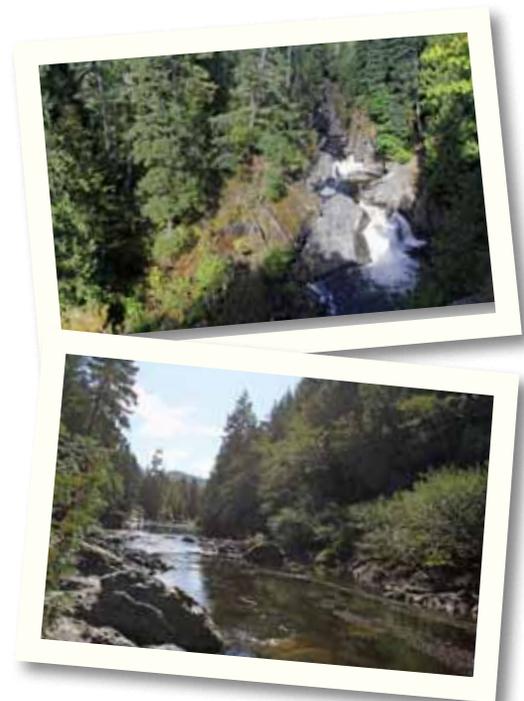
With spring comes the return of two important programs TLC facilitates; the Covenant Program and the opening of Abkhazi Garden for the season. These two programs offer opportunities for those looking to get involved in the work that TLC accomplishes on the ground.

The Covenant Program, the means by which TLC protects more than 200 properties across B.C., has openings for monitoring volunteers. These volunteers learn from experienced monitors to protect special places across the province. Last year TLC monitored 4,028 hectares of land to ensure the protection of important habitat for B.C.'s many wild creatures.

We are always looking for new volunteers to join the team at Abkhazi Garden. Though the Teahouse is run by independent restaurateurs, the garden is cared for by loyal volunteers.

Monks Point is once again open for cottage bookings through Tofino Vacation Rentals. The site now boasts a Tla-o-qui-aht carver who is crafting a traditional canoe in the boat house.

We strive to keep our Members informed throughout the completion of the CCAA



Discussions continue with the CRD regarding TLC's Sooke Potholes properties. Photo credit Jill Patterson.

process. For the most current information please visit our website, send us an email, or give us a call with your questions.

I wish to express my sincerest gratitude to the Members of TLC that have continued to support the organization. It is because of your support that we have been able to protect the hundreds of thousands of acres of Special Places across B.C.

With your ongoing support of our innovative ways to protect properties, TLC will continue to protect places of lasting importance. Again, thank you.

John Shields
Director of Operations

Plan of Arrangement Approved by Supreme Court

In the 18 months since The Land Conservancy of B.C. (TLC) filed for protection under the *Companies' Creditors Arrangement Act* (CCAA) the organization has been fighting to achieve its goal to pay all creditors to the greatest extent while ensuring the protection of TLC properties.

On April 2, 2015, TLC took a massive leap forward towards that goal. The Supreme Court of B.C. approved the Plan of Arrangement as agreed upon by TLC and its creditors. The Plan is the instrument CCAA provides to seek creditor and Court agreement on how the organization will pay its debts.

The Plan of Arrangement will resolve TLC's financial obligations to creditors over 18 months.

The Plan will see secured creditors paid in full, have their secured debt assumed by a third party, or receive the mortgaged property in settlement of their secured debt, within six months.

According to the Plan, unsecured creditors will receive 100% pay-out of their debts in three tranches within 18 months.

To be accepted by the Court, a majority of the voting creditors representing two thirds of the total value of claims had to approve the Plan. The vote took place on March 30, 2015. The vote demonstrates creditors' overwhelming support of the Plan.

Creditors have generously offered to donate more than one million dollars of TLC's debt to support the organizations mission to protect properties.

"I am gratified that our recommendation to pay all our obligations in full was endorsed by such a strong vote of the creditors," said John Shields, Director of Operations for TLC. "The plan recognizes TLC's commitment to pay the creditors back, and to ensure that the properties are fully protected as well."

"The patience, flexibility and generosity of the creditors was a critical part of the success of this Plan being accepted," said Briony Penn, Chair of TLC's Board.

In their 13th Report to the Court, the Court appointed Monitor confirmed that the "Plan provides for maximum conservation and protection" of the properties TLC intends to transfer. The Report went on to say that the Monitor considered the "Plan to be fair and reasonable."

TLC's Plan outlines a multi-faceted approach to eliminating the debt. It includes innovative solutions such as density transfers, specified donations,

heritage revitalization agreements, mortgage transfers, and partnership agreements with other Land Trusts and Societies.

Since TLC's last LANDmark, Keating Farm, Eagle Bluff, and a property in Sechelt transferred to new owners.

On April 2, the Supreme Court of B.C. approved TLC's latest sale, a portion of TLC's 35% undivided interest in Maltby Lake in Saanich. The purchasers are Woody and Carmel Thomson, family of the original donor, who wish to see the environmentally sensitive land protected.

The transfer will see the original donor's intentions upheld and the site protected.

The Plan of Arrangement is dependent on the continued sale or transfer of many of the properties TLC currently owns.

The Board and staff have been working to ensure that any property transferred has the highest level of protection possible. Some of TLC's conservation properties will be transferred to other conservation organizations, while others will be sold to private individuals with covenants on title restricting development or use of the site.

The next six months will see the first stage of the Plan implemented and all secured creditors satisfied. This will mean that TLC will no longer have outstanding mortgages on any of the remaining properties.

TLC is currently in discussions with the Capital Regional District (CRD) regarding transferring TLC's three parcels at the Sooke Potholes. This transfer will ensure that the Sooke Potholes Regional Park remains intact for the public to enjoy. The CRD will be continuing TLC's discussions with the T'Sou-ke First Nations regarding the operation of the campground.

"We are thrilled that the Potholes will



Above: The 12 townhouse densities zoned on Abkhazi Garden will be sold to protect the garden from being developed. Photo credit Dennis Robinson.



Right: TLC is currently in discussions with the District of Tofino regarding the potential transfer of Monk's Point with a covenant on title protecting the property from development. Photo credit Ben Kangasniemi.

remain protected and that the CRD will be continuing our discussions with the T'Sou-ke First Nations regarding operating the campground," said John Shields, TLC's Director of Operations. "This recognizes the important connection the band has to the land."

In Victoria, Ross Bay Villa will be transferred to the Ross Bay Villa Society, a group of volunteers who have spent years restoring the site, in exchange for a contribution to pay out the existing mortgage.

TLC is pleased to be working with The Nature Conservancy of Canada and The Nature Trust of British Columbia to protect many of TLC's ecologically sensitive lands. The Plan of Arrangement includes the transfer of 28 conservation properties to the two Land Trusts for protection.

Hardy Mountain Doukhobor Village in Grand Forks will be transferred to the Regional District of Kootenay Boundary. A heritage bylaw was previously passed by the Regional District, further protecting the site.

In Tofino, TLC is continuing discussions with the District of Tofino regarding Monks Point.

TLC's 50% undivided interest in an 80 acre property on the Chemainus River will be transferred to the Cowichan Valley Regional District.

One of TLC's mortgages holders on the Qualicum Bat House has been asked to accept the property in full consideration of their secured debt. The property contains a small derelict house which is used by endangered Townsend bats. The bat colony on site is protected under the Wildlife Act and plans have been prepared by the B.C. Wildlife Branch to create an alternative structure.

The second phase of the Plan will include the transfers or sales of Lohbrunner Farm, Wildwood Ecoforest, and the remaining 6% interest in Maltby Lake. TLC's Board of Directors are currently in ongoing discussions regarding these properties.

The final phase of the Plan, to be completed by October 2016, includes the transfer of 12 townhouse densities from Abkhazi Garden. The Garden will continue to be owned and operated by TLC and will receive heritage designation from the City of Victoria.

With the assistance of the Historic Joy Kogawa House Society, an organization that has partnered with TLC to protect the site since 2005, TLC is pursuing the application for a Heritage Revitalization Agreement with the City of Vancouver. TLC will receive a contribution to repay the last of its unsecured creditors and the Society will receive ownership of the house as well as funds for needed restoration.

The existing stay of proceedings against TLC under the CCAA will continue until the filing of the certificate of completion by the Monitor or until the Court otherwise orders.

Upon completion of the Plan of Arrangement TLC will continue to own Abkhazi Garden and Madrona Farm, and hold more than 200 covenants throughout British Columbia.

For further details on the Plan of Arrangement visit conservancy.bc.ca or contact TLC's office at 1-877-485-2422 or admin@conservancy.bc.ca. ■



The Historic Joy Kogawa House will be transferred to a local organization, the Historic Joy Kogawa House Society, along with funds for necessary restoration. Photo credit Tamsin Baker.



Ross Bay Villa will be transferred to the hard-working volunteer Society. Photo credit Deborah Hudson.



Talking Mountain Ranch is one of 28 properties being transferred to other Land Trusts for protection. Photo credit Barry Booth.



The sale of a portion of TLC's interest in Maltby Lake was approved by the Supreme Court. Photo credit Dennis Kangasniemi.

The Future of Our Organization

Briony Penn, Chair of TLC's Board of Directors, has worked as a consultant to land trusts for biological inventory, communications, and environmental education. She is a writer, researcher, broadcaster, journalist, lecturer, and artist.

The Board and I wish to celebrate the massive milestone TLC has just achieved: as of April 2, 2015, we have a Plan of Arrangement approved by the Supreme Court of B.C. and creditors.

Our Plan will accomplish what we set out to do when we filed for protection under the CCAA; we have found a way to resolve the organization's long-standing financial problems while ensuring the protection of all the properties.

Of course dealing with our debt is only one aspect of this goal. We must also have a strategy for restructuring so that TLC is sustainable into the future.

TLC is going back to its roots - protecting special places across B.C. - but with new operating procedures. We will no longer mortgage properties to bridge financing. Funds for a project will be raised in other ways. Although removing the capacity to mortgage removes one of the tools available, we have learned a great deal about other less risky means to ensure conservation of land. Using planning tools like density transfers, heritage revitalization agreements, covenants, and establishing a revolving acquisition fund will give us the ability to act quickly but with less risk. Part of our due diligence was to explore best practices and innovations for land trusts around the world and that is where we are steering our course.

The decision to hold fewer properties and concentrate on covenants is a result of our fiscal reform. When I travelled to New Zealand to visit the land trusts there, they had run into similar problems holding properties over a wide geographical area with a relatively small population to draw membership from. They had to get smarter

about how land was managed. Covenants provide a mechanism to ensure that conservation values will flow with the title of the land, regardless of the owner.

With ecologists and climate change scientists like Jim Pojar and Richard Hebda urging us that "nature needs half" to halt the worst impacts of climate change, we need to get smart about spreading responsibility across as many stewards as possible. We can't do it alone and TLC is now poised to assist others using our expertise. The Board are cognizant that there is so much to be gained by collaborating with the original stewards of British Columbia, e.g., TLC had a negotiation role in the Koeye property as a children's nature and culture camp near Bella Bella.

None of these approaches to acquiring and passing on lands are new to TLC. Thousands of hectares (and over 300 properties) have been saved and passed to local government, the province and other institutions over the years. This is the legacy for which our members can be most proud. We will continue to partner with others, especially local communities, in any future acquisitions, and see those communities hold the land titles, while TLC will hold covenants for continued protection. Furthermore, we will engage a rigorous selection process to guarantee that we do not overextend ourselves.

Our Covenant Program, the means by which we protect more than 4200 hectares of habitat throughout B.C., will remain a vital pillar of our organization. With each new property the organization protects receiving a covenant, we will efficiently use funds for regular monitoring.

With the Plan behind us, the Board has finally been able to go back to policy and setting priorities for our values and aspirations. We went back to our mandate and looked at it carefully to see where we wanted to spend our resources. One of the biggest hopes of the Board was that TLC could play a larger role in connecting communities to nature for educational purposes. It is after all at the top of the list of our constitution. The disconnect from nature —of children especially— is of huge concern to us and increasingly to society. British Columbians have always had a culture of nature and we will only maintain that culture of conservation if families have access to nature.

By continuing to operate in a transparent manner with an emphasis on partnerships, TLC will not only stabilize our organization's future, but will further the Land Trust movement.

At the end of the day it is to you, TLC's Members, that we are accountable.

Our last fiscal year's financial statements are on our website. The 2014-2015 statements will be made available for our next AGM.

On behalf of the Board, I want to thank you for your support and encouragement over these last few years. When times have been difficult your words have kept us from giving up, knowing that we are not in this alone. Our Membership has stood behind us on our mission to fulfill our moral obligation of protecting the properties we have spent years acquiring.

We hope you will continue to communicate with us. We welcome your thoughts and feedback on TLC's future. ■

Board of Directors

Mel Lehan ■ Fred Newhouse ■ Bill Pearce
Briony Penn ■ Francis Pugh ■ Lori Roter ■ Tom Watson

TLC is honoured to be the recipient of donations in memory of:

Lorie Bennett, Robin Edwards, Else Lang, John Hacault, Bob Handfield, Halina Hebda, John and Ruth McLoughlin, Gerhard Smith, and Isabel Straith