

AGREEMENT

THIS AGREEMENT IS DATED DECEMBER 18, 1998 AND IS BETWEEN

TIMBERWEST FOREST CORP. (Incorporation No. 0535950), a company duly incorporated under the *Company Act*, having its registered office at 2300 - 1055 West Georgia Street, Vancouver, British Columbia V6E 3P3

(the "Company")

AND

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Ministers of Forests and of Environment, Lands and Parks, Parliament Buildings, Victoria, British Columbia V8V 1X4

(the "Province")

WHEREAS:

- A. The Company is the agent of Pacific Forest Products Limited, TFL Forest Ltd., TimberWest Forest I Limited, TimberWest Forest II Limited and TimberWest Forest III Limited.
- B. Pacific Forest Products Limited and TimberWest Forest I Limited are collectively the registered owners in fee simple of the Company Land.
- C. The Province is the owner in fee simple of the Provincial Land.
- D. The Province has agreed to acquire the Company Land and the Company has agreed to acquire the Provincial Land.
- E. The Province and the Company have agreed to cause the removal of certain Crown land and private land from Tree Farm Licenses 46 and 47, which licenses are held by TFL Forest Ltd.
- F. In order to facilitate, inter alia, the transactions referred to above, the parties have agreed to enter into this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants contained in this Agreement the parties agree as follows:

ARTICLE I - DEFINITIONS

1.01 In this Agreement,

"Block 169 Lands" means the lands described in Schedule "A";

"Company Land" means, collectively, the Divers/Rossiter Lake Lands, Haley Lake Lands, Cowichan River Corridor Lands, San Juan Estuary Lands and Block 169 Lands;

"Company Land Permitted Encumbrances" means all charges, encumbrances, legal notations, miscellaneous notes and E & N reservations and exceptions registered against title to the Company Land as of the date of this Agreement, and the interests described in sections 23(1)(a) and (e) of the *Land Title Act* and aboriginal rights or title, if any, existing over the Company Land as of the date of this Agreement and unregistered permits and licenses relating to the San Juan Estuary Lands and Divers/Rossiter Lake Lands disclosed to the Province prior to the date of this Agreement;

"Cowichan River Corridor Lands" means the lands described in Schedule "B";

"Crown Grant" means a Crown grant in fee simple of the Provincial Land in favour of the designate or designates of the Company designated in writing by the Company in accordance with section 7.08;

"Differential Amount" means \$500,000;

"Divers/Rossiter Lake Lands" means the lands described in Schedule "H";

"First Completion Date" means January 15, 1999, provided that if the Land Title Office is not accepting applications that day the land transactions contemplated by this Agreement to occur on that day will be completed on the next day that office is accepting applications;

"Forest Practices Covenant" means a covenant or covenants granted in favour of the Province registrable under section 219 of the *Land Title Act* in the form attached as Schedule "M" by the registered owners of the lands, other than any of the Company Land, which are the subject of the TFL 46 Deletions and the TFL 47 Deletions;

"Garibaldi Lands" means the lands described in Schedule "P";

"G.S.T." means the goods and services tax imposed under the *Excise Tax Act* (Canada);

"Great Central Right of Way Lands" means the lands described in Schedule "Q";

"Guidelines" means the guidelines established by the Province concerning consultation on aboriginal rights and title and all revisions or replacement of such guidelines;

"Haley Lake Lands" means the lands described in Schedule "C";

"Heber River Exchange Lands" means such portion of the lands described in Schedule "J" as the parties agree as contemplated to section 5.03(b);

"Heber River TSA Lands" means such portion of the lands described in Schedule "I" as the parties agree as contemplated by section 5.03(b);

"Horne Lake Lands" means the lands described in Schedule "R";

"Land Title Office" means the Victoria Land Title Office;

"Lot 87 Lands" means the lands described in Schedule "E";

"Lot 87 Deletion" means the deletion of the Lot 87 Lands from Tree Farm License 46;

"Minister of Forests" means the minister responsible for the *Forest Act*;

"Pacific" means Pacific Forest Products Limited (Inc. No. 555732);

"Provincial Land" means collectively, the Ranald Creek Lands, Heber River TSA Lands, Heber River Exchange Lands, Tsolum Block Lands and Sooke Dry Land Sort Lands (or any lands substituted therefor under section 4.06), provided, however, such land does not include any land below the natural boundary (as that term is defined in the *Land Act*) of a body of water;

"Provincial Land Permitted Encumbrances" means those liens, charges and encumbrances listed in Schedule "O";

"Ranald Creek Lands" means, subject to section 5.03(b), the lands described in Schedule "K";

"San Juan Estuary Lands" means lands described in Schedule "D";

"Second Completion Date" means the 30th day following the waiver or satisfaction of the conditions precedent set out in sections 5.02, 5.03 and 5.04 or such other day as the parties agree in writing, provided that if the Land Title Office is not accepting applications that day the land transactions contemplated by this Agreement to occur on that date will be completed on the next day that office is accepting applications;

"Sooke Dry Land Sort Lands" means the lands described in Schedule "L";

"TimberWest I" means TimberWest Forest I Limited (Inc. No. 440252);

"Transfer" means a transfer of the freehold estate, in fee simple, as prescribed under the *Land Title Act*, to the Province (or in the case of the Block 169 Lands, to a third party to whom the Company is directed in accordance with section 7.01(e) to cause such lands to be transferred);

"Tsolum Block Deletion" means the deletion of the Tsolum Block Lands from Tree Farm License 47;

"Tsolum Block Lands" means the lands described in Schedule "S";

"TFL 46 Deletions" means the removal of all private land from Tree Farm License 46 except the lands described in Schedule "F";

"TFL 47 Deletions" means the removal of all private land from Tree Farm License 47 except the lands described in Schedule "G"; and

"Watershed Protection Covenant" means the covenants granted in favour of the Province registrable under section 219 of the *Land Title Act* in the forms attached as Schedule "N".

1.02 Schedules

- A Block 169 Lands
- B Cowichan River Corridor Lands
- C Haley Lake Lands
- D San Juan Estuary Lands
- E Lot 87 Lands
- F TFL 46 - Private Lands Remaining
- G TFL 47 - Private Lands Remaining
- H Divers/Rossiter Lake Lands
- I Heber River TSA Lands
- J Heber River Exchange Lands

K	Ranald Creek Lands
L	Sooke Dry Land Sort Lands
M	Forest Practices Covenant
N	Watershed Protection Covenant
O	Provincial Land Permitted Encumbrances
P	Garibaldi Lands
Q	Great Central Right of Way Lands
R	Horne Lake Lands
S	Tsolum Block Lands
T	Timber Mark Letter

ARTICLE II - LAND TRANSACTIONS

2.01 Subject to the terms and conditions of this Agreement,

- (a) the Company will cause to be sold and transferred to the Province (or in the case of the Block 169 Lands to a Third Party (defined herein) to whom the Company is directed in accordance with the direction referred to in section 7.01(e) to cause such lands to be transferred) the Company Land free and clear of all liens, charges and encumbrances, except for the Company Land Permitted Encumbrances;
- (b) the Province will transfer to the designate or designates of the Company (designated in accordance with section 7.08) the Provincial Land free and clear of all liens, charges and encumbrances, except for the Provincial Land Permitted Encumbrances;
- (c) the parties will cause to be completed the TFL 46 Deletions, the TFL 47 Deletions, the Lot 87 Deletion and the Tsolum Block Deletion;
- (d) the Province will pay the Differential Amount to the Company; and
- (e) the Company will cause the Watershed Protection Covenant and the Forest Practices Covenant to be granted to the Province subject to no prior registered financial encumbrances, options to purchase, leases or options to lease.

2.02 The Province and the Company acknowledge and agree that the aggregate value of the Provincial Land, the TFL 46 Deletions, the TFL 47 Deletions and the Differential Amount is and will be equal to the aggregate value of the Company Land and the Lot 87 Deletion.

2.03 In respect of the transactions contemplated by this Agreement to occur on the First Completion Date, the Province and the Company acknowledge and agree

that the aggregate value of the TFL 46 Deletions, the TFL 47 Deletions and \$26,000 of the Differential Amount is and will be equal to the aggregate value of the Block 169 Lands, the Cowichan River Corridor Lands, the San Juan Estuary Lands, the Haley Lake Lands and the Lot 87 Deletion, subject to sections 4.02 to 4.04.

- 2.04 In respect of the transactions contemplated by this Agreement to occur on the Second Completion Date, the Province and the Company acknowledge and agree that the aggregate value of the Provincial Land and \$474,000 of the Differential Amount will be equal to the Divers/Rossiter Lake Lands, subject to sections 4.02 and 4.04.
- 2.05 The Province and the Company acknowledge and agree that the values of the Provincial Land, the TFL 46 Deletions, the TFL 47 Deletions, the Company Land, the Lot 87 Deletion and the Differential Amount are as follows:

First Completion Date Transactions

	<u>Value</u>
Provincial Consideration	
TFL 46 Deletions and	
TFL 47 Deletions	\$9,508,000
Portion of Differential Amount	<u>26,000</u>
Total	\$9,534,000
Company Consideration	
Company Land	
Block 169 Lands	\$4,411,000
Cowichan River Corridor Lands	1,195,000
Haley Lake Lands	2,515,000
San Juan Estuary Lands	1,113,000
Lot 87 Deletion	<u>300,000</u>
Total	\$9,534,000

Second Completion Date Transactions

Provincial Consideration	
Provincial Land	\$8,858,000
Heber River Exchange Lands (tba*)	
Heber River TSA Lands (tba*)	
Ranald Creek Lands (tba*)	
Sooke Dry Land Sort Lands (tba*)	
Tsolum Block Lands (tba*)	
Portion of Differential Amount	<u>474,000</u>
Total	\$9,332,000
(* see sections 5.03(b), 5.03(c) and 5.05 to 5.09)	
Company Consideration	
Divers/Rossiter Lake Lands	<u>\$9,332,000</u>
Total	\$9,332,000

- 2.06 For the purposes of this Agreement, the parties attribute no value to the Tsolum Block Deletion.

ARTICLE III - TAXES, ADJUSTMENTS AND OTHER COSTS

- 3.01 The Province will pay all registration charges, *Property Transfer Tax Act* tax and all other taxes and charges payable upon the transfer of the Company Land to the Province.
- 3.02 The Province will pay all registration charges, *Property Transfer Tax Act* tax, and all other taxes and charges except G.S.T. payable upon the transfer of the Provincial Land to the Company.
- 3.03 The Company Land is being acquired by the Province for use by the Province and the acquisition is not subject to G.S.T. (the Province's G.S.T. registration number is R107864738).
- 3.04 The Company will cause the grantee or grantees of the Crown Grant or Crown Grants (or their parent company), as the case may be, to account to the Receiver General (Canada) in accordance with the *Excise Tax Act* (Canada) for the G.S.T. payable upon the transfer of the Provincial Land to it or them, as the case may be, and the Company will cause such grantee or grantees (or their parent company) to deliver to the Province, a certificate, in form and substance acceptable to the Province, certifying that at the date of the Crown Grant or

Crown Grants, the grantee or grantees (or their parent company) will be G.S.T. registrants.

- 3.05 Adjustments as to taxes or any other matters normally adjusted between a vendor and purchaser on the sale of real property in British Columbia, will be made between the parties with regard to the sale and transfer of the Company Lands as contemplated by this Agreement as of 12:01 a.m. on the First Completion Date in respect of the Block 169 Lands, Cowichan River Corridor Lands, Haley Lake Lands and San Juan Estuary Lands and as of 12:01 a.m. on the Second Completion Date in respect of the Divers/Rossiter Lake Lands, provided that if any sale and transfer of land is delayed under this Agreement, such adjustments will be made as of 12:01 a.m. on the actual date of sale and transfer.
- 3.06 On the First Completion Date, the Province will deliver to the Company, the adjustments, if any, required to be paid to the Company in accordance with the statement of adjustments referred to in subsection 7.01(b), together with \$26,000.00 of the Differential Amount.
- 3.07 On the Second Completion Date, the Province will deliver to the Company the adjustments, if any, required to be paid to the Company in accordance with the statement of adjustments referred to in subsection 7.04(c), together with \$474,000.00 of the Differential Amount.
- 3.08 Nothing in this Agreement affects in any way the right of the Company or any company for whom it is acting as agent under this Agreement to retain the entire amount of any rebate of property taxes rebated in any property tax appeal pursued by the Company or its principals.

ARTICLE IV - PHASES

- 4.01 Subject to sections 4.02, 4.03 and 4.04, on the First Completion Date,
 - (a) the Province and the Company will effect the TFL 46 Deletion and the TFL 47 Deletion (the aggregate value of which is \$9,508,000);
 - (b) the Province will pay \$26,000 of the Differential Amount to the Company;
 - (c) the Company will cause to be sold and transferred to the Province the Cowichan River Corridor Lands, the San Juan Estuary Lands and the Haley Lake Lands (the aggregate value of which is \$4,823,000);
 - (d) the Company will cause the Block 169 Lands (the value of which is \$4,411,000) to be sold and transferred to the Province or, as directed by

the Province, to a third party ("Third Party"), the latter on the following terms:

- (i) the terms of this Agreement relating to the Block 169 Lands, including without limitation, payment of any property transfer taxes and G.S.T., remain in full force and unamended notwithstanding such transfer and giving of possession to the Third Party, and a transfer to the Third Party is in satisfaction of the Company's and Pacific's obligations with respect to the Block 169 Lands;
- (ii) prior to or concurrent with such transfer, the Province has caused the Third Party to agree and acknowledge, in writing, with the Company and Pacific that:
 - A) the Third Party is purchasing the Block 169 Lands from the Province and not the Company nor Pacific;
 - B) the Third Party has no agreement with the Company or Pacific to acquire the Block 169 Lands, and acquires no rights, title or Claims (meaning any and all claims, demands, liabilities, losses, damages or expenses) against the Company or Pacific by virtue of or in connection with Pacific's transfer of the Block 169 Lands to the Third Party save for the actual transfer to it;
 - C) the Third Party, for itself and its successors and assigns, irrevocably waives and releases and indemnifies and saves harmless the Company and Pacific from any and all Claims by the Third Party, its successors and assigns, for, or by reason of, or in connection with the Block 169 Lands or the transfer of it to the Third Party;
 - D) the Third Party has the power and authority to enter into such agreement and to carry out its obligations therein; and
 - E) the Third Party shall deliver to the Province, the Company and Pacific a certificate, in form and substance satisfactory to them, certifying that the Third Party is and will be, at the date of such transfer, a G.S.T. registrant and resident of Canada pursuant to the *Income Tax Act* (Canada); and
- (e) the Province and the Company will effect the Lot 87 Deletion (the value of which is \$300,000) and the Tsolum Block Deletion.

- 4.02 If the survey of the San Juan Estuary Lands has not been completed or the Agricultural Land Commission has not approved the subdivision of the San Juan Estuary Lands from their parent parcels on or before the First Completion Date, the sale and transfer of those lands will instead be completed and such lands removed from Tree Farm License 46 within 30 days of completion of such survey or issuance of such approval, whichever is later, notwithstanding Articles VI to VIII, but such delay will not affect the rest of the transactions contemplated by this Agreement to occur on the First Completion Date and those transactions will, subject to section 4.03, proceed without delay. If the completion of such survey and the issuance of such approval have not both occurred not later than 14 days prior to the Second Completion Date, the obligation of the Company to cause the sale and transfer of the San Juan Estuary Lands will terminate on that date (unless the parties agree in writing to extend the time for the completion of such survey, issuance of such approval and sale and transfer of the San Juan Estuary Lands) and the provisions of sections 4.04(a) and (b) will apply mutatis mutandis to the termination of the Company's obligation to cause the sale and transfer of the San Juan Estuary Lands to the Province, with such changes as are necessary to reflect the value of the San Juan Estuary Lands, being \$1,113,000. The Company acknowledges that entitlements of the Province under this section and sections 4.04(a) and (b) are cumulative and not in substitution for each other.
- 4.03 Despite section 4.01(d), the Province may by notice in writing to the Company given not later than 7 days prior to the First Completion Date delay the sale and transfer of the Block 169 Lands until a date (the "First Extension Date") not later than the Second Completion Date as specified in such notice, but such delay will not affect the rest of the transactions contemplated by this Agreement to occur on the First Completion Date and those transactions will, subject to section 4.02, proceed without delay.
- 4.04 If the Province delays the sale and transfer of the Block 169 Lands under section 4.03, the Province may by further notice in writing to the Company given not later than 14 days prior to the First Extension Date terminate the obligation of the Company to cause the sale and transfer of the Block 169 Lands in which case:
- (a) if the Divers/Rossiter Lake Lands are sold and transferred to the Province on the Second Completion Date, the Province's obligation under section 4.05(b) will be deemed to lapse and the Provincial Land to be transferred under section 4.05(a) will be reduced by such land, agreed to by the parties acting reasonably, equal in value to \$3,937,000, it being understood and agreed by the parties that the aggregate value of the Provincial Land will be made up in the following order, namely firstly from the Sooke Dry Land Sort Lands, secondly from the Tsolum Block Lands, thirdly from the Ranald Creek Lands, and the balance of the aggregate

value, if any, from the combination of the Heber River Exchange Lands and the Heber River TSA Lands; or

- (b) if the transactions contemplated by this Agreement to occur on the Second Completion Date do not complete, the Company will, not later than 30 days after completion of the necessary surveys and subdivisions, transfer to the Province such portion of the Divers/Rossiter Lake Lands equal in value to \$4,411,000, as agreed to by the parties acting reasonably, it being understood that such portion will commence from the natural boundary (as that term is defined in the *Land Act*) of the two lakes upon which such lands border.

4.05 Subject to the waiver or satisfaction of the conditions precedent set out in sections 5.02, 5.03 and 5.04, and to section 4.04, on the Second Completion Date,

- (a) the Province will transfer to the designate or designates of the Company (designated under section 7.08) the Ranald Creek Lands, the Tsolum Block Lands, the Sooke Dry Land Sort Lands, the Heber River TSA Lands and the Heber River Exchange Lands (the aggregate value of which is and will be \$8,858,000) it being understood and agreed by the parties that the aggregate value will be made up in the following order, namely firstly from the Sooke Dry Land Sort Lands, secondly from the Tsolum Block Lands, thirdly from the Ranald Creek lands, and the balance of the aggregate value, if any, from the combination of the Heber River Exchange Lands and the Heber River TSA Lands;
- (b) the Province will pay to the Company \$474,000.00 of the Differential Amount; and
- (c) the Company will cause to be transferred to the Province the Divers/Rossiter Lake Lands (the value of which is \$9,332,000).

4.06 If the Province is unable on the Second Completion Date to sell and transfer any or all of the parcels of the Provincial Land (which parcel or parcels are called the "Non-Transferable Lands"), the transactions contemplated by this Agreement to occur on the Second Completion Date will not occur to the extent of the Non-Transferable Lands, but the remainder of the Provincial Land will be sold and transferred on the Second Completion Date in return for such portion, agreed to by the parties acting reasonably, of the Divers/Rossiter Lake Lands which is equal in value to such remainder of the Provincial Land, it being understood that such portion of the Divers/Rossiter Lake Lands will commence from the natural boundary (as that term is defined in the *Land Act*) of the two lakes upon which such lands border. In respect of the sale and transfer to the Province of the remainder of the Divers/Rossiter Lake Lands, the parties will use reasonable

efforts to reach an agreement under which a grant or transfer to the designate or designates of the Company (designated under section 7.08) of alternative land or timber, or payment of cash to the Company, or any combination thereof, will occur where the consideration to the Company is equal in value to the value of the remainder of the Divers/Rossiter Lake Lands and under which agreement such grant, transfer or payment will be made within two years of the First Completion Date concurrently with the sale and transfer of the remainder of the Divers/Rossiter Lake Lands to the Province. Any such payment of cash by the Province would be subject to the fulfillment of all requirements set by Treasury Board.

- 4.07 If the parties are unable to complete the transactions contemplated by this Agreement to occur on the Second Completion Date or on the date referred to in section 4.06 or if the parties are unable to reach an agreement as contemplated by section 4.06, this Agreement, except for sections 4.02 and 4.04(b), will terminate without affecting or requiring a reversal of the transactions which occurred on the First Completion Date or under section 4.03, and the parties will have no further obligations or liabilities to each other arising out of this Agreement except for those arising under sections 4.02 and 4.04(b).
- 4.08 If the parties complete the transactions contemplated by this Agreement to occur on the Second Completion Date or on the date referred to in section 4.06, the Province will use reasonable efforts to determine whether or not the portion of the lands shown in Schedule "J" which do not ultimately comprise part of the Heber River Exchange Lands can be disposed of in accordance with the Guidelines. If it is determined that such transactions can be completed in accordance with the Guidelines, the Province and the Company will use reasonable efforts to negotiate, and if successful in such negotiations, to enter into an agreement under which the Company will cause to be sold and transferred to the Province the Horne Lake Lands, the Great Central Right of Way Lands and the Garibaldi Lands (or portions thereof) in exchange for such portion of the lands shown in Schedule "J" which do not ultimately comprise part of the Heber River Exchange Lands which is equal in value to the lands which the Company will cause to be sold and transferred to the Province.

ARTICLE V - CONDITIONS PRECEDENT

- 5.01 [This section intentionally deleted.]

5.02 The obligation of the Province to complete the land transactions contemplated by this Agreement to occur on the Second Completion Date is subject to the satisfaction of the following conditions, on or before October 31, 1999:

- (a) the Province has caused to be prepared, at its expense, an official plan of survey of the Provincial Land to the standards required by the Surveyor General and it has been accepted and confirmed in writing by the Surveyor General;
- (b) the Provincial Land, or any part of it, that is located within the boundaries of a provincial forest has been deleted from that provincial forest in accordance with the *Forest Act*; and
- (c) the Forest Land Commission has approved the subdivision of the Divers/Rossiter Lake Lands from its parent parcels.

5.03 The obligation of the parties to complete the land transactions contemplated by this Agreement to occur on the Second Completion Date is subject to the satisfaction of the following conditions, on or before October 31, 1999:

- (a) the parties are satisfied that, in accordance with the Guidelines, the Province may complete the transactions contemplated by this Agreement to occur on the Second Completion Date;
- (b) the parties have agreed as to the configuration of the Ranald Creek Lands, the Heber River TSA Lands and the Heber River Exchange Lands;
- (c) the parties have agreed as to the valuation of the Ranald Creek Lands, Tsolum Block Lands, Heber River TSA Lands, Heber River Exchange Lands and Sooke Dry Land Sort Lands, it being understood that the parties will resolve any disputes in respect of such valuations following the process set in section 5.08.

5.04 The obligation of the Company to complete the land transactions contemplated by this Agreement to occur on the Second Completion Date is subject to the Company, acting reasonably, being satisfied with all surveys of the Provincial Land, the terms of the Crown Grant and the Provincial Land Permitted Encumbrances, on or before October 31, 1999, unless and to the extent such condition is waived in writing by the Company at any time on or before that date.

5.05 The Province will undertake and pay for all surveys and appraisals (except for the appraisals, if any, commissioned under section 5.08 or any appraisals or surveys commissioned by the Company) required to complete the transactions contemplated by this Agreement.

- 5.06 The Province will ensure that the appraisals referred to in section 5.05 are completed on or before July 31, 1999.
- 5.07 The appraisals referred to in section 5.05 will be conducted by independent appraisers acceptable to both parties under terms of reference agreed to by both parties.
- 5.08 If the first appraisal obtained by the Province in accordance with sections 5.05 and 5.06 for a particular property comprising part of the Provincial Land is not accepted by either party and the parties are not otherwise able to agree on a value for that property within 30 days of receipt of such appraisal, a second appraisal of that property will be commissioned by the Province and such appraisal will be carried out by an independent appraiser acceptable to both parties under terms of reference agreed to by both parties. The cost of the second appraisal will be shared equally by the parties.
- 5.09 Upon receipt of the second appraisal referred to in section 5.07, the value of the property comprising part of the Provincial Land which is the subject of the appraisal will be deemed to be the average of the appraised values for that property set out in the two appraisals obtained in respect of it.
- 5.10 The Province will, on or before January 1, 1999, appoint a senior government official to lead a consultation process required to be completed with First Nations in accordance with the Guidelines.
- 5.11 The Province will pay for all costs of, or relating to, the consultation process referred to in section 5.10.
- 5.12 The Company will assist the Province in the consultation process referred to in section 5.10 when requested to do so by the Province.
- 5.13 The Company, will, at its expense, undertake, on or before January 31, 1999, a stage 1, preliminary site investigation (site history and inspection) of the Sooke Dry Land Sort Lands and upon receipt of such audit provide a copy of it to the Province.
- 5.14 The Province may, at its expense, undertake prior to the First Completion Date, a stage 1, preliminary site investigation (site history and inspection) of the Block 169 Lands and, upon receipt of such audit, provide a copy of it to the Company.

- 5.15 The Company hereby waives its right to receive a site profile (as that term is defined in the *Waste Management Act*) in respect of the Sooke Dry Land Sort Lands.
- 5.16 The Province hereby waives its right to receive a site profile (as that term is defined in the *Waste Management Act*) in respect of the Block 169 Lands.

ARTICLE VI - COMPLETION, POSSESSION AND ADJUSTMENT DATES

- 6.01 The land transactions contemplated by this Agreement to occur on the First Completion Date will be completed on that date, and on that date:
- (a) possession of the Cowichan River Corridor Lands, Haley Lake Lands, Lot 87 Lands and San Juan Estuary Lands, subject to section 4.02, will be yielded to the Province free and clear of all liens, charges and encumbrances, except for the Company Land Permitted Encumbrances; and
 - (b) possession of the Block 169 Lands, subject to sections 4.03 and 4.04, will be yielded to the Province (or the Third Party to whom such lands are transferred) free and clear of all liens, charges and encumbrances, except for the Company Land Permitted Encumbrances.
- 6.02 The land transactions contemplated by this Agreement to occur on the Second Completion Date will be completed on that date, and on that date:
- (a) possession of the Divers/Rossiter Lake Lands will be yielded to the Province free and clear of all liens, charges and encumbrances, except for the Company Land Permitted Encumbrances; and
 - (b) possession of the Provincial Land will be yielded to the designate or designates of the Company (designated under section 7.08), free and clear of all liens, charges and encumbrances, except for the Provincial Land Permitted Encumbrances.

ARTICLE VII - CLOSING DOCUMENTS

- 7.01 Not later than 7 days prior to the First Completion Date, the Province will, at its expense, prepare and deliver the following documents to the Company for execution:
- (a) Transfers for the Block 169 Lands, Cowichan River Corridor Lands, Haley Lake Lands and San Juan Estuary Lands;

- (b) a statement of the adjustments provided for in section 3.05;
 - (c) such documents as are necessary to effect the TFL 46 Deletions, TFL 47 Deletions, Lot 87 Deletion and Tsolum Block Deletion;
 - (d) the Forest Practices Covenant; and
 - (e) all other documents necessary to conclude the land transactions contemplated by this Agreement to occur on the First Completion Date, including without limitation the Province's direction to Pacific as to the name of the Third Party, if any, and the notice referred to in section 4.03.
- 7.02 Not later than 3 days prior to the First Completion Date, the Company will, at its expense, cause to be executed and delivered to the Province the documents referred to in section 7.01, together with the Watershed Protection Covenant and an assignment, in a form acceptable to the Province, acting reasonably, of each unregistered Company Land Permitted Encumbrance affecting the Company Lands described in paragraph 7.01(a).
- 7.03 Not later than 2 days prior to the First Completion Date, the Province will deliver to its solicitors a Province of British Columbia cheque payable to the Company for the amount described in section 3.06 together with an agreement and acknowledgment from the Third Party, if any, in respect of the matters described in section 4.01(d)(ii) and the Province will execute and deliver to its solicitors the documents referred to in section 7.01(c).
- 7.04 Not later than 14 days prior to the Second Completion Date, the Province will, at its expense, prepare and deliver the following documents to the Company for execution:
- (a) Transfers for the Divers/Rossiter Lake Lands;
 - (b) property transfer tax returns to accompany the Crown Grant;
 - (c) a statement of the adjustments provided for in section 3.05; and
 - (d) all other documents necessary to conclude the land transactions contemplated by this Agreement to occur on the Second Completion Date, including without limitation, the certificates referred to in section 3.04.
- 7.05 Not later than 7 days prior to the Second Completion Date, the Company will, at its expense, cause to be executed and delivered to the Province the documents referred to in section 7.04, together with an assignment, in a form acceptable to

the Province, acting reasonably, of each unregistered Company Land Permitted Encumbrance affecting the Divers/Rossiter Lake Lands.

- 7.06 Not later than 14 days prior to the Second Completion Date, the Province will cause the Crown Grant to be prepared and delivered to its solicitor with a copy to the Company.
- 7.07 Not later than 2 days prior to the Second Completion Date, the Province will deliver to its solicitors, a Province of British Columbia cheque payable to the Company for the amount described in section 3.07.
- 7.08 Not later than 30 days prior to the Second Completion Date, the Company will by notice in writing to the Province designate the grantee or grantees of the Crown Grant or Crown Grants, provided:
- (a) each designate or its parent is a G.S.T. registrant;
 - (b) each designate is either:
 - (i) a "subsidiary" or "affiliate" of the Company as those terms are used in the *Company Act*, or
 - (ii) approved of by the Province;
 - (c) if the designate in respect of the Provincial Land other than the Sooke Dry Land Sort Lands is not Timberwest I, each designate enters into an agreement with the Province in respect of the matters described in sections 9.05, 9.06 and 9.07 which relate to the Provincial Land other than the Sooke Dry Land Sort Lands; and
 - (d) if the designate in respect of the Sooke Dry Land Sort Lands is not Pacific, each designate enters into an agreement with the Province in respect of the matters described in sections 9.02, 9.03 and 9.04 which relate to the Sooke Dry Land Sort Lands.

ARTICLE VIII - CLOSING PROCEDURE

- 8.01 On the First Completion Date, provided that the Company is not in default in the performance of any of its obligations under this Agreement and has delivered a termination notice (with a copy to the Province) of the cattle grazing agreement affecting the San Juan Estuary Lands and the Province's solicitors are in possession of the certificates for the timber marks described in section 12.08, the Province, or its agent, will attend at the Land Title Office and conduct a pre-registration search of the Block 169 Lands, Cowichan River Corridor Lands,

normal course of procedure in the Land Title Office, the Haley Lake Lands and the Block 169 Lands, in fee simple of the Divers/Rossiter Lake title to the Block 169 Lands, of all liens, charges and encumbrances, except for the and San Juan Estuary Permitted Encumbrances, and that the Company will be the Company is acting in fee simple of the Provincial Land, free and clear of all liens, charges and encumbrances, except for the Provincial Land Permitted Encumbrances, the Province, at its expense will deliver to the Company the register the Transfers section 7.07 together with copies of the Crown Grants with the Forest Practices Codes noted on them, and the assignments referred to in

- 8.02 After applying to register the Title Office in accordance with the Land Title Act, the Company will conduct a post-registration search of the Cowichan River Corridor Lands, confirming that in the

WARRANTIES, REPRESENTATIONS AND ACKNOWLEDGMENTS THE COMPANY AND ITS PRINCIPALS

Province (and any other person or entity) its and represents to the Province, with the knowledge that transferred) will be relied upon on these warranties and representations in entering into Cowichan River Corridor Lands, completing its obligations under this Agreement that, now free and clear of all liens, charges and encumbrances, except for the Provincial Land Permitted Encumbrances, the Province, at its expense will deliver to the Company the register the Transfers section 7.07 together with copies of the Crown Grants with the Forest Practices Codes noted on them, and the assignments referred to in

the Watershed Protection Program contemplated by section 47 of the Forest Practices Act, the Company executed in authorized by the necessary corporate proceedings; Deletions, the TFL 47 the cheque referred to in section 7.07, execution of this Agreement nor its performance by the Covenant and Forest Practices Codes result in a breach of any statute, by-law or agreement described in section 7.07; Company;

- 8.03 On the Second Completion Date, the performance of the obligations of the Company, its authorized agent of Pacific, TFL Forest Ltd., TimberWest I, Forest II Limited and TimberWest Forest III Limited, and its agent will attend to the request of the Province, deliver an acknowledgment from such search of the Divers/Rossiter Lake Lands, the Province, in a form acceptable to the Province's the Divers/Rossiter Lake Lands, confirming such agency and the power of the Company to make the Company is acting on behalf of those companies under the terms and charges and encumbrances, except for the Provincial Land Permitted Encumbrances, the Province, at its expense will deliver to the Company the register the Transfers section 7.07 together with copies of the Crown Grants with the Forest Practices Codes noted on them, and the assignments referred to in this Agreement.

- (a) apply to the Land Title Office for Pacific warrants and represents to the Province, with the knowledge that the Province will rely upon those warranties and Lake Lands; entering into this Agreement and completing its obligations that, now and on the First Completion Date:
- (b) deposit the Certificate of Title for the Block 169 Lands, in fee simple, free and clear of all liens, charges and encumbrances, except for the Provincial Land Permitted Encumbrances, the Province, at its expense will deliver to the Company the register the Transfers section 7.07 together with copies of the Crown Grants with the Forest Practices Codes noted on them, and the assignments referred to in

- 8.04 After applying to register the Title Office in accordance with the Land Title Act, the Company will conduct a post registration search of the Cowichan River Corridor Lands, in fee simple, free and clear of all liens, charges and encumbrances, except for the Provincial Land Permitted Encumbrances, the Province, at its expense will deliver to the Company the register the Transfers section 7.07 together with copies of the Crown Grants with the Forest Practices Codes noted on them, and the assignments referred to in

- (b) all taxes, rates, levies and assessments in respect of the Block 169 Lands and the Cowichan River Corridor Lands will be paid in full;
- (c) neither the execution of this Agreement nor its performance by Pacific will result in a breach of any statute, bylaw or agreement affecting Pacific or the Block 169 Lands and the Cowichan River Corridor Lands;
- (d) to the best of its knowledge, there is no claim or litigation pending or threatened against Pacific which would affect the right of Pacific or its principals to sell and transfer the Block 169 Lands and the Cowichan River Corridor Lands to the Province or the right of the Province to acquire the Block 169 Lands and the Cowichan River Corridor Lands;
- (e) it has not entered into any agreement that will affect the Block 169 Lands and the Cowichan River Corridor Lands or its use and it will not do so between the date of this Agreement and the First Completion Date, without the prior written consent of the Province;
- (f) it has the corporate power, capacity and authority to carry out its obligations under this Agreement, and the same has been authorized by the necessary corporate proceedings;
- (g) it has satisfied itself as to:
 - (i) the condition of the Provincial Land, environmental or otherwise,
 - (ii) the fitness of the Provincial Land for the intended use of it by Pacific,
 - (iii) the general condition and state of all utilities or other systems on or under the Provincial Land, and
 - (iv) the zoning of the Provincial Land and the bylaws of the municipality or regional district, within which the Provincial Land is located, which relate to the use and occupation of the Provincial Land.
- (h) its use of the Cowichan River Corridor Lands and, to its knowledge, all previous uses of the Cowichan River Corridor Lands have not resulted in the existence or leakage of any toxic, hazardous, dangerous or potentially dangerous substances or conditions on or under the Cowichan River Corridor Lands;
- (i) to the best of its knowledge, there are no toxic, hazardous, dangerous or potentially dangerous substances stored on the Cowichan River Corridor

- (b) all taxes, rates, levies and assessments in respect of the Block 169 Lands and the Cowichan River Corridor Lands will be paid in full;
- (c) neither the execution of this Agreement nor its performance by Pacific will result in a breach of any statute, bylaw or agreement affecting Pacific or the Block 169 Lands and the Cowichan River Corridor Lands;
- (d) to the best of its knowledge, there is no claim or litigation pending or threatened against Pacific which would affect the right of Pacific or its principals to sell and transfer the Block 169 Lands and the Cowichan River Corridor Lands to the Province or the right of the Province to acquire the Block 169 Lands and the Cowichan River Corridor Lands;
- (e) it has not entered into any agreement that will affect the Block 169 Lands and the Cowichan River Corridor Lands or its use and it will not do so between the date of this Agreement and the First Completion Date, without the prior written consent of the Province;
- (f) it has the corporate power, capacity and authority to carry out its obligations under this Agreement, and the same has been authorized by the necessary corporate proceedings;
- (g) it has satisfied itself as to:
 - (i) the condition of the Provincial Land, environmental or otherwise,
 - (ii) the fitness of the Provincial Land for the intended use of it by Pacific,
 - (iii) the general condition and state of all utilities or other systems on or under the Provincial Land, and
 - (iv) the zoning of the Provincial Land and the bylaws of the municipality or regional district, within which the Provincial Land is located, which relate to the use and occupation of the Provincial Land.
- (h) its use of the Cowichan River Corridor Lands and, to its knowledge, all previous uses of the Cowichan River Corridor Lands have not resulted in the existence or leakage of any toxic, hazardous, dangerous or potentially dangerous substances or conditions on or under the Cowichan River Corridor Lands;
- (i) to the best of its knowledge, there are no toxic, hazardous, dangerous or potentially dangerous substances stored on the Cowichan River Corridor

Lands and there are no storage containers for those substances located on or under the Cowichan River Corridor Lands; and

- (j) to the best of its knowledge the Cowichan River Corridor Lands have not been used for an industrial or commercial purpose or any other purpose or activity prescribed under the *Waste Management Act*.

9.03 The Company as agent for Pacific acknowledges and agrees that:

- (a) it has inspected the Provincial Land and it accepts the Provincial Land in the general condition and state in which it was found on the date of that inspection;
- (b) it has conducted an independent investigation of the condition, environmental or otherwise, of the Provincial Land and of the current and past uses of the Provincial Land;
- (c) the Provincial Land is being transferred to Pacific "as is";
- (d) in entering into this Agreement it has not relied upon any warranty or representation given by or on behalf of the Province concerning:
 - (i) the fitness of the Provincial Land for any particular use, including the intended use of it by the Company,
 - (ii) the condition of the Provincial Land, environmental or otherwise, including the presence or absence of any hazardous or potentially hazardous substances on or under the Provincial Land,
 - (iii) the general condition and state of all utilities or other systems on or under the Provincial Land, and
 - (iv) the zoning of the Provincial Land and the bylaws of the municipality or regional district within which the Provincial Land is located, which relate to the use and occupation of the Provincial Land;
- (e) Pacific will, from and after the date on which the Sooke Dry Land Sort Lands are sold and transferred to Pacific, assume all environmental liabilities relating to the Provincial Land including, but not limited to, any liability for clean-up of any toxic, hazardous, dangerous or potentially dangerous substances or conditions on or under the Provincial Land;
- (f) Pacific will, from and after the date on which the Sooke Dry Land Sort Lands are sold and transferred to Pacific, indemnify and save harmless the Province from and against all claims, demands, liabilities, losses,

damages or expenses suffered by the Province arising out of or in connection with all environmental liabilities relating to the Sooke Dry Land Sort Lands if such lands are transferred to Pacific;

- (g) there are no warranties, representations, collateral agreements or conditions affecting this Agreement except as set out in this Agreement;
- (h) the Province is under no obligation, express or implied, to provide financial assistance or to contribute, in any way, to the cost of servicing or developing the Provincial Land; and
- (i) nothing in this Agreement constitutes the Company as the agent, joint venturer or partner of the Province.

9.04 The Company as agent for Pacific makes no representation or warranty to the Province as to:

- (a) the condition of the Block 169 Lands and the Cowichan River Corridor Lands, environmental or otherwise, including the presence or absence of Block 169 Lands and the Cowichan River Corridor Lands;
- (b) the fitness of the Block 169 Lands and the Cowichan River Corridor Lands for the intended use of them by the Province;
- (c) the general condition and state of all utilities or other systems on or under the Block 169 Lands and the Cowichan River Corridor Lands; and
- (d) the zoning of the Block 169 Lands and the Cowichan River Corridor Lands and the by-laws of the municipality or regional district, within which the Block 169 Lands and the Cowichan River Corridor Lands is located, which relate to the use and occupation of the Block 169 Lands and the Cowichan River Corridor Lands.

9.05 The Company as agent for TimberWest I warrants and represents to the Province, with the knowledge that the Province will rely upon those warranties and representations in entering into this Agreement and completing its obligations under this Agreement that, now and on the First Completion Date in respect of the Haley Lake Lands and the San Juan Estuary Lands, and now and on the Second Completion Date in respect of the Divers/Rossiter Lake Lands:

- (a) TimberWest I has a good, safe holding and marketable title to the Divers/Rossiter Lake Lands, Haley Lake Lands and the San Juan Estuary Lands, in fee simple, free and clear of all liens, charges and encumbrances, except for the Company Land Permitted Encumbrances;

- (b) all taxes, rates, levies and assessments in respect of the Divers/Rossiter Lake Lands, Haley Lake Lands and the San Juan Estuary Lands will be paid in full;
- (c) neither the execution of this Agreement nor its performance by TimberWest I will result in a breach of any statute, bylaw or agreement affecting TimberWest I or the Divers/Rossiter Lake Lands, Haley Lake Lands and the San Juan Estuary Lands;
- (d) to the best of its knowledge, there is no claim or litigation pending or threatened against TimberWest I which would affect the right of TimberWest I or its principals to sell and transfer the Divers/Rossiter Lake Lands, Haley Lake Lands and the San Juan Estuary Lands to the Province or the right of the Province to acquire the Divers/Rossiter Lake Lands, Haley Lake Lands and the San Juan Estuary Lands;
- (e) it has not entered into any agreement that will affect the Haley Lake Lands and the San Juan Estuary Lands or their use and it will not do so between the date of this Agreement and the First Completion Date, without the prior written consent of the Province and it has not entered into any agreement that will affect the Divers/Rossiter Lake Lands or their use and it will not do so between the date of this Agreement and the Second Completion Date, without the prior written consent of the Province;
- (f) it has the corporate power, capacity and authority to carry out its obligations under this Agreement, and the same has been authorized by the necessary corporate proceedings;
- (g) it has satisfied itself as to:
 - (i) the condition of the Provincial Land, environmental or otherwise,
 - (ii) the fitness of the Provincial Land for the intended use of it by TimberWest I,
 - (iii) the general condition and state of all utilities or other systems on or under the Provincial Land, and
 - (iv) the zoning of the Provincial Land and the bylaws of the municipality or regional district, within which the Provincial Land is located, which relate to the use and occupation of the Provincial Land.
- (h) its use of the Divers/Rossiter Lake Lands, Haley Lake Lands and the San Juan Estuary Lands and, to its knowledge, all previous uses of the

Divers/Rossiter Lake Lands, Haley Lake Lands and the San Juan Estuary Lands have not resulted in the existence or leakage of any toxic, hazardous, dangerous or potentially dangerous substances or conditions on or under the Divers/Rossiter Lake Lands, Haley Lake Lands and the San Juan Estuary Lands;

- (i) to the best of its knowledge, there are no toxic, hazardous, dangerous or potentially dangerous substances stored the Divers/Rossiter Lake Lands, Haley Lake Lands and the San Juan Estuary Lands and there are no storage containers for those substances located on or under the Divers/Rossiter Lake Lands, Haley Lake Lands and the San Juan Estuary Lands; and
- (j) to the best of its knowledge the Divers/Rossiter Lake Lands, Haley Lake Lands and the San Juan Estuary Lands have not been used for an industrial or commercial purpose or any other purpose or activity prescribed under the *Waste Management Act*.

9.06 The Company as agent for TimberWest I acknowledges and agrees that:

- (a) it has inspected the Provincial Land and it accepts the Provincial Land in the general condition and state in which it was found on the date of that inspection;
- (b) it has conducted an independent investigation of the condition, environmental or otherwise, of the Provincial Land and of the current and past uses of the Provincial Land;
- (c) the Provincial Land is being transferred to the Company "as is";
- (d) in entering into this Agreement it has not relied upon any warranty or representation given by or on behalf of the Province concerning
 - (i) the fitness of the Provincial Land for any particular use, including the intended use of it by the Company,
 - (ii) the condition of the Provincial Land, environmental or otherwise, including the presence or absence of any hazardous or potentially hazardous substances on or under the Provincial Land,
 - (iii) the general condition and state of all utilities or other systems on or under the Provincial Land, and

- (iv) the zoning of the Provincial Land and the bylaws of the municipality or regional district within which the Provincial Land is located, which relate to the use and occupation of the Provincial Land;
- (e) Timberwest I will, from and after the date on which the Provincial Land, other than the Sooke Dry Land Sort Lands, is sold and transferred to Timberwest I, assume all environmental liabilities relating to the Provincial Land (other than the Sooke Dry Land Sort Lands) including, but not limited to, any liability for clean-up of any toxic, hazardous, dangerous or potentially dangerous substances or conditions on or under the Provincial Land (other than the Sooke Dry Land Sort Lands);
- (f) there are no warranties, representations, collateral agreements or conditions affecting this Agreement except as set out in this Agreement;
- (g) the Province is under no obligation, express or implied, to provide financial assistance or to contribute, in any way, to the cost of servicing or developing the Provincial Land; and
- (h) nothing in this Agreement constitutes the Company as the agent, joint venturer or partner of the Province.

9.07 The Company, as agent for TimberWest I, makes no representation or warranty to the Province as to:

- (a) the condition of the Divers/Rossiter Lake Lands, Haley Lake Lands and the San Juan Estuary Lands, environmental or otherwise, including the presence or absence of any hazardous or potentially hazardous substances on or under the Divers/Rossiter Lake Lands, Haley Lake Lands and the San Juan Estuary Lands;
- (b) the fitness of the Divers/Rossiter Lake Lands, Haley Lake Lands and the San Juan Estuary Lands for the intended use of it by the Province;
- (c) the general condition and state of all utilities or other systems on or under the Divers/Rossiter Lake Lands, Haley Lake Lands and the San Juan Estuary Lands; and
- (d) the zoning of the Divers/Rossiter Lake Lands, Haley Lake Lands and the San Juan Estuary Lands and the by-laws of the municipality or regional district, within which the Divers/Rossiter Lake Lands, Haley Lake Lands and the San Juan Estuary Lands are located, which relate to the use and occupation the Divers/Rossiter Lake Lands, Haley Lake Lands and the San Juan Estuary Lands.

ARTICLE X - WARRANTIES AND REPRESENTATIONS OF THE PROVINCE

10.01 The Province warrants and represents to the Company, with the knowledge that the Company will rely upon those warranties and representations in entering into this Agreement and completing its obligations under this Agreement that, now and on the First and Second Completion Dates:

- (a) it has a good, safe holding and marketable title to the Provincial Land in fee simple free and clear of all liens, charges and encumbrances, except the Provincial Land Permitted Encumbrances;
- (b) all taxes, rates, levies and assessments in respect of the Provincial Land will be paid in full;
- (c) neither the execution of this Agreement nor its performance by the Province will result in a breach of any statute, by-law or agreement affecting the Province or the Provincial Land;
- (d) to the best of its knowledge, there is no claim or litigation pending or threatened against it which would affect the right of the designate or designates of the Company to acquire the Provincial Land or the right of the Province to transfer the Provincial Land to the designate or designates of the Company (designated under section 7.08);
- (e) it has not entered into any agreement that will affect the Provincial Land or its use and it will not do so between the date of this Agreement and the Second Completion Date, without the prior written consent of the Company;
- (f) it has the power and authority to dispose of the Provincial Land and that the necessary proceedings have been taken by it to enter into this Agreement and to carry out its obligations under this Agreement;
- (g) it has satisfied itself as to:
 - (i) the condition of the Company Land, environmental or otherwise,
 - (ii) the fitness of the Company Land for the intended use of it by the Province,
 - (iii) the general condition and state of utilities or other systems on or under the Company Land, and

- (iv) the zoning of the Company Land and the by-laws of the municipality or regional district within which the Company Land is located, which relate to the use and occupation of the Company Land;
- (h) its use of the Provincial Land and, to its knowledge, all previous uses of the Provincial Land other than the Sooke Dry Land Sort Lands have not resulted in the existence or leakage of any toxic, hazardous, dangerous or potentially dangerous substances or conditions on or under the Provincial Land;
- (i) to the best of its knowledge, there are no toxic, hazardous, dangerous or potentially dangerous substances stored on the Provincial Land other than the Sooke Dry Land Sort Lands and there are no storage containers for those substances located on or under the Provincial Land other than the Sooke Dry Land Sort Lands;
- (j) to the best of its knowledge the Provincial Land other than the Sooke Dry Land Sort Lands has not been used for an industrial or commercial purpose or any other purpose or activity prescribed under the *Waste Management Act*.

10.02 The Province acknowledges and agrees that:

- (a) it has inspected the Company Land, and it accepts the Company Land, in the general condition and state in which it was found on the date of that inspection;
- (b) it has conducted an independent investigation of the condition, environmental or otherwise, of the Company Land, and of the current and past uses of the Company Land;
- (c) the Company Land is being transferred to the Province "as is";
- (d) in entering into this Agreement it has not relied upon any warranty or representation given by or on behalf of the Company, Pacific or TimberWest I concerning:
 - (i) the fitness of the Company Land for any particular use, including the intended use of it by the Province,
 - (ii) the condition of the Company Land, environmental or otherwise, including the presence or absence of any hazardous or potentially hazardous substances on or under the Company Land,

- (iii) the condition and state of all utilities or other systems on or under the Company Land, and
- (iv) zoning of the Company Land and the by-laws of the municipality or regional district within which the Company Land is located, which relate to the use and occupation of the Company Land;
- (e) it will, from and after the date on which a parcel of the Company Land is sold and transferred under this Agreement, assume all environmental liabilities relating to the Company Land including, but not limited to, any liability for clean up of any toxic, hazardous, dangerous or potentially dangerous substances or conditions on or under the Company Land;
- (f) there are no warranties, representations, collateral agreements or conditions affecting this Agreement except to set out in this Agreement;
- (g) the Company is under no obligation, express or implied, to provide financial assistance or to contribute, in any way, to the cost of servicing or developing the Company Land; and
- (h) nothing in this Agreement constitutes the Province as the agent, joint venturer or partner of the Company.

10.03 The Province makes no warranty or representation to the Company as to:

- (a) the fitness of the Provincial Land for any particular use, including the intended use of it by the Company;
- (b) the condition of the Provincial Land, environmental or otherwise, including the presence or absence of any hazardous or potentially hazardous substances on or under the Provincial Land;
- (c) the general condition and state of all utilities or other systems on or under the Provincial Land; and
- (d) the zoning of the Provincial Land and the bylaws of the municipality or regional district, within which the Provincial Land is located, which relate to the use and occupation of the Provincial Land.

ARTICLE XI - TRANSFERS ON OR BEFORE THE COMPLETION DATE

11.01 The Company will not, on or before the Completion Date, assign, transfer or dispose of its rights under this Agreement, in whole or in part.

- 11.02 Section 11.01 does not apply to an assignment, transfer or disposition of the Company's rights under this Agreement to a subsidiary, parent or affiliate (as those terms are used or defined in the *Company Act* or the *Canada Business Corporations Act*) of the Company or to a corporation formed by a bona fide amalgamation, merger or reorganization of the Company and a subsidiary, parent or affiliate of the Company or to a sale of all or substantially all of the assets or shares of the Company or of a subsidiary, parent or affiliate.

ARTICLE XII - FORESTRY MATTERS

- 12.01 The Company, as agent for Pacific and TimberWest I, agrees that they will not harvest or permit the harvest of any timber from the Block 169 Lands, Cowichan River Corridor Lands, Haley Lake Lands and San Juan Estuary Lands between the date of this Agreement and the First Completion Date, or if the transfer of the Block 169 Lands has been delayed under section 4.03, they will not permit the harvest of any timber from the Block 169 Lands between the date of this Agreement and the First Extension Date.
- 12.02 The Company, as agent for TimberWest I, agrees that TimberWest I will not harvest or permit the harvest of any timber from the Divers/Rossiter Lake Lands between the date of this Agreement and the Second Completion Date.
- 12.03 The Province will not harvest or permit the harvest of any timber from the Provincial Land between the date of this Agreement and the Second Completion Date, except where the harvesting occurs under an agreement issued under the *Forest Act* and is undertaken by or for the Company or any of its principals under this Agreement.
- 12.04 The Minister of Forests will, effective on the First Completion Date, under section 61 of the *Forest Act* reduce the allowable annual cut for Tree Farm License 46 by 52,260 m³ and Tree Farm License 47 by 140,000 m³ to reflect the TFL 46 Deletions, the TFL 47 Deletions, the Lot 87 Deletion, and the Tsolum Block Deletion respectively. The Company, as agent for TFL Forest Ltd., hereby consents to such deletions.
- 12.05 The reductions in the allowable annual cut referred to in section 12.04 will remain in effect until the date that the next allowable annual cut is determined by the Chief Forester for those tree farm licenses.
- 12.06 Without fettering the discretion of the Minister of Forests under section 61(3) of the *Forest Act*, the Minister of Forests acknowledges that since the reductions in the allowable annual cut for the Tree Farm License 46 and Tree Farm License 47 under section 12.04 are attributable to land being removed from those tree farm licenses, those reductions do not give rise to allowable annual

cut which would otherwise be available for allocation under section 61(3) of the *Forest Act*.

- 12.07 The Minister of Forests will, and the Company will cause TFL Forest Ltd. to, enter into separate documents to evidence the reductions referred to in section 12.04 and such documents will be affixed to and form part of Tree Farm License 46 and Tree Farm License 47, respectively.
- 12.08 Without fettering the discretion of the registrar under section 85 of the *Forest Act*, the Minister of Forests will recommend to the registrar that, on compliance by TFL Forest Ltd. with that section, he issue, effective on the First Completion Date, to TFL Forest Ltd. the certificates of timber marks described in Schedule "T" for the lands which are the subject of the TFL 46 Deletions and the TFL 47 Deletions.

ARTICLE XIII - MISCELLANEOUS

- 13.01 Time is of the essence of this Agreement.
- 13.02 The Company Land will be at the risk of the Company until the Province has applied to register the Transfer and the Provincial Land will be at the risk of the Province until the Crown Grant has been deposited in the Land Title Office.
- 13.03 All notices, documents or communications required or permitted to be given under this Agreement must be in writing and will be deemed to have been given on the first business date of the recipient following delivery by hand or courier or on the fifth business date of the recipient following the date of mailing by double registered mail to the party to whom it is to be given as follows:

to the Province

Crown Lands Branch
Ministry of Environment, Lands and Parks
4th Floor, 2975 Jutland Road
Victoria, B. C.
V8W 9M1
Attention: Greg Roberts

to the Company

2300 - 1055 West Georgia Street,
Vancouver, British Columbia
V6E 3P3
Attention: Don McMullan

- 13.04 The warranties, representations and agreements contained in this Agreement will not be subject to merger but will survive the completion of the land exchange contemplated by this Agreement.
- 13.05 This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and may not be modified except by subsequent agreement in writing.
- 13.06 No term, condition, covenant or other provision of this Agreement will be considered to have been waived by a party unless such waiver is expressed in writing by the party. The waiver by a party of any breach by the other party of any term, condition, covenant or other provision herein 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 and the consent or approval of a party to any act by the other party requiring the consent or approval of the party will not be considered to waive or render unnecessary such consents or approvals to any subsequent same or similar act by the other party.
- 13.07 No remedy conferred upon or reserved to either party is exclusive of any other remedy in this Agreement or provided by law, but such remedy will be cumulative and will be in addition to any other remedy in this Agreement or hereafter existing at law, in equity or by statute.
- 13.08 This Agreement is binding upon and enures to the benefit of the Province and its assigns and the Company and its successors and permitted assigns.
- 13.09 The Province and the Company will perform such further acts and execute such further documents as may reasonably be required to give effect to this Agreement.
- 13.10 Delivery of a Transfer to the Province and delivery of all monies payable to the Company or the Province in accordance with the terms of this Agreement will be effected by hand or courier to the address specified above, such deliveries to be effective only on actual receipt.

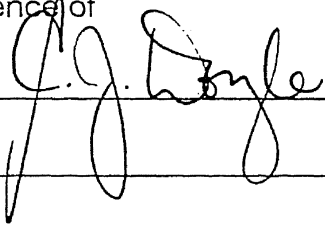
ARTICLE XIV - INTERPRETATION

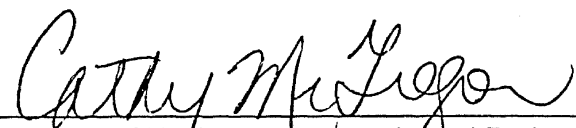
- 14.01 This Agreement will be governed by and be construed in accordance with the laws of the Province of British Columbia.
- 14.02 Wherever the singular or the masculine is used in this Agreement it will be construed as the plural or feminine or neuter, as the case may be, and vice versa where the context or parties so require.
- 14.03 The captions and headings contained in this Agreement are for convenience only and are not to be construed as defining or in any way limiting the scope or intent of this Agreement.
- 14.04 Where there is a reference to an enactment of the Province of British Columbia in this Agreement, that reference will include a reference to any prior or subsequent enactment of the Province of British Columbia of like effect and, unless the context otherwise requires, all statutes referred to in this Agreement are enactments of the Province of British Columbia.
- 14.05 If any section of this Agreement or any part of a section is found to be illegal or unenforceable, that part or section, as the case may be, will be considered separate and severable and the remaining parts or sections, as the case may be, will not be affected and will be enforceable to the fullest extent permitted by law.
- 14.06 This Agreement, except in respect of "communications", supersedes and replaces the letter dated September 24, 1998 from the Deputy Ministers of

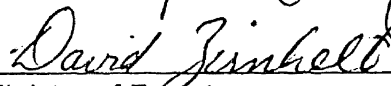
Environment, Lands and Parks and Forests to Don McMullan, Vice President and Chief Forester of the Company signed by him on September 25, 1998.

IN WITNESS WHEREOF this Agreement has been executed as of the date first written above.

SIGNED by the Ministers of Forests)
and of Environment, Lands and Parks)
or their duly authorized representatives)
on behalf of **HER MAJESTY THE**)
QUEEN IN RIGHT OF THE PROVINCE)
OF BRITISH COLUMBIA in the)
presence of)




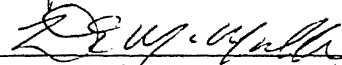


Minister of Environment, Lands and Parks


Minister of Forests

THE CORPORATE SEAL of)
TIMBERWEST FOREST CORP. was)
hereunto affixed in the presence of)





Don McMullan, Vice President &
Chief Forester)

c/s

SCHEDULE "A"

BLOCK 169 LANDS

Legal Description	Certificate of Title	Parcel Identifier #
Block 169, Malahat District	EG96416	009-369-015
Block 317, Malahat District	EG96417	009-369-031
Block 470, Malahat District	EG96418	009-369-040
Block 1428, Malahat District	EG96512	009-382-429
Block 1429, Malahat District	EG96513	009-382-402

SCHEDULE "C"

HALEY LAKE LANDS

Legal Description the following three parcels shown outlined in bold in the Appendix to

Parcel A (DD 540 26 and 27, Cowic Plan 775	Certificate of Title	Parcel Identifier #
Lot 1, Block 2A, (nuir District, District, Plan 178 ⁴⁵⁸⁶⁶ ; except 387	EH66312	009-045-368
Lot 2, Block 2A, (nuir and District, Plan 178 ⁴⁵⁸⁶⁶ stricts, as shown	EH66316	009-003-835
Lot 3, Block 2A, (nuir and District, Plan 178 ⁴⁵⁸⁶⁶ except part in Plan		
Lot 4, Block 2A, (nuir District District, Plan 178 ⁴⁵⁸⁶⁶	EH66298	000-834-807
Lot 5, Block 2A, (nuir District, District, Plan 178 ⁴⁵⁸⁶⁶		

SCHEDULE "D"

SAN JUAN ESTUARY LANDS

Those portions of the following nine parcels shown shaded in the Appendix to this Schedule:

Legal Description	Certificate of Title	Parcel Identifier #
The southeast 1/4 of Section 8, Township 10, Renfrew District	EH65858	009-553-584
Parcel A (DD 61980I) of the northwest 1/4 of Section 5, Township 10, Renfrew District, except that part shown coloured red on plan deposited under number DD 102687I except that part in Plan 26607	EH65860	009-554-009
The north 20 chains of the east 17 chains, 86 links of the northwest 1/4 of Section 5, Township 10, Renfrew District	EH65819	009-554-599
Parcel B (DD 76678I) of the northwest 1/4 of Section 5, Township 10, Renfrew District, except .91 of an acre shown outlined in red on plan deposited under number DD 102716I and except that part in Plan 26607	EH65859	009-554-661
The northwest 1/4 of Section 6, Township 10, Renfrew District	EH65828	009-554-785
The west 1/2 of the northeast 1/4 of Section 6, Township 10, Renfrew District, except that part shown coloured red on plan deposited under number DD 102750I	EH65876	009-555-111

SCHEDULE "D"

SAN JUAN ESTUARY LANDS

Those portions of the following nine parcels shown shaded in the Appendix to this Schedule:

Legal Description	Certificate of Title	Parcel Identifier #
The southeast 1/4 of Section 8, Township 10, Renfrew District	EH65858	009-553-584
Parcel A (DD 61980I) of the northwest 1/4 of Section 5, Township 10, Renfrew District, except that part shown coloured red on plan deposited under number DD 102687I except that part in Plan 26607	EH65860	009-554-009
The north 20 chains of the east 17 chains, 86 links of the northwest 1/4 of Section 5, Township 10, Renfrew District	EH65819	009-554-599
Parcel B (DD 76678I) of the northwest 1/4 of Section 5, Township 10, Renfrew District, except .91 of an acre shown outlined in red on plan deposited under number DD 102716I and except that part in Plan 26607	EH65859	009-554-661
The northwest 1/4 of Section 6, Township 10, Renfrew District	EH65828	009-554-785
The west 1/2 of the northeast 1/4 of Section 6, Township 10, Renfrew District, except that part shown coloured red on plan deposited under number DD 102750I	EH65876	009-555-111

The east 1/2 of the northeast 1/4 of Section 6, Township 10, Renfrew District, except that part shown coloured red on plan deposited under number DD 102750I and except part in Plan 2558 RW	EJ140771	009-555-153
The southwest 1/4 of Section 6, Township 10, Renfrew District, except Parcel A (DD 73809I); that part shown coloured red on Plan 273 RW; and that part shown outlined in red on Plan 539 R	EH65827	009-555-684
That part of the southwest 1/4 of Section 7, Township 10, Renfrew District, lying south of the southerly limit of Plan 1994	EH65852	009-555-935

SCHEDULE "E"

LOT 87 LANDS

That part of Lot 87, Malahat District, lying south of the bold line shown in the Appendix to this Schedule.

LEGEND

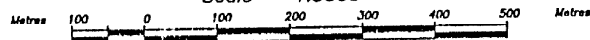
Bearings are astronomic, derived from Plan
All distances are in metres.

- ⊙ denotes standard capped post found.
- denotes proposed standard iron post.

**PLAN SHOWING PROPOSED BOUNDARY FOR WATERSHED PROTECTION
IN DISTRICT LOT 87, MALAHAT DISTRICT.**

B.C.G.S. 92B.062

Scale = 1:5000



2
PLAN 10134

BLOCK 585

BLOCK 1238

DISTRICT LOT 87

BLOCK 522

DD259255I

BLOCK 160

PLAN 2037

B.C.
PLAN 3663 R.W.

HYDRO

&
PLAN 3650 R.W.

POWER

AUTHORITY
PLAN 3736 R.W.

APPENDIX

SCHEDULE "F"

TFL 46 - PRIVATE LANDS REMAINING

BLOCK 1

Crown Grants	Certificate of Title	Parcel Identifier #
Lot 1, Block 75, Cowichan Lake District and District Lot 887, Renfrew District, Plan 40245	EH65796	000-187-674
That part of District Lot 17, Renfrew District, as shown outlined in red on Plan 347R	EH65889	009-575-006
That part of Section 97, Renfrew District as shown colored in red on Plan 344R	EH65886	009-592-342
Parcel A (DD 143426I) of Section 97, Renfrew District, except that part in Plan 15462	EH65887	009-592-423
District Lot 156, Renfrew District	EH65884	009-593-080
The Northwest 1/4 of Section 4, Township 10, Renfrew District, except that part comprising a right of way 50 feet wide, as shown coloured red on Plan DD 103829I	EH65839	009-553-339
That part of the Northwest 1/4 of Section 4, Township 10, Renfrew District, comprising a right of way 50 feet wide, as shown coloured red on Plan DD 103829I	EH65840	009-553-258
The Northwest 1/4 of Section 4, Township 10, Renfrew District, except that part shown coloured in red on plan deposited under DD 103460I	EH65826	009-553-151
That part of the Northeast 1/4 of	EH65838	009-553-096

Section 4, Township 10, Renfrew District, comprising a right of way 50 feet wide as shown coloured red on plan deposited under DD 1034601

The Southwest 1/4 of Section 5, Township 10, Renfrew District

EH65811

009-554-882

That part of the Northwest 1/4 of the Northeast 1/4 of Section 5, Township 10, Renfrew District, comprising a right of way of 50 feet wide, shown coloured red on plan deposited under DD 1027161

EH65854

009-553-428

The south 20 chains of the East 17 chains 86 links of the Northwest 1/4 of Section 5, Township 10, Renfrew District

EH65879

009-554-858

The north 20 chains of the East 17 chains 86 links of the Northwest 1/4 of Section 5, Township 10, Renfrew District except part in the San Juan Estuary Lands

EH65819

009-554-599

Parcel A (DD 619801) of the Northwest 1/4 of Section 5, Township 10, Renfrew District, except that part shown coloured red on plan deposited under DD 1026871 except that part in Plan 26607 except part in the San Juan Estuary Lands

EH65860

009-554-009

That part of Parcel A (DD 619801) of the Northwest 1/4 of Section 5, Township 10, Renfrew District, as shown coloured red on plan deposited under DD 1026871

EH65841

009-554-751

Parcel B (DD 76678I) of the Northwest 1/4 of Section 5, Township 10, Renfrew District, except 91 of an acre, shown outlined in red on plan deposited under DD 102716I and except that part in Plan 26607 except part in the San Juan Estuary Lands	EH65859	009-554-661
That part of Parcel B (DD 77678I) of Section 5, Township 10, Renfrew District, comprising a right of way 50 feet wide shown coloured red on plan deposited under DD 102716I	EH65880	009-553-509
The Northwest 1/4 of Section 5, Township 10, Renfrew District, except the Northwest 1/4	EH65878	009-553-355
The Northwest 1/4 of the Northeast 1/4 of Section 5, Township 10, Renfrew District, except .81 of an acre, shown outlined in red on plan deposited under DD 102716I	EH65820	009-554-505
The part of the Northeast 1/4 of Section 6, Township 10, Renfrew District, as shown outlined in red on plan deposited under DD 102750I	EH65842	009-555-021
The Southeast 1/4 of Section 6, Township 10, Renfrew District, except part in Plan 2558 RW	EJ140770	009-554-947
The Southwest 1/4 of Section 6, Township 10, Renfrew District, except Parcel A (DD 73809I); that part shown coloured red on Plan 273RW; and that part shown outlined in red on Plan 539R except part in the San Juan Estuary Lands	EH65827	009-555-684
That part of the Southwest 1/4 of Section 6, Township 10, Renfrew District, comprising a right of way 40 feet wide, as shown coloured red on	EH65846	009-555-471

Plan 273RW

That part of the Southwest 1/4 of Section 6, Township 10, Renfrew District, as shown outlined in red on Plan 539R	EH65845	009-555-561
The Northwest 1/4 of Section 6, Township 10, Renfrew District except part in the San Juan Estuary Lands	EG65828	009-554-785
The East 1/2 of the Northeast 1/4 of Section 6, Township 10, Renfrew District except that part shown coloured red on plan deposited under DD 102750I and except part in Plan 2558 RW except part in the San Juan Estuary Lands	EJ140771	009-555-153
The West 1/2 of the Northeast 1/4 of Section 6, Township 10, Renfrew District, except that part shown coloured red on plan deposited under DD 102750I except part in the San Juan Estuary Lands	EH65876	009-555-111
The North 1/2 of the Northeast 1/4 of Section 7, Township 10, Renfrew District	EH65816	009-555-773
That part of the Southwest 1/4 of Section 7, Township 10, Renfrew District, lying north of the northerly limit of Plan 1994	EH65853	009-555-889
That part of the Southwest 1/4 of Section 7, Township 10, Renfrew District, lying south of the southerly limit of Plan 1994, except part in the San Juan Estuary Lands	EH65852	009-555-935
Lot 4, Section 7, Township 10, Renfrew District, Plan 1994	EH65851	006-621-210
Lot 5, Section 7, Township 10, Renfrew	EH65850	006-621-252

District, Plan 1994

Lot 6, Section 7, Township 10, Renfrew District, Plan 1994	EH65849	006-621-279
The Southwest 1/4 of Section 8, Township 10, Renfrew District except part in the San Juan Estuary Lands	EH65858	009-553-584
The Northeast 1/4 of Section 8, Township 10, Renfrew District	EK91331	009-555-951
The Northwest 1/4 of Section 9, Township 10, Renfrew District	EH65837	009-556-044
The West 1/2 of the Northeast 1/4 of Section 9, Township 10, Renfrew District	EH65836	009-556-087
The Southeast 1/4 of Section 9, Township 10, Renfrew District	EH65831	009-556-141
The Southwest 1/4 of Section 9, Township 10, Renfrew District	EG65825	009-556-125
The Southwest 1/4 of Section 10, Township 10, Renfrew District, except a strip of land 40 feet wide shown coloured red on Plan 101R	EG65817	009-556-354
That part of the Southwest 1/4 of Section 10, Township 10, Renfrew District, comprising a strip of land 40 feet wide as shown coloured red on Plan 101R	EH65814	009-556-338
That part of the North 1/2 of the Southeast 1/4 of Section 10, Township 10, Renfrew District, lying to the south of the San Juan River	EH65829	009-556-265
The South 1/2 of the Southeast 1/4 of Section 10, Township 10, Renfrew District	EH65830	009-556-231
The West 1/2 of the Northwest 1/4 of Section 11, Township 10, Renfrew	EG65874	009-556-761

District

The Southwest 1/4 of Section 11, Township 10, Renfrew District, except those parts shown outlined in red on Plan 559 RW	EH65807	009-556-931
The Northeast 1/4 of Section 12, Township 10, Renfrew District	EH65873	009-556-958
That part of the Northwest 1/4 of Section 12, Township 10, Renfrew District, lying easterly of Harris Creek and north of a boundary parallel to the north boundary of the said Northwest 1/4 of said Section 12 and extending westerly from a point on the east boundary distant 3 chains south from the northeast boundary of said section	EH65808	009-557-237
The Northwest 1/4 of Section 12, Township 10, Renfrew District, except that part lying easterly of Harris Creek and north of a boundary parallel to the north boundary of the said Northwest 1/4 of said Section 12 and extending westerly from a point on the east boundary distant 3 chains south from the northeast corner of said Northwest 1/4 of said section and except that part lying within the Indian Reserve	EH65809	009-557-881
That part of the North 1/2 of the Southwest 1/4, Section 14, Township 10, Renfrew District, Plan 107 RW	EH65815	009-565-957
The North 1/2 of Southwest 1/4 of Section 14, Township 10, Renfrew District, except that part shown coloured on Plan 107 RW	EH65847	009-558-004
The Southwest 1/4 of the Southwest 1/4 of Section 14, Township 10, Renfrew District	EH65872	009-556-796

That part of the South 1/2 of Section 15, Township 10, Renfrew District, in Plan 107 RW	EH65871	009-566-015
The South 1/2 of Section 16, Township 10, Renfrew District	EH65813	009-556-117
The Southeast 1/4 of Section 18, Township 10, Renfrew District	EH65870	009-558-101
Lot 2, Sections 1 and 12, Township 11, Renfrew District, Plan 44813	EH65856	006-558-852
The fractional Southeast 1/4, Section 11, Township 11, Renfrew District, except part containing 10 acres, more or less, shown coloured red on Plan DD 18221, and except part in Plan 44812	EH65855	006-537-898
The Northwest 1/4, Section 11, Township 11, Renfrew District	EH65869	006-538-037
The Northeast 1/4 of Section 12, Township 11, Renfrew District	EH65848	009-565-299
The South 1/2 of the Northwest 1/4 of Section 12, Township 11, Renfrew District	EH65824	009-565-345
The South 1/2 of Section 14, Township 11, Renfrew District	EH65868	009-565-337
That part of the Northeast 1/4 of Section 15, Township 11, Renfrew District, lying east of Gordon River	EH65865	009-565-353
That part of the Northeast 1/4 of Section 15, Township 11, Renfrew District, lying west of Gordon River	EH65866	009-565-361
That part of the Southeast 1/4 of Section 15, Township 11, Renfrew District, lying west of Gordon River	EH65867	009-565-388

The Southeast 1/4 of Section 15, Township 11, Renfrew District, except that part lying west of Gordon River	EH65821	009-565-400
The Northeast 1/4 of Section 31, Township 12, Renfrew District	EH65835	009-565-418
The Southwest 1/4 of Section 31, Township 12, Renfrew District	EH65834	009-565-426
The Northwest 1/4 of Section 31, Township 12, Renfrew District,	EH65832	009-565-434
Lot 6, Section 36, Township 13, Renfrew District, Plan 5109	EH65818	006-038-956
The Northeast 1/4 of Section 36, Township 13, Renfrew District	EH65863	009-565-752
The Easterly 1/2 of the Northwest 1/4 of Section 36, Township 13, Renfrew District, except that part shown coloured red on Plan 346-R, and except those parts in Plans 22475, 24267, 24755, 29515, 41154, 50819 and VIP59967	EH134796	000-468-291
The West 1/2 of the Northwest 1/4 of Section 36, Township 13, Renfrew District, except those parts in Plans 5109, 24267 and 24755	EG163843	009-565-787
The Southeast 1/4 of Section 36, Township 13, Renfrew District	EH65810	009-565-701
The Southwest 1/4 of Section 36, Township 13, Renfrew District	EH65857	009-565-817
The North 1/2 of Section 7, Township 14, Renfrew District	EH65862	009-565-868

SCHEDULE "G"

The Northwest 1/4 of Section 8, **PRIVATE LANDS REMAINING**
Township 14, Renfrew District

NOTE: The inclusion of a parcel
deletion of that land from the tree

**Certificate
of Title**

**Parcel
Identifier #**

EH65911

000-834-751

EH65912

000-834-793

EH65914

000-834-777

EH65910

000-834-718

EH66116

000-846-414

strict

EH66120

000-849-014

nd,

EH66117

000-846-384

strict

EH66115

000-849-022

Quadra Island Block No. 12

Lot 5 of District Lot 114, Sayward District, situate on Quadra Island, shown red on Plan deposited under D.D. 55492-1	EH66124	000-846-350
District Lot 389, Sayward District	EH66122	000-849-057
Lot A of District Lots 763 and 764, Sayward District, Plan 24904 except part in Plan VIP66729	EM13190	000-848-891
District Lot 765, Quadra Island, Sayward District except that part in Plan VIP55023	EH66123	000-846-317
District Lot 1152, Sayward District	EH66118	000-848-999
That part of District Lot 1152A, Sayward District, lying to the west of a boundary bearing due south from the south east corner of District Lot 1152	EH66119	000-848-981

Moresby Block No. 18

Area A

District Lot 1362, Queen Charlotte District except Plan 3696	TH12635	015-633-837
That part of District Lot 1362, Queen Charlotte District on Plan 3696	TH12639	015-633-772

Area B

District Lot 167, Queen Charlotte District	TH12637	015-633-454
District Lot 2143, Queen Charlotte District	TH12638	015-633-870
District Lot 2854, Queen Charlotte District	TH12636	015-633-969

NOTE: The inclusion of a parcel of land in this schedule does not affect any previous deletion of that land from the tree farm license.

Quadra Island Block No. 12

Lot 5 of District Lot 114, Sayward District, situate on Quadra Island, shown red on Plan deposited under D.D. 55492-1	EH66124	000-846-350
District Lot 389, Sayward District	EH66122	000-849-057
Lot A of District Lots 763 and 764, Sayward District, Plan 24904 except part in Plan VIP66729	EM13190	000-848-891
District Lot 765, Quadra Island, Sayward District except that part in Plan VIP55023	EH66123	000-846-317
District Lot 1152, Sayward District	EH66118	000-848-999
That part of District Lot 1152A, Sayward District, lying to the west of a boundary bearing due south from the south east corner of District Lot 1152	EH66119	000-848-981

Moresby Block No. 18

Area A

District Lot 1362, Queen Charlotte District except Plan 3696	TH12635	015-633-837
That part of District Lot 1362, Queen Charlotte District on Plan 3696	TH12639	015-633-772

Area B

District Lot 167, Queen Charlotte District	TH12637	015-633-454
District Lot 2143, Queen Charlotte District	TH12638	015-633-870
District Lot 2854, Queen Charlotte District	TH12636	015-633-969

NOTE: The inclusion of a parcel of land in this schedule does not affect any previous deletion of that land from the tree farm license.

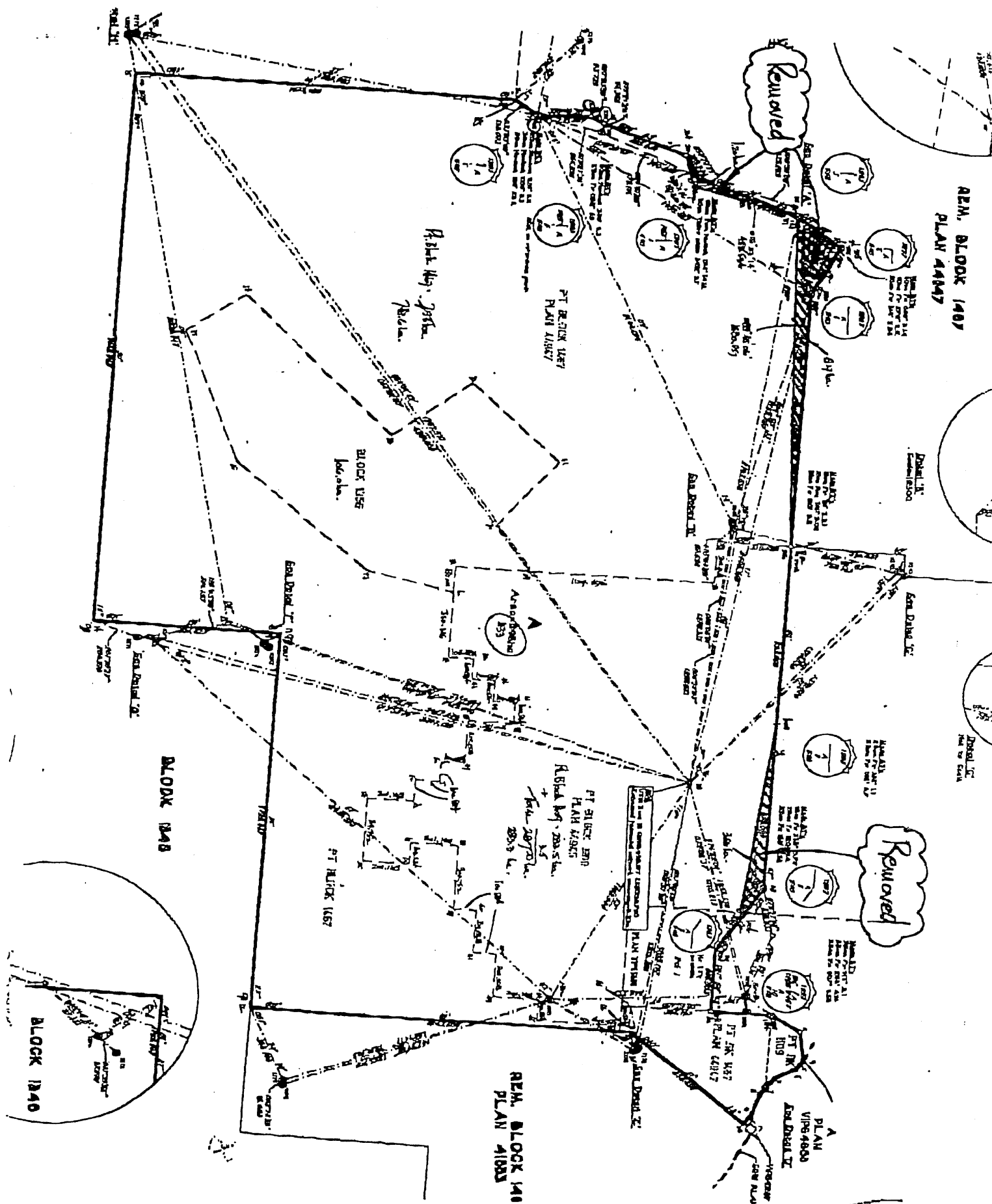
SCHEDULE "H"

DIVERS/ROSSITER LAKE LANDS

Those portions of the following two parcels shown outlined in bold in the Appendix to this Schedule:

Legal Description	Certificate of Title	Parcel Identifier #
Block 1109, Comox District, as shown on Plan 44945, except that part in Plan VIP64688	EL6272	006-993-605
Block 1467, Comox District, as shown on Plan 44947, except that part in Plan VIP64688	EL6274	006-993-583

The Company acknowledges that the Province is the owner of Block 1356 despite such parcel being shown within the bold outline in the Appendix to this Schedule.



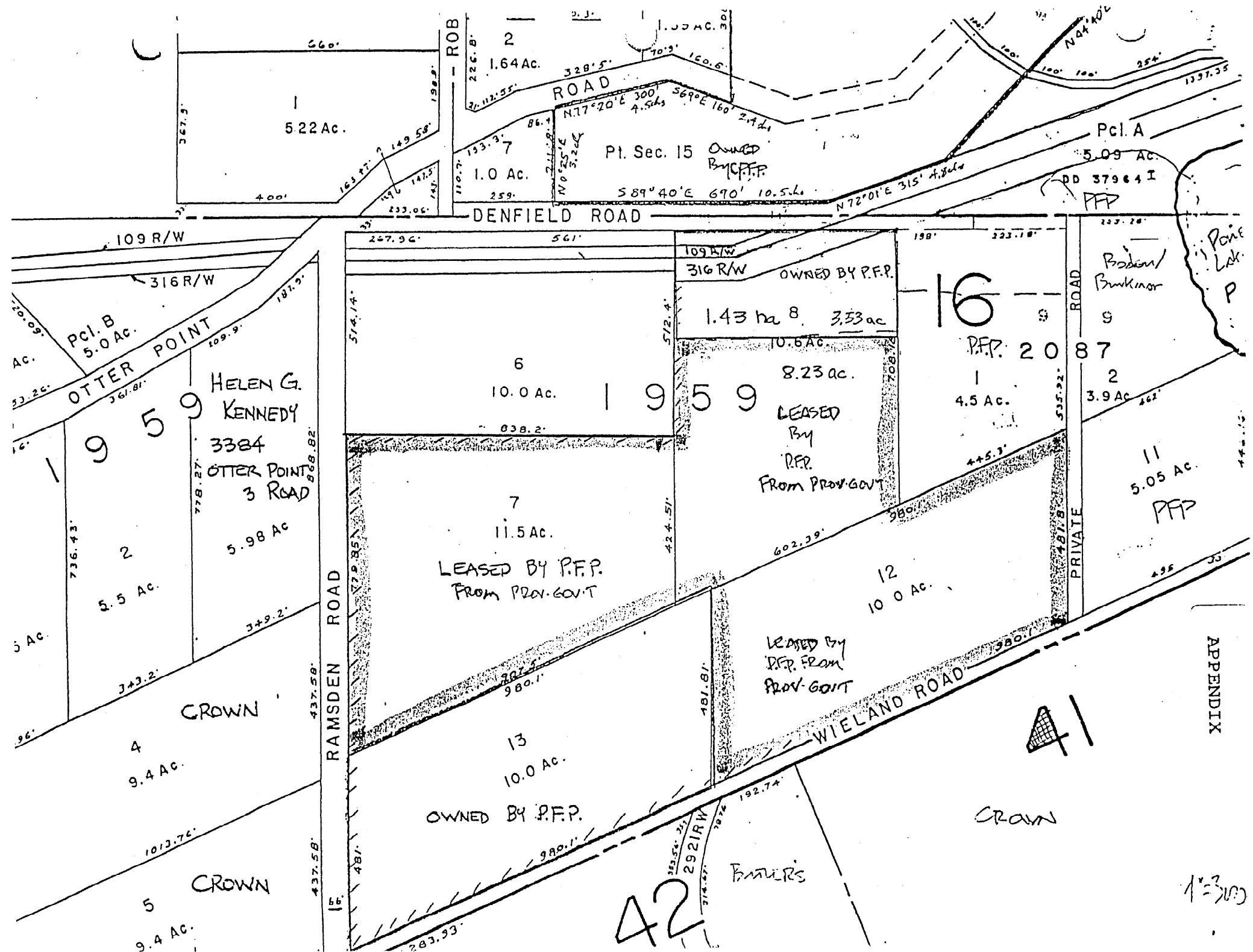
SCHEDULE "I"

HEBER RIVER TSA LANDS

[illegible]

SCHEDULE "J"

HEBER RIVER EXCHANGE LANDS



SCHEDULE "K

RANALD CREEK LANDS

SCHEDULE "L"

SOOKE DRY LAND SORT LANDS

Parcel Identifier: 006-742-211

Lot 7, Section 16, Otter District, Plan 1959

Parcel Identifier: 006-744-991

Lot 8, Section 16, Otter District, Plan 1959, except the northerly 275 feet of said lot and except parts in Plans 109 RW and 316 RW

Parcel Identifier: 006-742-211

Lot 7, Section 16, Otter District, Plan 1959

as shown outlined in bold in the Appendix to this Schedule.

SCHEDULE "M"
FOREST PRACTICES COVENANT

**LAND TITLE ACT
FORM C**

(Section 233)

Province of
British Columbia

GENERAL INSTRUMENT – PART 1 (This area for Land Title Office use)

PAGE 1 of 17 page(s)

1. APPLICATION: (Name, address, phone number and signature of applicant, applicant's solicitor or agent)

(Solicitor/Agent)

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:*

(PID)

(LEGAL DESCRIPTION)

SEE SCHEDULE

3. NATURE OF INTEREST:*

DESCRIPTION

DOCUMENT REFERENCE
(page and paragraph)

PERSON ENTITLED TO INTEREST

Section 219 Covenant

Entire Instrument
Page », paragraphs »

Transferee

4. TERMS: Part 2 of this instrument consists of (select one only)

(a) Filed Standard Charge Terms

☐

D. F. No. ☐

(b) Express Charge Terms

☒

Annexed as Part 2

(c) Release

☐

There is no Part 2 of this instrument

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument. If (c) is selected, the charge described in Item 3 is released or discharged as a charge on the land described in Item 2.

5. TRANSFEROR(S):*

TIMBERWEST FOREST I LIMITED (Inc. No. 440252)

6. TRANSFeree(S): (including occupation(s), postal address(es) and postal code(s))*

HER MAJESTY THE QUEEN in right of the Province of British Columbia, as represented by the
Ministry of Forests [insert address]

GENERAL INSTRUMENT – PART 1

7. ADDITIONAL OR MODIFIED TERMS:*

N/A

8. EXECUTION(S):** This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)	Execution Date			Party(ies) Signature(s)
	Y	M	D	
Brian Koo, Solicitor Suite 1601, 700 W. Pender Street Vancouver, BC V6C 1G8 713-4018	99	»	»	TIMBERWEST FOREST I LIMITED by its authorized signatory(s)
				Don McMullan Vice President and Chief Forester

OFFICER CERTIFICATION

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act R.S.B.C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

* If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.

** If space insufficient, continue executions on additional pages(s) in Form D.

**LAND TITLE ACT
FORM E**

Province of
British Columbia
SCHEDULE

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD
TRANSFER FORM, MORTGAGE FORM OR GENERAL DOCUMENT FORM

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:*
(PID) (LEGAL DESCRIPTION)

Enter the required information in the same order as the information must appear on the Freehold
Transfer Form, Mortgage Form or General Document Form.

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF THE MORTGAGED LAND:
(PID) (LEGAL DESCRIPTION)

000-869-368	Section 17, Township 2, Comox District, Plan 552A, except the northeast 1/4 of the northeast 1/4 and except that part shown partly coloured in red and partly outlined in red on Plan 375 RW
000-867-683	The unnumbered part of Comox District bounded as follows: on the west and north by Block 28, Comox District, Plan 691-E, on the east by fractional Section 12, Township 3, Comox District, Plan 552-B and on the south by Block 94, Comox District
000-881-252	Section 12, Township 3, Comox District, Plan 552B, except part in Block 94, Comox District
000-881-082	Section 13, Township 3, Comox District, Plan 552B
000-881-058	The two parts of fractional Section 14, Township 3, Comox District, Plan 552B, as shown outlined in red on plan deposited under DD 10520N and Plan 38373 respectively
000-866-857	The southwest 1/4 of the northeast 1/4 of Section 24, Township 3, Comox District, Plan 552B
000-881-104	North 1/2 of northeast 1/4 of Section 24, Township 3, Comox District, Plan 552B, except that part in Plan 206 RW
000-881-163	The southeast 1/4 of the northeast 1/4 of Section 24, Township 3, Comox District, Plan 552B
000-880-965	The south 1/2 of Section 24, Township 3, Comox District, Plan 552B
000-881-201	The south 1/2 of Section 25, Township 3, Comox District, Plan 552B, except Plans 206 RW and 376 RW

000-869-422	The west 1/2 of Section 4, Township 4, Comox District, Plan 552C
000-869-431	Section 5, Township 4, Comox District, Plan 552C
000-869-414	Section 6, Township 4, Comox District, Plan 552C, except those parts included in Block 94, Comox District
000-869-465	Section 7, Township 4, Comox District, Plan 552C
000-869-406	The southeast 1/4, Section 8, Comox District, Plan 552C
000-869-392	The southwest 1/4 of the southwest 1/4, Section 8, Township 4, Comox District, Plan 552C
000-869-449	The east 1/2 of southwest 1/4, Section 8, Township 4, Comox District, Plan 552C
000-869-473	Section 18, Township 4, Comox District, Plan 552C
000-869-457	That part of Section 19, Township 4, Comox District, Plan 552C, lying southwesterly of Plan 206 RW
000-869-490	That part of Section 20, Township 4, Comox District, Plan 552C, lying southwesterly of Plan 206 RW
000-876-488	The southeast 1/4 of the northeast 1/4 of Section 6, Township 6, Comox District, Plan 552E
000-873-284	The north 1/2 of the northwest 1/4 of Section 7, Township 6, Comox District, Plan 552E
000-873-331	The southeast 1/4 of Section 7, Township 6, Comox District, Plan 552E, except those parts in Plan 204 RW
000-873-349	The south 1/2 of the northwest 1/4 of Section 7, Township 6, Comox District, Plan 552E
000-873-357	The northeast 1/4 of Section 7, Township 6, Comox District, Plan 552E
000-878-103	East 1/2 of southwest 1/4 of Section 7, Township 6, Comox District, Plan 552E, except that part in Plan 204 RW
000-866-946	Parcel A (DD 16308N), Section 8, Township 6, Comox District, Plan 552E
000-873-233	The south 1/2 of the southwest 1/4 of Section 18, Township 6, Comox District, Plan 552E

000-873-250 That part o/2 of the southwest 1/4 of Section 17, Township 9, Comox District, Plain 552G
more or less

000-876-518 1/2 of the east 1/2 of the north 1/2 of the northeast 1/4 of The west 1/, Township 9, Comox District, Plan 552G
District, Plar

000-869-350 i, Township 9, Comox District, Plan 552G, except that part The west 1/ Medicine Bowls Park, as shown on plan deposited under District, Plan

000-869-333 The northeast 1/4 of Section 19, Township 9, Comox District, Comox Dist

000-869-635 Section 23, east 1/4 of the southeast 1/4 of Section 19, Township 9, strict, Plan 552G

000-869-601 The south Plan 552F west 1/4, Section 19, Township 9, Comox District, Plan 552G

000-876-402 The west 1west 1/4 of the southeast 1/4 of Section 19, Township 9, District, Plastrict, Plan 552G

000-876-437 The north (DD 18060N) of the northeast 1/4 of Section 20, Township 9, Plan 552F strict, Plan 552G

000-876-445 The south 1/2 of the northwest 1/4 of Section 20, Township 9, Comox Plan 552F lan 552G

000-869-589 The west 1east 1/4 of the southwest 1/4 of Section 20, Township 9, istrict, Plan 552G

000-869-643 Section 27

000-869-571 1/2 of the northwest 1/4 of Section 28, Township 9, Comox Section 33lan 552G

000-869-562 Section 34thwest 1/4 of Section 28, Township 9, Comox District, G

000-869-546 The south Plan 552Ft 1/2 of the northwest 1/4 of Section 28, Township 9, Comox Plan 552G

000-873-195 The north District, Plt 1/2 of the northwest 1/4 of Section 29, Township 9, Comox Plan 552G, except part in Plans 43227, and VIP67452

000-873-209 The north Comox Dit 1/2 of the southeast 1/4 of Section 29, Township 9, Comox Plan 552G

000-866-792 That part District, Plthwest 1/4, Section 29, Township 9, Comox District, Plan 552G

000-866-814 The south 1/2 of the northeast 1/4 of Section 29, Township 9, Comox Plan 552CPlan 552G, except part in VIP67452

000-461-482	The southwest 1/4 of Section 30, Township 9, Comox District, Plan 552G
000-461-504	The west 1/2 of the northwest 1/4 of Section 30, Township 9, Comox District, Plan 552G except part in Plans 3415 RW, 45159, VIP52760, VIP55946 and VIP60335
000-876-313	The southeast 1/4 of Section 30, Township 9, Comox District, Plan 552G
000-461-521	The west 1/2 of Section 31, Township 9, Comox District, Plan 552G
000-876-305	The northeast 1/4 of the southwest 1/4 of Section 32, Township 9, Comox District, Plan 552G, except part in Plan VIP67453
000-869-988	The west 1/2 of the southwest 1/4 of Section 32, Township 9, Comox District, Plan 552G except part in Plans 43227, and VIP67453
000-869-911	The south 1/2 of the southeast 1/4 of Section 32, Township 9, Comox District, Plan 552G except part in Plans 43227, and VIP67452
000-869-821	The northwest 1/4 of the southeast 1/4 of Section 32, Township 9, Comox District, Plan 552G, except part in Plan VIP67452
000-870-579	The south 1/2 of Section 33, Township 9, Comox District, Plan 552G
000-873-144	Block 28, Comox District, Plan 691E, except those parts in Plans 206 RW and 376 RW
000-873-136	Block 29, Comox District, Plan 691F, lying southerly of Plan 206 RW being part of the area containing 10,440 acres more or less, and shown outlined in pink on plan deposited under DD 10441N
000-877-972	Lot 2, Block 29, Comox District, Plan 4126
000-397-580	Lot 3, Block 29, Comox District, Plan 4126
000-877-956	Lot 4, Block 29, Comox District, Plan 4126, except that part in Plan 36772
000-677-701	Lot 3, Block 29, Comox District, Plan 3431
000-875-996	Lot 4, Block 29, Comox District, Plan 3431
000-865-311	Parcel B (DD 16307N), Block 29, Comox District, Plan 691F
000-881-309	Parcel D (DD 66583W and DD 16313N), Block 29, Comox District, Plan 691F
000-873-152	Parcel C (DD 71309N), Block 29, Comox District, Plan 691F

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000-881-309	Parcel D (DD 66583W and DD 16313N), Block 29, Comox District, Plan 691F
000-873-152	Parcel C (DD 71309N), Block 29, Comox District, Plan 691F

000-864-960	Block 76, Comox District
000-865-273	That part of Block 94, Comox District, shown outlined in green on Plan 408R
000-873-110	That part of Block 94, Comox District, outlined in red on Plan 326R and marked with the letter B
000-875-970	Parcel A (DD 13528N), Blocks 94 and 150, Comox District
000-873-101	That part of Block 94, Comox District, outlined in green on Plan 326R marked with the letter A
000-877-930	That part of Block 151, Comox District, outlined in green on Plan 326R and marked with the letter A
000-873-128	That part of Block 94, Comox District, outlined in brown on Plan 326R and marked with the letter C
000-877-948	That part of Block 151, Comox District, outlined in brown on Plan 326R and marked with the letter C
000-873-012	All that part of Block 150, Comox District, lying to the southwest of the southwest boundary of Parcel A of Blocks 94 and 150, Comox District, and bounded on the northwest by the right banks of Piggott Creek and Oyster River, containing 1050 acres more or less as shown outlined in brown on Plan 408R
000-865-001	Block 151, Comox District, as shown outlined in red on Plan 408R, except part in Plan 326R
000-865-265	Block 426, Comox District
000-461-342	Block 597, Comox District
000-461-695	Block 598, Comox District except parts in Plans 3415 RW, 45159 and VIP56601
000-873-071	Block 599, Comox District
000-461-709	Block 695, Comox District except parts in Plan 3415 RW, 45159 and VIP60172
000-877-981	That part of Lot A, District Lot 135, Comox District, Plan 1945, lying to the southwest of Plan 744 RW
000-865-079	Section 81, Comox District, except Parcel A (D.D. 15319N)
000-873-039	Block 600, Comox District

000-873-047	Block 612, Comox District
000-859-567	Block 31, Nelson District, Plan 691H
000-859-541	Block 32, Nelson District, Plan 691H
000-859-524	Block 46, Comox District (situated in Nelson District), Plan 789
000-854-387	Block 92, Nelson District
000-859-290	Block 257, Nelson District
000-854-581	Block 314, Nelson District
000-854-433	Block 315, Nelson District
000-859-273	Block 316, Nelson District
000-859-249	Block 318, Nelson District
000-859-214	Block 319, Nelson District
000-859-184	Block 320, Nelson District
000-854-514	Block 321, Nelson District
000-854-336	Block 423, Nelson District
000-854-280	Block 424, Nelson District
000-854-425	Block 425, Nelson District
000-859-630	Block 440, Nelson District
000-854-409	Block 441, Nelson District
000-854-395	Block 465, Nelson District
000-859-613	Block 466, Nelson District
000-854-221	Block 467, Nelson District
000-854-174	Block 580, Nelson District
000-854-158	Block 610, Nelson District
000-859-591	Block 613, Nelson District
000-859-583	Block 646, Nelson District

000-118-303	Block 749, Nelson District, as shown on Plan 40391
000-118-834	Block 750, Nelson District, as shown on Plan 40394
000-118-630	Block 806, Nelson District, as shown on Plan 40392
000-116-742	Block 807, Nelson District, as shown on Plan 40396
000-117-510	Block 1139, Nelson District, as shown on Plan 40395
000-859-443	Block 239, Nelson and Comox Districts, except that part shown outlined in red on Plan 140 R
000-859-371	Block 254, Nelson and Comox Districts
000-118-621	Block 748, Comox District and Nelson District, as shown on Plan 40393
000-859-141	Block 90, Newcastle District
000-859-095	Block 91, Newcastle District
000-859-044	That part of Block 74, Newcastle and Nelson District, Plan 886, shown outlined in red on plan deposited under DD 18904N
000-836-851	Block 8, Dunsmuir District, Plan 691C
000-836-877	Block 9, Dunsmuir District, Plan 691C
001-557-815	Block 10, Dunsmuir District, Plan 691C
000-836-842	Block 11, Dunsmuir District, Plan 691C
000-836-869	Block 58, Dunsmuir District, Plan 789
001-557-840	Block 61, Dunsmuir District, Plan 789
000-836-893	Block 63, Dunsmuir District, Plan 789
000-836-818	Block 64, Dunsmuir District, Plan 789
000-836-885	Block 65, Dunsmuir District, Plan 789
001-557-831	Block 66, Dunsmuir District, Plan 789
001-557-866	Block 67, Dunsmuir District, Plan 789
000-836-907	Block 68, Dunsmuir District, Plan 789, except that part shown outlined in red on Plan 1580R

000-836-389	Block 86, Dunsmuir District, shown coloured red on plan deposited under DD No. 10249
000-836-397	Block 601, Dunsmuir District, except that part outlined in red on Plan 463 RW
000-836-401	Block 627, Dunsmuir District
000-836-362	Block 628, Dunsmuir District
000-836-419	Block 629, Dunsmuir District
000-836-371	Block 635, Dunsmuir District
000-836-303	Block 671, Dunsmuir District
000-836-354	Block 672, Dunsmuir District
000-836-711	Block 673, Dunsmuir District
000-835-285	Block 696, Dunsmuir District
000-836-770	Block 713, Dunsmuir District
000-116-416	Block 809, Dunsmuir District, as shown on Plan 40397
000-836-788	Block 953, Dunsmuir District
000-836-729	District Lot 10, Dunsmuir District (formally Douglas District), except that part shown outlined in red on Plan 842R
000-836-737	District Lot 12, Dunsmuir District
000-852-180	Block 589, Douglas District, except those parts in Plan 403 RW
000-854-697	That part of Block 645, Douglas District, lying to the north of northerly boundary of Plan 403 RW
000-854-646	Block 651, Douglas District, except that part in Plan 403 RW
000-852-295	District Lot 15, Douglas District, except that part in Plan 403 RW
000-853-003	Block 301, Bright District
000-852-961	Block 302, Bright District
000-852-929	Block 330, Bright District
000-878-448	Block 337, Bright District

000-852-881	Block 338, Bright District
000-852-864	Block 340, Bright District
000-875-961	Block 343, Bright District, except that part shown coloured red on Plan 271 RW
000-878-421	Block 345, Bright District
000-852-821	Block 346, Bright District
000-878-391	Block 405, Bright District
000-878-359	Block 406, Bright District
000-878-201	Block 407, Bright District
000-875-937	Block 511, Bright District
000-878-499	Block 518, Bright District
000-875-872	That part of District Lot 19, Bright District, lying to the north of a straight boundary joining a point on the westerly boundary of said Lot 19 distant 16 chains northerly from the southeast corner of Lot 6, of said district to a point on the westerly boundary of Lot 12 of said district distant 14 chains northerly from the southeast corner of said Lot 19
000-852-775	Block 329, in Bright, Douglas and Cowichan Lake Districts
000-852-759	Block 339, Bright and Cowichan Lake Districts
000-878-090	Parcel A (DD 34630N), Block 5, Bright District and Oyster District, Plan 691
000-880-779	Block 427, Cowichan Lake District
000-880-841	Block 428, Cowichan Lake District
000-880-868	Block 473, Cowichan Lake District
000-880-795	Block 531, Cowichan Lake District
000-878-979	Block 541, Cowichan Lake District
000-880-825	Block 542, Cowichan Lake District
000-880-817	Block 581, Cowichan Lake District

000-880-744	Block 630, Cowichan Lake District, shown outlined in red on plan deposited under DD 1322921
000-880-833	Block 643, Cowichan Lake District
000-880-876	Block 670, Cowichan Lake District
000-880-850	Block 710, Cowichan Lake District
000-878-995	Block 717, Cowichan Lake District
000-878-987	Block 727, Cowichan Lake District
000-880-710	Block 743, Cowichan Lake District
000-852-554	Block 47, Cowichan Lake and Bright District, Plan 789
000-853-143	Block 48, Cowichan Lake District, Plan 789
000-853-097	Block 49, Cowichan Lake and Bright District, Plan 789
000-853-062	Block 50, Cowichan Lake and Bright Districts, Plan 789
000-852-562	Block 51, Cowichan Lake District, Plan 789, except that part outlined in red on Plan 649R
009-432-264	Amended Block 992, Cowichan Lake, Oyster and Chemainus Districts, shown on Plan 37753
000-852-228	Block 395, Douglas District
000-854-719	Block 631, Douglas District
000-852-511	Block 808, Douglas District
000-878-006	Block 381, Oyster District
000-877-816	That part of District Lot 73, Oyster District, lying to the south and west of the public road 66 feet wide as said road is shown on Plan 518R, except those parts in Plan 4361 and 7166 and except Parcel A (DD 8298N)
000-877-921	District Lot 108, Oyster District, except that part shown outlined in red on Plan 323 R and except part in Plan 47290
000-877-794	District Lot 122, Oyster District
000-879-215	District Lot 123, Oyster District, containing 35.55 acres more or less and shown outlined in red on plan deposited under DD 5419N

023-961-210	District Lot 2001, Bright District and Cowichan Lake District
009-368-957	Block 191, Malahat District
009-368-353	Block 758, Malahat District
009-374-370	Block 818, Malahat District
009-374-264	Block 868, Malahat District
009-374-281	Block 869, Malahat District
009-374-213	Block 892, Malahat District
009-379-193	Block 907, Malahat District
009-378-618	Block 1007, Malahat District
009-394-168	District Lot 1044, Malahat District
009-377-727	Block 1180, Malahat District
009-759-611	District Lot 83 RW, Cowichan Lake District, shown outlined in red on Plan 704 RW
009-737-456	Block 608, Cowichan Lake District
009-780-386	Block 704, Cowichan Lake District
009-780-343	Block 736, Cowichan Lake District
009-780-998	Block 849, Cowichan Lake District
009-780-980	Block 870, Cowichan Lake District
009-780-971	Block 910, Cowichan Lake District
010-614-753	Block 979, Cowichan Lake District, containing 671 acres more or less
009-556-893	Those parts of the Southwest 1/4 of Section 11, Township 10, Renfrew District, as shown outlined in red in Plan 559 RW
009-552-782	That part of the Northwest 1/4 of Section 5, Township 1, Renfrew District, lying to the west of the Nitinat River and Nitinat Lake
009-552-715	That part of the south West 1/4 of Section 5, Township 1, Renfrew District, lying to the west of the Nitinat River and Nitinat Lake

- 008-832-536 That part of the fractional South East 1/4 of Section 5, Township 1, Renfrew District, as shown outlined in red on Plan 725R
- 009-552-952 The North East 1/4 of Section 8, Township 1, Renfrew District
- 009-558-284 That part of the North West 1/4 of Section 9, Township 1, Renfrew District, lying west of Nitinat River except that part lying within the Indian Reserve
- 008-832-595 The North West 1/4 of Section 16, Township 1, Renfrew District, except that part in Plan 53 RW and except that part in Plan 38491
- 009-553-011 That part of the South west 1/4 of Section 16, Township 1, Renfrew District, lying to the west of the Nitinat River
- 009-592-148 That part of Section 90, Renfrew District, shown outlined in red on Plan 913R, lying to the north of the southerly boundary of Plan 503RW
- 005-789-133 That part of Lot 1, Section 90, Renfrew District, Plan 6764, lying to the north of the 66 foot road as said road was dedicated by said plan, except that part in Plan 17042
- 005-789-214 That part of Lot 2, Section 90, Renfrew District, Plan 6764, lying to the north of the 66 foot road dedicated by said plan
- 009-592-121 Parcel A (DD 20251F) of Section 89, Renfrew District, except that part in Plan 5806
- 005-932-921 Lot 1, Section 89, Renfrew District, Plan 5806

TERMS OF INSTRUMENT - PA cessor in title, as the case may be, is not liable for a
 WHEREAS: ve Covenant occurring after the Transferor or its
 case may be, has ceased to be the registered owner of

- A. The Transferor is the re that if the Province of British Columbia enacts and brings
 item 2 of Form C and of ation or standard under such Act or regulation ("New
 a part (collectively the "L ilating forest practices on private land within the forest
- B. The Lands lie within the of the Lands are removed from forest land reserve or
 used primarily as a re e, then the Transferee shall, upon demand of the
 harvesting and sale of the Transferee's expense, release and discharge this
 conservation, fish habita the case of the New Law, or release of the applicable
 conditions of streams an removal from forest land reserve or agricultural land
- C. Section 219 of the Land
 Act) provides, inter alia, **END OF DOCUMENT**
 any land a covenant in f
 particular manner.

NOW THEREFORE TH
 consideration of the premises
 Transferee to the Transferor (l
 the Transferor), the parties her

1. Hereafter all Forest Pra
 of forest practices for p
 about February 13, 1
 ("Association") or any
 memorandum of unders
 and the Association of v
2. If any provision of this
 invalid for any reason i
 Covenant and, in its a
 construed as though su
 will continue in full fo
 Covenant had been exe
3. This Restrictive Cove
 successors in title of
 annexed to any land ov
 to the Transferor.

SCHEDULE "N" - PACIFIC FOREST PRODUCTS LIMITED
WATERSHED PROTECTION COVENANT

LAND TITLE ACT
FORM C
(Section 233)

Province of
British Columbia

GENERAL INSTRUMENT – PART 1 (This area for Land Title Office use)

PAGE 1 of 8 page(s)

1. APPLICATION: (Name, address, phone number and signature of applicant, applicant's solicitor or agent)

(Solicitor/Agent)

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:*

(PID)

(LEGAL DESCRIPTION)

SEE SCHEDULE

3. NATURE OF INTEREST:*

DESCRIPTION

DOCUMENT REFERENCE
(page and paragraph)

PERSON ENTITLED TO INTEREST

Section 219 Covenant

Entire Instrument
Pages 5 and 6,
Recital A and paragraph 1

Transferee

4. TERMS: Part 2 of this instrument consists of (select one only)

- (a) Filed Standard Charge Terms
(b) Express Charge Terms
(c) Release

☐☒☐

- D. F. No. ☐
Annexed as Part 2
There is no Part 2 of this instrument

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument. If (c) is selected, the charge described in Item 3 is released or discharged as a charge on the land described in Item 2.

5. TRANSFEROR(S):*

PACIFIC FOREST PRODUCTS LIMITED (Inc. No. 555,732)

6. TRANSFeree(S): (including occupation(s), postal address(es) and postal code(s))*

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Water Management Branch of the Ministry of Environment, Lands and Parks, 2975 Jutland Road, P.O. Box 9343, Stn Prov Gov't, Victoria, B.C., V8W 9M1

SCHEDULE "N" - PACIFIC FOREST PRODUCTS LIMITED
WATERSHED PROTECTION COVENANT

LAND TITLE ACT
FORM C
(Section 233)

Province of
British Columbia

GENERAL INSTRUMENT – PART 1 (This area for Land Title Office use)

PAGE 1 of 8 page(s)

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(Solicitor/Agent)

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(PID)

(LEGAL DESCRIPTION)

SEE SCHEDULE

3. NATURE OF INTEREST:*

DESCRIPTION

DOCUMENT REFERENCE
(page and paragraph)

PERSON ENTITLED TO INTEREST

Section 219 Covenant

Entire Instrument
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☐☒☐

D. F. No. ☐

Annexed as Part 2

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7. ADDITIONAL OR MODIFIED TERMS:*

N/A

8. EXECUTION(S):** This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)	Execution Date			Party(ies) Signature(s)
	Y	M	D	
	99	01		PACIFIC FOREST PRODUCTS LIMITED by its authorized signatory(s)
<hr/> Brian Koo, Solicitor Suite 1601, 700 W. Pender Street Vancouver, BC V6C 1G8 713-4018				<hr/> Don McMullan Vice President

OFFICER CERTIFICATION

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act R. S. B. C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

* If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.

** If space insufficient, continue executions on additional pages(s) in Form D.

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 3

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM OR GENERAL DOCUMENT FORM

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:*

(PID)

(LEGAL DESCRIPTION)

PART A, LANDS WITHIN

BROWNS WATERSHED:

PARCEL IDENTIFIER: 005-632-170
BLOCK 457, COMOX DISTRICT, EXCEPT PART IN PLAN 18508

ENGLISHMAN RIVER WATERSHED:

PARCEL IDENTIFIER: 009-439-013
BLOCK 1378, NANOOSE DISTRICT

PART B, LANDS PARTIALLY WITHIN

BANON WATERSHED:

PARCEL IDENTIFIER: 009-927-166
BLOCK 1248, CHEMAINUS DISTRICT

PARCEL IDENTIFIER: 009-733-337
BLOCK 543, COWICHAN LAKE DISTRICT

PARCEL IDENTIFIER: 009-736-743
BLOCK 686, CHEMAINUS DISTRICT

PARCEL IDENTIFIER: 009-927-026
BLOCK 687, CHEMAINUS DISTRICT

BROWNS WATERSHED:

PARCEL IDENTIFIER: 005-632-153
BLOCK 249, COMOX DISTRICT, OUTLINED IN RED ON PLAN DEPOSITED UNDER DD 12120-N
EXCEPT PARCEL A (DD 22787-N)

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 4

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM OR GENERAL DOCUMENT FORM

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:*

(PID)

(LEGAL DESCRIPTION)

PART B, LANDS PARTIALLY WITHIN (CONTINUED)

COMOX WATERSHED

PARCEL IDENTIFIER: 009-942-092
BLOCK 144, NELSON DISTRICT

PARCEL IDENTIFIER: 009-704-141
BLOCK 333, NELSON DISTRICT

PARCEL IDENTIFIER: 009-704-167
BLOCK 410, NELSON DISTRICT

PARCEL IDENTIFIER: 009-704-230
BLOCK 523, NELSON DISTRICT

PARCEL IDENTIFIER: 009-706-313
BLOCK 545, NELSON DISTRICT

PARCEL IDENTIFIER: 009-706-500
BLOCK 703, NELSON DISTRICT, CONTAINING 463 ACRES, MORE OR LESS

ENGLISHMAN RIVER WATERSHED:

PARCEL IDENTIFIER: 009-438-971
BLOCK 1224, DUNSMUIR AND NANOOSE DISTRICTS

PARCEL IDENTIFIER: 008-738-149
BLOCK 1379, CAMERON DISTRICT

HOLLAND WATERSHED:

PARCEL IDENTIFIER: 009-432-175
BLOCK 1398, OYSTER DISTRICT, SHOWN ON PLAN 38265

PARCEL IDENTIFIER: 009-432-205
BLOCK 1399, OYSTER DISTRICT, AS SHOWN ON PLAN 38264

TERMS OF INSTRUMENT - PART 2

WHEREAS:

- A. The Transferor is the registered owner of the lands and premises described in:
- (I) Part A ("**Lands Within**") of item 2 of Form C and of Form E; and
 - (II) Part B ("**Lands Partially Within**") of item 2 of Form C and of Form E;
- of which this Terms of Instrument, Part 2 forms a part (the Lands Within and Lands Partially Within are collectively the "**Lands**");
- B. The Lands are used by the Transferor primarily as a renewable forest resource which uses include, but are not limited to harvesting and sale of logs, road construction and de-activation, reforestation and forest practices relating to water quality and conditions of streams and stream reaches (collectively the "**Forest Practices**").
- C. The Lands Within and portions ("**Portions Within**") of the Lands Partially Within lie within a watershed (each being a "**Watershed**") that drains into Comox Lake, Cruikshank River, Browns River, Englishman River, Holland Creek or Banon Creek, as the case may be (each Watershed and related lake, river or creek, as the case may be, being collectively called a "**Drainage**");
- D. Within each Drainage, either a water district and water users' community (as each term may be used or defined under the Water Act ("**Water Act**") R. S. B. C., 1996 chapter 483 as amended from time to time), holds a valid and existing license issued pursuant to the Water Act for the purposes of diverting, collecting and storing water from a Drainage and distributing it for human consumption (each district or community, as the case may be, being a "**Licensed Water Purveyor**");
- E. Section 219 of the Land Title Act, R.S.B.C. 1996, chapter 225 (the "**Land Title Act**") provides, inter alia, that there may be registered as a charge against title to any land a covenant in favour of the Crown that land is or is not to be used in a particular manner.

NOW THEREFORE THIS RESTRICTIVE COVENANT WITNESSETH that in consideration of the premises and of the sum of Ten Dollars (\$10.00) now paid by the Transferee to the Transferor (the receipt and sufficiency of which is acknowledged by the Transferor), the parties hereto covenant and agree as follows:

1. Hereafter the Transferor will:
 - (a) establish a formal relationship with each Licensed Water Purveyor pursuant to which the Transferor must:

- (i) conduct its future Forest Practices so as not to materially and negatively impact on the water quality in the applicable Drainage of the Licensed Water Purveyor existing at the date of this Restrictive Covenant; and,
 - (ii) where deemed necessary by the Transferor after a Licensed Water Purveyor consults with the Transferor, amend the Transferor's planned Forest Practices so as not to materially and negatively impact the water quality referred to in paragraph (a);
 - (b) maintain the formal relationship referred to in paragraph (a); and
 - (c) employ a professional forest hydrologist ("Hydrologist") to regularly evaluate the Transferor's past and future Forest Practices for the Lands which may materially and negatively impact on the water quality referred to in paragraph (a) and, where and when recommended by the Hydrologist, implement such recommendation or recommendations for the Transferor's planned Forest Practices in the Lands for the applicable Drainage so as not to materially and negatively impact on the water quality referred to in paragraph (a).
2. The Transferor does not represent or warrant to the Province or any other party, including without limitation, any Licensed Water Purveyor that the water quality in each Drainage is or will be safe or fit for human consumption by virtue of this Restrictive Covenant or anything contained in this Restrictive Covenant or the observance or performance by the Transferor of its obligations set out in section 1, and the Transferee covenants and agrees not to claim damages from the Transferor if the water quality is not so fit or safe for human consumption by reason of environmental factors or acts, acts of God or acts or negligence of third parties including, without limitation, trespassers or any Licensed Water Purveyor, beyond the reasonable control of the Transferor.
 3. If any provision of this Restrictive Covenant is at any time unenforceable or invalid for any reason it will be severable from the remainder of this Restrictive Covenant and, in its application at that time, this Restrictive Covenant will be construed as though such provision was not contained herein and the remainder will continue in full force and effect and be construed as if this Restrictive Covenant had been executed without the invalid or unenforceable provision.
 4. This Restrictive Covenant is enforceable against the Transferor and the successors in title of the Transferor even if this Restrictive Covenant is not annexed to any land owned by the Transferee or signed by any successor in title to the Transferor.
 5. The Transferor or its successor in title, as the case may be, is not liable for a breach of this Restrictive Covenant occurring after the Transferor or its successor in title, as the case may be, has ceased to be the registered owner of the Lands.
 6. The Transferee agrees that if the Province of British Columbia enacts and brings into force any Act or regulation ("New Law") relating to both the Lands and the

subject of this Restrictive Covenant such that the New Law renders this Restrictive Covenant as unnecessary and redundant, then the Transferee shall, upon demand of the Transferor, forthwith at the Transferee's expense, release and discharge this Restrictive Covenant.

7. Notwithstanding anything contained in this Restrictive Covenant to the contrary, the Transferor and Transferee agree that:
 - (a) this Restrictive Covenant, the terms of this Restrictive Covenant and the registration of the Restrictive Covenant in the Victoria Land Title Office applies only to the Portions Within and shall not apply to the remaining portions ("Non-Watershed Portions") of the Lands Partially Within;
 - (b) the boundary between the Portions Within and the Non-Watershed Portions is the height of land and/or direction of drainage into either the Drainage or the Non-Watershed Portions, as the case may be;
 - (c) in accordance with the provisions of paragraphs 7(a) and 7(b):
 - (i) the Transferor may, from time to time and at any time hereafter, prepare a plan or plans acceptable to the appropriate land title office and acceptable to the Transferee, acting reasonably, to define the boundary between the Portions Within and the Non-Watershed Portions and file the approved plan in the appropriate land title office;
 - (ii) the Transferee will, at the request of the Transferor from time to time and at any time hereafter, execute and deliver to the Transferor a registrable release of this Restrictive Covenant insofar as such release is for the Non-Watershed Portions described in the approved plan or plans described in paragraph 7(c)(i).
8. The Transferor and Transferee agree that the Restrictive Covenant and the terms herein apply mutatis mutandis to the following lands not registered within the Victoria Land Title Office as if they are registered parcels and part and parcel part of the Lands:

PART A, LANDS WITHIN

COMOX WATERSHED:

BLK 1443: NELSON

CRUICKSHANK WATERSHED:

BLK 1444: NELSON

BLK 1445: NELSON

BLK 1446: NELSON

PART B. LANDS PARTIALLY WITHIN

BANON WATERSHED:

SEC 10: R1 CHEMAINUS EXCEPT LOT 66 INCLUDING PLANS RW334 & RW1333

SEC 11: R1 CHEMAINUS EXCEPT LOT 1 INCLUDING PLANS RW334 & RW1333

SECS 12 & 13: R1 CHEMAINUS EXCEPT LOT 66 BLK 509 & BLK 1

END OF DOCUMENT

TIMBERWEST FOREST I LIMITED
WATERSHED PROTECTION COVENANT

LAND TITLE ACT
FORM C

(Section 233)

Province of
British Columbia

GENERAL INSTRUMENT – PART 1 (This area for Land Title Office use)

PAGE 1 of 15 page(s)

1. APPLICATION: (Name, address, phone number and signature of applicant, applicant's solicitor or agent)

(Solicitor/Agent)

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:*

(PID)

(LEGAL DESCRIPTION)

SEE SCHEDULE

3. NATURE OF INTEREST:*

DESCRIPTION

DOCUMENT REFERENCE
(page and paragraph)

PERSON ENTITLED TO INTEREST

Section 219 Covenant

Entire Instrument
Pages 13 and 14,
Recital A and paragraph 1

Transferee

4. TERMS: Part 2 of this instrument consists of (select one only)

(a) Filed Standard Charge Terms

☐

D. F. No. ☐

(b) Express Charge Terms

☒

Annexed as Part 2

(c) Release

☐

There is no Part 2 of this instrument

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument. If (c) is selected, the charge described in Item 3 is released or discharged as a charge on the land described in Item 2.

5. TRANSFEROR(S):*

TIMBERWEST FOREST I LIMITED (Inc. No. 440,252)

6. TRANSFeree(S): (including occupation(s), postal address(es) and postal code(s))*

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by
the Water Management Branch of the Ministry of Environment, Lands and Parks, 2975 Jutland Road,
P.O. Box 9343, Stn Prov Gov't, Victoria, B.C., V8W 9M1

GENERAL INSTRUMENT – PART 1

7. ADDITIONAL OR MODIFIED TERMS:*

N/A

8. EXECUTION(S):** This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)	Execution Date			Party(ies) Signature(s)
	Y	M	D	
<hr/> Brian Koo, Solicitor Suite 1601, 700 W. Pender Street Vancouver, BC V6C 1G8 713-4018	99	01		TIMBERWEST FOREST I LIMITED by its authorized signatory(s)
				<hr/> Don McMullan Vice President

OFFICER CERTIFICATION

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act R. S. B. C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

* If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.

** If space insufficient, continue executions on additional pages(s) in Form D.

**LAND TITLE ACT
FORM E**

SCHEDULE

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM OR GENERAL DOCUMENT FORM

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:*
(PID) (LEGAL DESCRIPTION)

PART A, LANDS WITHIN

BROWNS WATERSHED:

PARCEL IDENTIFIER: 000-873-071
BLOCK 599, COMOX DISTRICT

PARCEL IDENTIFIER: 000-866-920
THE NORTH WEST 1/4 OF SECTION 16, TOWNSHIP 9, COMOX DISTRICT, PLAN 552G, EXCEPT THAT PART IN PLAN 21763

PARCEL IDENTIFIER: 000-873-179
THE WEST 1/2 OF THE SOUTH WEST 1/4 OF SECTION 17, TOWNSHIP 9, COMOX DISTRICT, PLAN 552G

PARCEL IDENTIFIER: 000-863-700
THE NORTH 1/2 OF THE EAST 1/2 OF THE NORTH 1/2 OF THE NORTH EAST 1/4 OF SECTION 17, TOWNSHIP 9, COMOX DISTRICT, PLAN 552-G

PARCEL IDENTIFIER: 000-866-903
THAT PART OF THE SOUTH WEST 1/4 OF SECTION 18, TOWNSHIP 9, COMOX DISTRICT, PLAN 552G, SHOWN OUTLINED IN RED ON PLAN DEPOSITED IN D.D. 22916N CONTAINING 30.3 ACRES MORE OR LESS

PARCEL IDENTIFIER: 000-869-538
THE SOUTH WEST 1/4 OF THE SOUTH EAST 1/4 OF SECTION 19, TOWNSHIP 9, COMOX DISTRICT, PLAN 552G

PARCEL IDENTIFIER: 000-873-209
THE NORTH WEST 1/4 OF THE NORTH WEST 1/4 OF SECTION 8, TOWNSHIP 9, COMOX DISTRICT, PLAN 552G

COMOX WATERSHED:

PARCEL IDENTIFIER: 009-490-051
BLOCK 1018, NELSON DISTRICT, AS SHOWN ON PLAN 46096

PARCEL IDENTIFIER: 009-489-991
BLOCK 1055, NELSON DISTRICT, AS SHOWN ON PLAN 46098

PART A, LANDS WITHIN (CONTINUED)

PARCEL IDENTIFIER: 009-489-983 OX DISTRICT
 BLOCK 1056, NELSON DISTRICT

PARCEL IDENTIFIER: 009-489-967
 BLOCK 1057, NELSON DISTRICT

PARCEL IDENTIFIER: 009-693-424 PLAN 691-H
 BLOCK 1058, COMOX DISTRICT

PARCEL IDENTIFIER: 009-526-722
 BLOCK 1087, NELSON DISTRICT

PARCEL IDENTIFIER: 009-489-975
 BLOCK 1088, NELSON DISTRICT

PARCEL IDENTIFIER: 009-490-086
 BLOCK 1276, COMOX DISTRICT

PARCEL IDENTIFIER: 009-527-842
 BLOCK 1277, NELSON DISTRICT

PARCEL IDENTIFIER: 009-490-078
 BLOCK 1279, NELSON DISTRICT

PARCEL IDENTIFIER: 009-490-035 PLAN 691-H
 BLOCK 1280, NELSON DISTRICT

PARCEL IDENTIFIER: 009-490-019
 BLOCK 1282, NELSON DISTRICT

PARCEL IDENTIFIER: 009-490-007
 BLOCK 1283, NELSON DISTRICT

PARCEL IDENTIFIER: 009-697-987
 BLOCK 1334, COMOX DISTRICT

PART A, LANDS WITHIN (CONTINUED)

PARCEL IDENTIFIER: 000-859-141
BLOCK 90, NEWCASTLE DISTRICT

PARCEL IDENTIFIER: 000-859-095
BLOCK 91, NEWCASTLE DISTRICT

PARCEL IDENTIFIER: 000-859-443
BLOCK 239, NELSON AND COMOX DISTRICTS, EXCEPT THAT PART SHOWN OUTLINED IN
RED ON PLAN 140 R

PARCEL IDENTIFIER: 000-859-044
THAT PART OF BLOCK 74, NEWCASTLE AND NELSON DISTRICT, PLAN 886, SHOWN
OUTLINED IN RED ON PLAN DEPOSITED UNDER DD 18904N

CRUICKSHANK WATERSHED:

PARCEL IDENTIFIER: 009-693-254
BLOCK 1016, COMOX DISTRICT, AS SHOWN ON PLAN 46063

PARCEL IDENTIFIER: 009-490-043
BLOCK 1017, NELSON DISTRICT, AS SHOWN ON PLAN 46095

PARCEL IDENTIFIER: 009-490-060
BLOCK 1019, NELSON DISTRICT, AS SHOWN ON PLAN 46097

PARCEL IDENTIFIER: 009-524-878
BLOCK 1116, NELSON DISTRICT, AS SHOWN ON PLAN 46065

PARCEL IDENTIFIER: 000-117-510
BLOCK 1139, NELSON DISTRICT, AS SHOWN ON PLAN 40395

PARCEL IDENTIFIER: 009-528-041
BLOCK 1278, NELSON DISTRICT, AS SHOWN IN PLAN 46057

PARCEL IDENTIFIER: 009-698-108
BLOCK 1333, COMOX DISTRICT, AS SHOWN ON PLAN 46058

PART A, LANDS WITHIN (CONTINUED)

PARCEL IDENTIFIER: 000-859-141
BLOCK 90, NEWCASTLE DISTRICT

PARCEL IDENTIFIER: 000-859-095
BLOCK 91, NEWCASTLE DISTRICT

PARCEL IDENTIFIER: 000-859-443
BLOCK 239, NELSON AND COMOX DISTRICTS, EXCEPT THAT PART SHOWN OUTLINED IN
RED ON PLAN 140 R

PARCEL IDENTIFIER: 000-859-044
THAT PART OF BLOCK 74, NEWCASTLE AND NELSON DISTRICT, PLAN 886, SHOWN
OUTLINED IN RED ON PLAN DEPOSITED UNDER DD 18904N

CRUICKSHANK WATERSHED:

PARCEL IDENTIFIER: 009-693-254
BLOCK 1016, COMOX DISTRICT, AS SHOWN ON PLAN 46063

PARCEL IDENTIFIER: 009-490-043
BLOCK 1017, NELSON DISTRICT, AS SHOWN ON PLAN 46095

PARCEL IDENTIFIER: 009-490-060
BLOCK 1019, NELSON DISTRICT, AS SHOWN ON PLAN 46097

PARCEL IDENTIFIER: 009-524-878
BLOCK 1116, NELSON DISTRICT, AS SHOWN ON PLAN 46065

PARCEL IDENTIFIER: 000-117-510
BLOCK 1139, NELSON DISTRICT, AS SHOWN ON PLAN 40395

PARCEL IDENTIFIER: 009-528-041
BLOCK 1278, NELSON DISTRICT, AS SHOWN IN PLAN 46057

PARCEL IDENTIFIER: 009-698-108
BLOCK 1333, COMOX DISTRICT, AS SHOWN ON PLAN 46058

PART A, LANDS WITHIN (CONTINUED)

PARCEL IDENTIFIER: 009-697-853

BLOCK 1335, COMOX DISTRICT, AS SHOWN ON PLAN 46060

PARCEL IDENTIFIER: 000-854-336

BLOCK 423, NELSON DISTRICT

PARCEL IDENTIFIER: 000-854-280

BLOCK 424, NELSON DISTRICT

PARCEL IDENTIFIER: 000-859-630

BLOCK 440, NELSON DISTRICT

PARCEL IDENTIFIER: 000-854-409

BLOCK 441, NELSON DISTRICT

PARCEL IDENTIFIER: 000-859-524

BLOCK 46, COMOX DISTRICT (SITUATED IN NELSON DISTRICT), PLAN 789

PARCEL IDENTIFIER: 000-854-395

BLOCK 465, NELSON DISTRICT

PARCEL IDENTIFIER: 000-859-613

BLOCK 466, NELSON DISTRICT

PARCEL IDENTIFIER: 000-854-221

BLOCK 467, NELSON DISTRICT

PARCEL IDENTIFIER: 000-854-158

BLOCK 610, NELSON DISTRICT

PARCEL IDENTIFIER: 000-859-591

BLOCK 613, NELSON DISTRICT

PARCEL IDENTIFIER: 000-859-583

BLOCK 646, NELSON DISTRICT

PARCEL IDENTIFIER: 000-118-621

BLOCK 748, COMOX DISTRICT AND NELSON DISTRICT, AS SHOWN ON PLAN 40393

PART A, LANDS WITHIN (CONTINUED)

PARCEL IDENTIFIER: 000-118-303
BLOCK 749, NELSON DISTRICT, AS SHOWN ON PLAN 40391

PARCEL IDENTIFIER: 000-118-834
BLOCK 750, NELSON DISTRICT, AS SHOWN ON PLAN 40394

PARCEL IDENTIFIER: 000-118-630
BLOCK 806, NELSON DISTRICT, AS SHOWN ON PLAN 40392

PARCEL IDENTIFIER: 000-116-742
BLOCK 807, NELSON DISTRICT, AS SHOWN ON PLAN 40396

PARCEL IDENTIFIER: 000-854-387
BLOCK 92, NELSON DISTRICT

PARCEL IDENTIFIER: 009-490-027
BLOCK 1281, NELSON DISTRICT, AS SHOWN ON PLAN 46092

ENGLISHMAN RIVER WATERSHED:

PARCEL IDENTIFIER: 000-835-421
BLOCK 1290, DUNSMUIR DISTRICT

PARCEL IDENTIFIER: 000-836-893
BLOCK 63, DUNSMUIR DISTRICT, PLAN 789

PARCEL IDENTIFIER: 000-836-818
BLOCK 64, DUNSMUIR DISTRICT, PLAN 789

PARCEL IDENTIFIER: 000-836-885
BLOCK 65, DUNSMUIR DISTRICT, PLAN 789

OYSTER RIVER WATERSHED:

PARCEL IDENTIFIER: 000-881-163
THE SOUTH EAST 1/4 OF THE NORTH EAST 1/4 OF SECTION 24, TOWNSHIP 3,
COMOX DISTRICT, PLAN 552B

PART B. LANDS PARTIALLY WITHIN

BANON WATERSHED:

PARCEL IDENTIFIER: 000-853-178
BLOCK 939, CHEMAINUS DISTRICT

PARCEL IDENTIFIER: 009-432-264
AMENDED BLOCK 992, COWICHAN LAKE, OYSTER, AND CHEMAINUS DISTRICTS, SHOWN
ON PLAN 37753

NOTE: 504 ha. Outside watershed; 2,118 ha within Banon Watershed; 1,106 ha within Holland Watershed)

BROWNS WATERSHED:

PARCEL IDENTIFIER: 004-146-808
BLOCK 1223, COMOX DISTRICT, AS SHOWN ON PLAN 43723, EXCEPT PART IN PLAN 45160
AND VIP61429

PARCEL IDENTIFIER: 004-137-540
BLOCK 1468, COMOX DISTRICT, AS SHOWN ON PLAN 43721, EXCEPT PART IN PLAN 45160
AND VIP61429

PARCEL IDENTIFIER: 000-461-695
BLOCK 598, COMOX DISTRICT EXCEPT PARTS IN PLANS 3415 RW, 45159 AND VIP56601

PARCEL IDENTIFIER: 000-461-709
BLOCK 695, COMOX DISTRICT EXCEPT PARTS IN PLAN 3415 RW, 45159 AND VIP60172

PARCEL IDENTIFIER: 006-993-559
BLOCK 958, COMOX DISTRICT, SHOWN ON PLAN 44948, EXCEPT PARTS IN PLANS 45160
AND VIP60172

PARCEL IDENTIFIER: 000-866-792
THAT PART OF THE NORTH WEST 1/4 OF SECTION 10, TOWNSHIP 9, COMOX
DISTRICT, PLAN 552G, LYING WEST OF PUNTLEDGE RIVER

PARCEL IDENTIFIER: 000-866-814
THE SOUTH WEST 1/4 OF SECTION 15, TOWNSHIP 9, COMOX DISTRICT, PLAN
552G, EXCEPT THAT PART SHOWN COLOURED RED ON PLAN 79 RW

PART B, LANDS PARTIALLY WITHIN (CONTINUED)

PARCEL IDENTIFIER: 000-873-161

SECTION 18, TOWNSHIP 9, COMOX DISTRICT, PLAN 552G, EXCEPT THAT PART INCLUDED IN MEDICINE BOWLS PARK, AS SHOWN ON PLAN DEPOSITED UNDER DD 22916N

PARCEL IDENTIFIER: 000-869-503

THE SOUTH WEST 1/4, SECTION 19, TOWNSHIP 9, COMOX DISTRICT, PLAN 552G

PARCEL IDENTIFIER: 000-876-348

THE NORTH EAST 1/4 OF THE SOUTH EAST 1/4 OF SECTION 19, TOWNSHIP 9, COMOX DISTRICT, PLAN 552G

PARCEL IDENTIFIER: 000-870-510

THE NORTH EAST 1/4 OF THE SOUTH WEST 1/4 OF SECTION 20, TOWNSHIP 9, COMOX DISTRICT, PLAN 552G

PARCEL IDENTIFIER: 000-870-439

PARCEL A (DD 18060N) OF THE NORTH EAST 1/4 OF SECTION 20, TOWNSHIP 9, COMOX DISTRICT, PLAN 552G

PARCEL IDENTIFIER: 000-870-561

THE EAST 1/2 OF THE NORTH WEST 1/4 OF SECTION 20, TOWNSHIP 9, COMOX DISTRICT, PLAN 552G

PARCEL IDENTIFIER: 000-873-195

THE NORTH 1/2 OF THE NORTH EAST 1/4 OF SECTION 7, TOWNSHIP 9, COMOX DISTRICT, PLAN 552G

COMOX WATERSHED:

PARCEL IDENTIFIER: 009-489-959

BLOCK 1115, NELSON DISTRICT, AS SHOWN ON PLAN 46102

(Note: 12 ha. Outside Watershed; 431 ha. Comox Watershed)

PARCEL IDENTIFIER: 009-524-835

BLOCK 1138, NELSON DISTRICT, AS SHOWN ON PLAN 46066

PART B, LANDS PARTIALLY WITHIN (CONTINUED)

PARCEL IDENTIFIER: 009-527-729

BLOCK 1329, NELSON DISTRICT, AS SHOWN ON PLAN 46055

PARCEL IDENTIFIER: 000-859-427

BLOCK 1332, NEWCASTLE DISTRICT

PARCEL IDENTIFIER: 000-873-039

BLOCK 600, COMOX DISTRICT

ENGLISHMAN RIVER WATERSHED:

PARCEL IDENTIFIER: 001-557-831

BLOCK 66, DUNSMUIR DISTRICT, PLAN 789

PARCEL IDENTIFIER: 000-836-711

BLOCK 673, DUNSMUIR DISTRICT

PARCEL IDENTIFIER: 000-835-285

BLOCK 696, DUNSMUIR DISTRICT

PARCEL IDENTIFIER: 000-836-877

BLOCK 9, DUNSMUIR DISTRICT, PLAN 691C

PARCEL IDENTIFIER: 000-835-340

BLOCK 911, DUNSMUIR DISTRICT

OYSTER RIVER WATERSHED:

PARCEL IDENTIFIER: 006-993-583

BLOCK 1467, COMOX DISTRICT, AS SHOWN ON PLAN 44947, EXCEPT THAT PART IN
PLAN VIP64688

PARCEL IDENTIFIER: 000-873-144

BLOCK 28, COMOX DISTRICT, PLAN 691E, EXCEPT THOSE PARTS IN PLANS 206 RW AND
376 RW

PARCEL IDENTIFIER: 000-875-970

PARCEL A (DD 13528N), BLOCKS 94 AND 150, COMOX DISTRICT

PART B, LANDS PARTIALLY WITHIN (CONTINUED)

PARCEL IDENTIFIER: 000-873-012

ALL THAT PART OF BLOCK 150, COMOX DISTRICT, LYING TO THE SOUTH WEST OF THE SOUTH WEST BOUNDARY OF PARCEL A OF BLOCKS 94 AND 150, COMOX DISTRICT, AND BOUNDED ON THE NORTH WEST BY THE RIGHT BANKS OF PIGGOTT CREEK AND OYSTER RIVER, CONTAINING 1050 ACRES MORE OR LESS AS SHOWN OUTLINED IN BROWN ON PLAN 408R

PARCEL IDENTIFIER: 000-869-457

THAT PART OF SECTION 19, TOWNSHIP 4, COMOX DISTRICT, PLAN 552C, LYING SOUTH WESTERLY OF PLAN 206 RW

PARCEL IDENTIFIER: 000-869-490

THAT PART OF SECTION 20, TOWNSHIP 4, COMOX DISTRICT, PLAN 552C, LYING SOUTH WESTERLY OF PLAN 206 RW

PARCEL IDENTIFIER: 000-880-965

THE SOUTH 1/2 OF SECTION 24, TOWNSHIP 3, COMOX DISTRICT, PLAN 552B

PARCEL IDENTIFIER: 000-881-201

THE SOUTH 1/2 OF SECTION 25, TOWNSHIP 3, COMOX DISTRICT, PLAN 552B, EXCEPT PLANS 206 RW AND 376 RW

HOLLAND WATERSHED:

PARCEL IDENTIFIER: 000-878-995

BLOCK 717, COWICHAN LAKE DISTRICT

(Note: 318 ha. Outside watershed; 124 ha Holland Watershed; 61 ha. Banon Watershed)

TERMS OF INSTRUMENT - PART 2

WHEREAS:

- A. The Transferor is the registered owner of the lands and premises described in:
 - (I) Part A ("Lands Within") of item 2 of Form C and of Form E; and
 - (II) Part B ("Lands Partially Within") of item 2 of Form C and of Form E;
 of which this Terms of Instrument, Part 2 forms a part (the Lands Within and Lands Partially Within are collectively the "Lands");
- B. The Lands are used by the Transferor primarily as a renewable forest resource which uses include, but are not limited to harvesting and sale of logs, road construction and de-activation, reforestation and forest practices relating to water quality and conditions of streams and stream reaches (collectively the "Forest Practices").
- C. The Lands Within and portions ("Portions Within") of the Lands Partially Within lie within a watershed (each being a "Watershed") that drains into Comox Lake, Cruikshank River, Browns River, Englishman River, Holland Creek, Banon Creek or Oyster River, as the case may be (each Watershed and related lake, river or creek, as the case may be, being collectively called a "Drainage");
- D. Within each Drainage, either a water district and water users' community (as each term may be used or defined under the Water Act ("Water Act") R. S. B. C., 1996 chapter 483 as amended from time to time) holds a valid and existing license issued pursuant to the Water Act for the purposes of diverting, collecting and storing water from a Drainage and distributing it for human consumption (each district or community, as the case may be, being a "Licensed Water Purveyor");
- E. Section 219 of the Land Title Act, R.S.B.C. 1996, chapter 225 (the "Land Title Act") provides, inter alia, that there may be registered as a charge against title to any land a covenant in favour of the Crown that land is or is not to be used in a particular manner.

NOW THEREFORE THIS RESTRICTIVE COVENANT WITNESSETH that in consideration of the premises and of the sum of Ten Dollars (\$10.00) now paid by the Transferee to the Transferor (the receipt and sufficiency of which is acknowledged by the Transferor), the parties hereto covenant and agree as follows:

- 1. Hereafter the Transferor will:
 - (a) establish a formal relationship with each Licensed Water Purveyor pursuant to which the Transferor must:
 - (i) conduct its future Forest Practices so as not to materially and negatively impact on the water quality in the applicable Drainage of the Licensed Water Purveyor existing at the date of this Restrictive Covenant; and,

- (ii) where deemed necessary by the Transferor after a Licensed Water Purveyor consults with the Transferor, amend the Transferor's planned Forest Practices so as not to materially and negatively impact the water quality referred to in paragraph (a);
 - (b) maintain the formal relationship referred to in paragraph (a); and
 - (c) employ a professional forest hydrologist ("Hydrologist") to regularly evaluate the Transferor's past and future Forest Practices for the Lands which may materially and negatively impact on the water quality referred to in paragraph (a) and, where and when recommended by the Hydrologist, implement such recommendation or recommendations for the Transferor's planned Forest Practices in the Lands for the applicable Drainage so as not to materially and negatively impact on the water quality referred to in paragraph (a).
2. The Transferor does not represent or warrant to the Province or any other party, including without limitation, any Licensed Water Purveyor that the water quality in each Drainage is or will be safe or fit for human consumption by virtue of this Restrictive Covenant or anything contained in this Restrictive Covenant or the observance or performance by the Transferor of its obligations set out in section 1, and the Transferee covenants and agrees not to claim damages from the Transferor if the water quality is not so fit or safe for human consumption by reason of environmental factors or acts, acts of God or acts or negligence of third parties including, without limitation, trespassers or any Licensed Water Purveyor, beyond the reasonable control of the Transferor.
 3. If any provision of this Restrictive Covenant is at any time unenforceable or invalid for any reason it will be severable from the remainder of this Restrictive Covenant and, in its application at that time, this Restrictive Covenant will be construed as though such provision was not contained herein and the remainder will continue in full force and effect and be construed as if this Restrictive Covenant had been executed without the invalid or unenforceable provision.
 4. This Restrictive Covenant is enforceable against the Transferor and the successors in title of the Transferor even if this Restrictive Covenant is not annexed to any land owned by the Transferee or signed by any successor in title to the Transferor.
 5. The Transferor or its successor in title, as the case may be, is not liable for a breach of this Restrictive Covenant occurring after the Transferor or its successor in title, as the case may be, has ceased to be the registered owner of the Lands.
 6. The Transferee agrees that if the Province of British Columbia enacts and brings into force any Act or regulation ("New Law") relating to both the Lands and the subject of this Restrictive Covenant such that the New Law renders this Restrictive Covenant as unnecessary and redundant, then the Transferee shall, upon demand of the Transferor, forthwith at the Transferee's expense, release and discharge this Restrictive Covenant.

SHED PROTECTION COVENANT

GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by
the Ministry of Environment, Lands and Parks, 2975 Jutland Road,
Victoria, B.C., V8W 9M1

7. ADDITIONAL OR MODIFIED TERMS:*

N/A

8. EXECUTION(S):** This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)	Execution Date			Party(ies) Signature(s)
	Y	M	D	
	99	01		TIMBERWEST FOREST II LIMITED by its authorized signatory(s)
<hr/> Brian Koo, Solicitor Suite 1601, 700 W. Pender Street Vancouver, BC V6C 1G8 713-4018				<hr/> Don McMullan Vice President and Chief Forester

OFFICER CERTIFICATION

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act R. S. B. C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

* If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.

** If space insufficient, continue executions on additional pages(s) in Form D.

7. ADDITIONAL OR MODIFIED TERMS:*

N/A

8. EXECUTION(S):** This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)	Execution Date			Party(ies) Signature(s)
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* If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.

** If space insufficient, continue executions on additional pages(s) in Form D.

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 3 of 7 page(s)

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM OR GENERAL DOCUMENT FORM

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:*

(PID)	(LEGAL DESCRIPTION)
-------	---------------------

PART A, LANDS WITHIN

ENGLISHMAN RIVER WATERSHED:

PARCEL IDENTIFIER: 009-438-149
BLOCK 468, NANOOSE DISTRICT

PARCEL IDENTIFIER: 009-438-343
BLOCK 548, NANOOSE DISTRICT

PARCEL IDENTIFIER: 009-438-564
BLOCK 579, NANOOSE DISTRICT, EXCEPT THAT PART SHOWN COLOURED RED ON
PLAN 451 RW

PARCEL IDENTIFIER: 009-438-645
BLOCK 602, NANOOSE DISTRICT

PARCEL IDENTIFIER: 009-438-823
BLOCK 724, NANOOSE DISTRICT

PARCEL IDENTIFIER: 009-438-165
BLOCK 812, NANOOSE DISTRICT

PARCEL IDENTIFIER: 009-426-108
DISTRICT LOT 155, NANOOSE DISTRICT

PARCEL IDENTIFIER: 009-425-446
THAT PART OF DISTRICT LOT 118, NANOOSE DISTRICT LYING TO THE SOUTH EAST
OF A STRAIGHT BOUNDARY JOINING POINTS ON THE SOUTHERLY AND EASTERLY
BOUNDARIES OF SAID LOT DISTANT 760 FEET RESPECTIVELY FROM THE SOUTH EAST
CORNER OF SAID LOT

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 4 of 7 page(s)

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM OR GENERAL DOCUMENT FORM

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:*

(PID)	(LEGAL DESCRIPTION)
-------	---------------------

PART B. LANDS PARTIALLY WITHIN

ENGLISHMAN RIVER WATERSHED:

PARCEL IDENTIFIER: 008-739-706
BLOCK 615, CAMERON DISTRICT

PARCEL IDENTIFIER: 008-737-894
DISTRICT LOT 118, NANOOSE DISTRICT, EXCEPT PART LYING TO THE SOUTH EAST OF
A STRAIGHT BOUNDARY JOINING POINTS ON THE SOUTHERLY AND EASTERLY
BOUNDARIES OF SAID LOT DISTANT 760 FEET RESPECTIVELY FROM THE SOUTH EAST
CORNER OF SAID LOT

PARCEL IDENTIFIER: 008-737-941
DISTRICT LOT 119, NANOOSE DISTRICT

PARCEL IDENTIFIER: 008-737-983
DISTRICT LOT 3, CAMERON DISTRICT

PARCEL IDENTIFIER: 008-737-975
DISTRICT LOT 120, NANOOSE DISTRICT

TERMS OF INSTRUMENT - PART 2

WHEREAS:

A. The Transferor is the registered owner of the lands and premises described in:

- (I) Part A ("**Lands Within**") of item 2 of Form C and of Form E; and
- (II) Part B ("**Lands Partially Within**") of item 2 of Form C and of Form E;

of which this Terms of Instrument, Part 2 forms a part (the Lands Within and Lands Partially Within are collectively the "**Lands**");

B. The Lands are used by the Transferor primarily as a renewable forest resource which uses include, but are not limited to harvesting and sale of logs, road construction and de-activation, reforestation and forest practices relating to water quality and conditions of streams and stream reaches (collectively the "**Forest Practices**").

C. The Lands Within and portions ("**Portions Within**") of the Lands Partially Within lie within a watershed ("**Watershed**") that drains into the Englishman River (the Watershed and related river being collectively called a "**Drainage**");

D. Within the Drainage, either a water district and water users' community (as each term may be used or defined under the Water Act ("**Water Act**") R. S. B. C., 1996 chapter 483 as amended from time to time) holds a valid and existing license issued pursuant to the Water Act for the purposes of diverting, collecting and storing water from the Drainage and distributing it for human consumption (each district or community, as the case may be, being a "**Licensed Water Purveyor**");

E. Section 219 of the Land Title Act, R.S.B.C. 1996, chapter 225 (the "**Land Title Act**") provides, inter alia, that there may be registered as a charge against title to any land a covenant in favour of the Crown that land is or is not to be used in a particular manner.

NOW THEREFORE THIS RESTRICTIVE COVENANT WITNESSETH that in consideration of the premises and of the sum of Ten Dollars (\$10.00) now paid by the Transferee to the Transferor (the receipt and sufficiency of which is acknowledged by the Transferor), the parties hereto covenant and agree as follows:

1. Hereafter the Transferor will:

- (a) establish a formal relationship with each Licensed Water Purveyor pursuant to which the Transferor must:
 - (i) conduct its future Forest Practices so as not to materially and negatively impact on the water quality in the Drainage of the Licensed Water Purveyor existing at the date of this Restrictive Covenant; and,

- (ii) where deemed necessary by the Transferor after a Licensed Water Purveyor consults with the Transferor, amend the Transferor's planned Forest Practices so as not to materially and negatively impact the water quality referred to in paragraph (a);
 - (b) maintain the formal relationship referred to in paragraph (a); and
 - (c) employ a professional forest hydrologist ("**Hydrologist**") to regularly evaluate the Transferor's past and future Forest Practices for the Lands which may materially and negatively impact on the water quality referred to in paragraph (a) and, where and when recommended by the Hydrologist, implement such recommendation or recommendations for the Transferor's planned Forest Practices in the Lands for the Drainage so as not to materially and negatively impact on the water quality referred to in paragraph (a).
- 2. The Transferor does not represent or warrant to the Province or any other party, including without limitation, any Licensed Water Purveyor that the water quality in the Drainage is or will be safe or fit for human consumption by virtue of this Restrictive Covenant or anything contained in this Restrictive Covenant or the observance or performance by the Transferor of its obligations set out in section 1, and the Transferee covenants and agrees not to claim damages from the Transferor if the water quality is not so fit or safe for human consumption by reason of environmental factors or acts, acts of God or acts or negligence of third parties including, without limitation, trespassers or any Licensed Water Purveyor, beyond the reasonable control of the Transferor.
- 3. If any provision of this Restrictive Covenant is at any time unenforceable or invalid for any reason it will be severable from the remainder of this Restrictive Covenant and, in its application at that time, this Restrictive Covenant will be construed as though such provision was not contained herein and the remainder will continue in full force and effect and be construed as if this Restrictive Covenant had been executed without the invalid or unenforceable provision.
- 4. This Restrictive Covenant is enforceable against the Transferor and the successors in title of the Transferor even if this Restrictive Covenant is not annexed to any land owned by the Transferee or signed by any successor in title to the Transferor.
- 5. The Transferor or its successor in title, as the case may be, is not liable for a breach of this Restrictive Covenant occurring after the Transferor or its successor in title, as the case may be, has ceased to be the registered owner of the Lands.
- 6. The Transferee agrees that if the Province of British Columbia enacts and brings into force any Act or regulation ("**New Law**") relating to both the Lands and the subject of this Restrictive Covenant such that the New Law renders this Restrictive Covenant as unnecessary and redundant, then the Transferee shall, upon demand of the Transferor, forthwith at the Transferee's expense, release and discharge this Restrictive Covenant.
- 7. Notwithstanding anything contained in this Restrictive Covenant to the contrary, the Transferor and Transferor agree that:

- (a) this Restrictive Covenant, the terms of this Restrictive Covenant and the registration of the Restrictive Covenant in the Victoria Land Title Office applies only to the Portions Within and shall not apply to the remaining portions ("Non-Watershed Portions") of the Lands Partially Within;
- (b) the boundary between the Portions Within and the Non-Watershed Portions is the height of land and/or direction of drainage into either the Drainage or the Non-Watershed Portions, as the case may be;
- (c) in accordance with the provisions of paragraphs 7(a) and 7(b):
 - (i) the Transferor may, from time to time and at any time hereafter, prepare a plan or plans acceptable to the appropriate land title office and acceptable to the Transferee, acting reasonably, to define the boundary between the Portions Within and the Non-Watershed Portions and file the approved plan in the appropriate land title office;
 - (ii) the Transferee will, at the request of the Transferor from time to time and at any time hereafter, execute and deliver to the Transferor a registrable release of this Restrictive Covenant insofar as such release is for the Non-Watershed Portions described in the approved plan or plans described in paragraph 7(c)(i).

END OF DOCUMENT

TIMBERWEST FOREST III LIMITED
WATERSHED PROTECTION COVENANT

LAND TITLE ACT
FORM C

(Section 233)

Province of
British Columbia

GENERAL INSTRUMENT – PART 1 (This area for Land Title Office use)

PAGE 1 of 6 page(s)

1. APPLICATION: (Name, address, phone number and signature of applicant, applicant's solicitor or agent)

(Solicitor/Agent)

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:*

(PID)

(LEGAL DESCRIPTION)

SEE SCHEDULE

3. NATURE OF INTEREST:*

DESCRIPTION

DOCUMENT REFERENCE
(page and paragraph)

PERSON ENTITLED TO INTEREST

Section 219 Covenant

Entire Instrument
Page 6,
Recital A and paragraph 1

Transferee

4. TERMS: Part 2 of this instrument consists of (select one only)

(a) Filed Standard Charge Terms

☐

D. F. No. ☐

(b) Express Charge Terms

☒

Annexed as Part 2

(c) Release

☐

There is no Part 2 of this instrument

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument. If (c) is selected, the charge described in Item 3 is released or discharged as a charge on the land described in Item 2.

5. TRANSFEROR(S):*

TIMBERWEST FOREST III LIMITED (Inc. No. 459,436)

6. TRANSFEREE(S): (including occupation(s), postal address(es) and postal code(s))*

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by
the Water Management Branch of the Ministry of Environment, Lands and Parks, 2975 Jutland Road,
P.O. Box 9343, Stn Prov Gov't, Victoria, B.C., V8W 9M1

7. ADDITIONAL OR MODIFIED TERMS:*

N/A

-
8. EXECUTION(S):** This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)	Execution Date			Party(ies) Signature(s)
	Y	M	D	
<hr/>	99	01		TIMBERWEST FOREST III LIMITED by its authorized signatory(s)
Brian Koo, Solicitor Suite 1601, 700 W. Pender Street Vancouver, BC V6C 1G8 713-4018				<hr/> Don McMullan Vice President and Chief Forester

OFFICER CERTIFICATION

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act R. S. B. C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

* If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.

** If space insufficient, continue executions on additional pages(s) in Form D.

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 3 of 6 page(s)

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM OR GENERAL DOCUMENT FORM

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:*
(PID) (LEGAL DESCRIPTION)

LANDS PARTIALLY WITHIN

OYSTER RIVER WATERSHED:

PARCEL IDENTIFIER: 009-566-481
BLOCK 1219, COMOX DISTRICT

PARCEL IDENTIFIER: 009-566-376
BLOCK 1337, COMOX DISTRICT

PARCEL IDENTIFIER: 008-968-535
THE EAST 1/2 OF THE NORTH WEST 1/4 OF SECTION 28, TOWNSHIP 4, COMOX DISTRICT,
PLAN 552C

PARCEL IDENTIFIER: 008-968-497
THE NORTH WEST 1/4 OF THE NORTH WEST 1/4 OF SECTION 28, TOWNSHIP 4, COMOX DISTRICT,
PLAN 552C

PARCEL IDENTIFIER: 008-968-560
THE NORTH EAST 1/4 OF SECTION 28, TOWNSHIP 4, COMOX DISTRICT, PLAN 552C

PARCEL IDENTIFIER: 008-968-594
THE NORTH 1/2 OF THE NORTH EAST 1/4 OF SECTION 29, TOWNSHIP 4, COMOX
DISTRICT, PLAN 552C

PARCEL IDENTIFIER: 008-973-679
THE SOUTH EAST 1/4 OF SECTION 32, TOWNSHIP 4, COMOX DISTRICT, PLAN 552C
EXCEPT THAT PART IN PLAN 36331

TERMS OF INSTRUMENT - PART 2

WHEREAS:

- A. The Transferor is the registered owner of the lands and premises described in of item 2 of Form C and of Form E of which this Terms of Instrument, Part 2 forms a part ("Lands");
- B. The Lands are used by the Transferor primarily as a renewable forest resource which uses include, but are not limited to harvesting and sale of logs, road construction and de-activation, reforestation and forest practices relating to water quality and conditions of streams and stream reaches (collectively the "Forest Practices").
- C. Portions ("Portions Within") of the Lands lie within the Oyster River watershed ("Watershed") that drains into Oyster River (the Watershed and related river being collectively called a "Drainage");
- D. Within the Drainage, either a water district and water users' community (as each term may be used or defined under the Water Act ("Water Act") R. S. B. C., 1996 chapter 483 as amended from time to time, holds a valid and existing license issued pursuant to the Water Act for the purposes of diverting, collecting and storing water from the Drainage and distributing it for human consumption (each district or community, as the case may be, being a "Licensed Water Purveyor");
- E. Section 219 of the Land Title Act, R.S.B.C. 1996, chapter 225 (the "Land Title Act") provides, inter alia, that there may be registered as a charge against title to any land a covenant in favour of the Crown that land is or is not to be used in a particular manner.

NOW THEREFORE THIS RESTRICTIVE COVENANT WITNESSETH that in consideration of the premises and of the sum of Ten Dollars (\$10.00) now paid by the Transferee to the Transferor (the receipt and sufficiency of which is acknowledged by the Transferor), the parties hereto covenant and agree as follows:

- 1. Hereafter the Transferor will:
 - (a) establish a formal relationship with each Licensed Water Purveyor pursuant to which the Transferor must:
 - (i) conduct its future Forest Practices so as not to materially and negatively impact on the water quality in the Drainage of the Licensed Water Purveyor existing at the date of this Restrictive Covenant; and,
 - (ii) where deemed necessary by the Transferor after a Licensed Water Purveyor consults with the Transferor, amend the Transferor's planned Forest Practices so as not to materially and negatively impact the water quality referred to in paragraph (a);

- (b) maintain the formal relationship referred to in paragraph (a); and
 - (c) employ a professional forest hydrologist ("Hydrologist") to regularly evaluate the Transferor's past and future Forest Practices for the Lands which may materially and negatively impact on the water quality referred to in paragraph (a) and, where and when recommended by the impact on the water quality referred to in paragraph (a).
2. The Transferor does not represent or warrant to the Province or any other party, including without limitation, any Licensed Water Purveyor that the water quality in the Drainage is or will be safe or fit for human consumption by virtue of this Restrictive Covenant or anything contained in this Restrictive Covenant or the observance or performance by the Transferor of its obligations set out in section 1, and the Transferee covenants and agrees not to claim damages from the Transferor if the water quality is not so fit or safe for human consumption by reason of environmental factors or acts, acts of God or acts or negligence of third parties including, without limitation, trespassers or any Licensed Water Purveyor, beyond the reasonable control of the Transferor.
 3. If any provision of this Restrictive Covenant is at any time unenforceable or invalid for any reason it will be severable from the remainder of this Restrictive Covenant and, in its application at that time, this Restrictive Covenant will be construed as though such provision was not contained herein and the remainder will continue in full force and effect and be construed as if this Restrictive Covenant had been executed without the invalid or unenforceable provision.
 4. This Restrictive Covenant is enforceable against the Transferor and the successors in title of the Transferor even if this Restrictive Covenant is not annexed to any land owned by the Transferee or signed by any successor in title to the Transferor.
 5. The Transferor or its successor in title, as the case may be, is not liable for a breach of this Restrictive Covenant occurring after the Transferor or its successor in title, as the case may be, has ceased to be the registered owner of the Lands.
 6. The Transferee agrees that if the Province of British Columbia enacts and brings into force any Act or regulation ("New Law") relating to both the Lands and the subject of this Restrictive Covenant such that the New Law renders this Restrictive Covenant as unnecessary and redundant, then the Transferee shall, upon demand of the Transferor, forthwith at the Transferee's expense, release and discharge this Restrictive Covenant.
 7. Notwithstanding anything contained in this Restrictive Covenant to the contrary, the Transferor and Transferee agree that:

- (a) this Restrictive Covenant, the terms of this Restrictive Covenant and the registration of the Restrictive Covenant in the Victoria Land Title Office applies only to the Portions Within and shall not apply to the remaining portions ("Non-Watershed Portions") of the Lands;
- (b) the boundary between the Portions Within and the Non-Watershed Portions is the height of land and/or direction of drainage into either the Drainage or the Non-Watershed Portions, as the case may be;
- (c) in accordance with the provisions of paragraphs 7(a) and 7(b):
 - (i) the Transferor may, from time to time and at any time hereafter, prepare a plan or plans acceptable to the appropriate land title office and acceptable to the Transferee, acting reasonably, to define the boundary between the Portions Within and the Non-Watershed Portions and file the approved plan in the appropriate land title office;
 - (ii) the Transferee will, at the request of the Transferor from time to time and at any time hereafter, execute and deliver to the Transferor a registrable release of this Restrictive Covenant insofar as such release is for the Non-Watershed Portions described in the approved plan or plans described in paragraph 7(c)(i).

END OF DOCUMENT

SCHEDULE "P"

PROVINCIAL GARIBALDI LANDS

		Certificate of Title	Parcel Identifier #
1.	All subsisting exceptio privileges contained in a		
2.	All the interests, rights, Act.		
3.	Any conditional or final 1021 under the <i>Water Act</i> , or British Columbia of like Provincial Land and to r Provincial Land under th	BG268940	015-883-388
4.	All subsisting grants to under the <i>Mineral Tenu</i> under any prior or subsi like effect.		
5.	Subject to section 5.04, after it has completed it Land.		

SCHEDULE "Q"

GREAT CENTRAL RIGHT OF WAY LANDS

1. Parcel Identifier: 008-418-080

That part of District Lot 52, Alberni District, being the Right of Way of the Esquimalt and Nanaimo Railway as shown coloured red on Plan 67 RW, containing 8.61 acres more or less.

2. Parcel identifier: 008-408-581

That part of District Lot 35, Alberni District, containing 8.73 acres, more or less, forming the Right of Way of the Esquimalt and Nanaimo Railway Company through said lot as shown coloured red on Plan 67 RW.

SCHEDULE "Q"

GREAT CENTRAL RIGHT OF WAY LANDS

1. Parcel Identifier: 008-418-080

That part of District Lot 52, Alberni District, being the Right of Way of the Esquimalt and Nanaimo Railway as shown coloured red on Plan 67 RW, containing 8.61 acres more or less.

2. Parcel identifier: 008-408-581

That part of District Lot 35, Alberni District, containing 8.73 acres, more or less, forming the Right of Way of the Esquimalt and Nanaimo Railway Company through said lot as shown coloured red on Plan 67 RW.

SCHEDULE "R"

HORNE LAKE LANDS

That part of the following parcel shown cross hatched in the Appendix to this Schedule:

Legal Description	Certificate of Title	Parcel Identifier #
Block 1349, Alberni District	EH96760	008-713-898

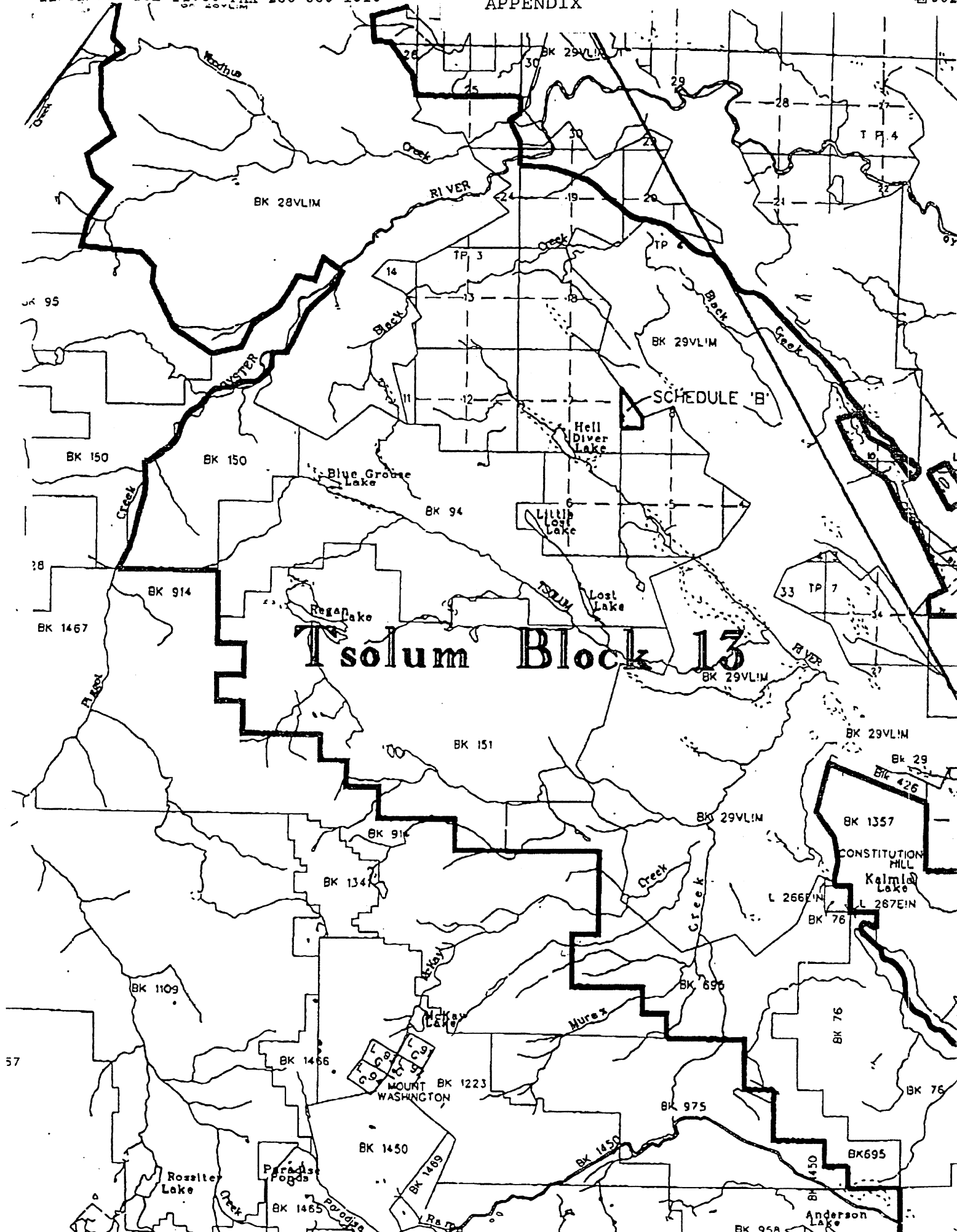
APPENDIX



SCHEDULE "S"

TSOLUM BLOCK LANDS

West Fractional 1/2 of Section 8, Township 4 (except the South West 1/4 and Fractional East 1/2 of South West 1/4 of the said section), Comox District, Map 552C, as shown outlined in bold to the northeast of Hell Diver Lake in the Appendix to this Schedule.



SCHEDULE "T"

TIMBER MARK LETTER