

### Licence of Occupation

**THIS LICENCE OF OCCUPATION** (this “**Licence**”) made effective as of December 16<sup>th</sup>, 2023,

**BETWEEN:**

**FMIC AGGREGATOR LIMITED PARTNERSHIP**, c/o PO Box  
41070, RPO Woodgrove, Nanaimo, British Columbia, V9T 6M7

(the “Licensor”)

**AND: COWICHAN VALLEY REGIONAL DISTRICT**

175 Ingram Street  
Duncan, BC, V9L 1N8

(the “Licensee”)

**WHEREAS:**

- A. The Licensor is the beneficial owner of lands described as PID # 018-871-011, VIP 59274, Lot 1, (the “**Lands**”), as outlined in green on the sketch attached hereto as Schedule “A”.
- B. The Licensee wishes to enter onto a portion of the Lands outlined in red on Schedule “A” hereto (the “**Licensed Area**”) to operate and maintain a **drinking water treatment facility** thereon (collectively, the “**Permitted Activities**”), with the location of the Permitted Activities defined by a bold red line on the sketch attached hereto as Schedule “A” and the access and/or service rights-of-way defined by a thin red line on the sketch attached hereto as Schedule “A”; and
- C. The Licensor has agreed to grant the Licensee the non-exclusive right to enter onto the Licensed Area for the Permitted Activities and in the manner hereinafter described.

**NOW THEREFORE THIS LICENCE WITNESSES** that in consideration of the covenants, terms and conditions herein contained, the parties agree as follows:

1. This term of this Licence will commence on December 16<sup>th</sup>, 2023 (the “**Effective Date**”) and end on December 15<sup>th</sup>, 2025 (the “**Initial Term**”). The Initial Term, and any extensions thereof, may be extended, in Licensor’s sole discretion, if the Licensee’s request for such extension(s) is received in writing by the Licensor 30-days prior to the expiration of the then-current term (any such extensions, together with the Initial Term, being the “**Term**”).
2. The Licensor hereby grants to the Licensee the non-exclusive right, license and authority to enter on the Licensed Area during the Term solely for the Permitted Activities. For greater certainty, without the prior written consent of the Licensor, which consent may be withheld in the Licensor’s sole discretion, the Licensee is not permitted on any other portion of the Land nor is the Licensee permitted to use the Licensed Area for any purpose other than the Permitted Activities.
3. The Licensee will pay the Licensor a fee of **\$1,300.00 plus GST on the 16<sup>th</sup> day of January, 2024 and \$1,300.00 plus GST on the 16<sup>th</sup> day of January, 2025 for the remainder of the Agreement.** If the Licensee requests any extensions throughout the Term, the Licensor may, in the

Licensor's reasonable discretion, increase the licence fee to reflect then-current market factors, including a fair return on the market value of the Licensed Area. The Licensee will also pay and discharge, as the Licensor directs, all municipal and other taxes including school and local improvement taxes imposed or charged during the existence of this Licence upon or in respect of the Permitted Activities.

4. The Licensee will institute and maintain, at its cost, insurance as set out in Schedule B.

5. In carrying out the Permitted Activities, the Licensee shall comply, at its own cost and expense, with:

- (a) all laws, bylaws, statutes, ordinances, regulations, requirements, orders, decisions and recommendations (collectively, the "**Applicable Laws**") which may be applicable to the Licensee and the manner of its carrying out of the Permitted Activities made by any federal, provincial, civic, municipal or other lawful authority, agency or department having jurisdiction (each, an "**Authority**");
- (b) sound engineering and construction standards and practices, including by ensuring that all plans, drawings, and data are prepared in accordance with applicable industry standards and specifications; and
- (c) any policies that the Licensor may provide the Licensee from time to time.

Without limiting the generality of the foregoing, the Licensee's obligations will include ensuring that the Licensee has all necessary approvals, permits, and licenses required in connection with the Permitted Activities.

6. For the protection of the Lands and timber in the vicinity of the Licensed Area, the Licensee agrees that upon discovery of any fire on or in the vicinity of the Licensed Area, the Licensee will immediately notify the Licensor and the nearest forestry official and will use all its equipment and employees to suppress any such fire, regardless of the cause or origin of the fire.

7. All machinery, equipment, supplies and property of Licensee at any time erected, brought or placed on the Lands or Licensed Area by the Licensee will be entirely at the risk of the Licensee in respect of loss, damage, injury, destruction or accident arising from any cause whatsoever, including from any act or omission, or through the negligence, of the Licensor or the Licensor's employees, servants, subcontractors, agents, representatives, invitees, or other third parties performing services for the Licensor or entering on the Lands or Licensed Area at the request or for the benefit of the Licensor. The Licensee must submit to the Licensor information regarding all machinery and equipment that Licensee intends to bring onto the Lands or Licensed Area for the Licensor's advance approval, which approval will not be unreasonably withheld.

8. The Licensee will, in respect of its carrying out the Permitted Activities, whether prior to the Effective Date or thereafter:

- (a) indemnify and save harmless the Licensor, and (to the extent applicable) Licensor's employees, agents, affiliated entities, representatives and contractors, from and against any and all claims, demands, losses, costs, charges, fines, deficiencies, administrative sanctions, penalties, expenses, damages and injuries in any manner based upon, arising out of or in any manner connected with or resulting from Licensee's, or Licensee's employees, agents, affiliated entities, representatives and contractors (collectively, "**Licensee's Responsible Parties**"), carrying out of

the Permitted Activities or acts, omission, activities or operations, including without limitation any failure to comply with this Licence or any Applicable Laws;

(b) not permit or allow any lien, lis pendens, judgment or other charge of whatsoever nature (each, an “**Encumbrance**”) to be registered or encumber the Lands arising out of the exercise by the Licensee of its rights hereunder and if any Encumbrance is so registered, the Licensee will forthwith, at its expense, cause the same to be discharged from title to the Lands;

(c) keep in a clean and tidy condition the Licensed Area, as a careful and prudent owner would do, and upon the expiration or earlier termination of this Licence, restore the Licensed Area to the condition it was prior to the Licensee using the Licensed Area for the Permitted Activities to a standard satisfactory to the Licensor, such restoration to include without limitation removal of any improvement, equipment, or thing that the Licensee has placed on the Licensed Area, **subject only to the exception of any improvements, equipment, or things for which the Licensor has provided written consent to remain on the Licensed Area on the understanding that all such improvements, equipment, and things will be owned by the Licensor without any requirement for the Licensor to compensate the Licensee;**

(d) not use or permit to be used the Licensed Area for any purpose other than the Permitted Activities, including, without limitation, for any unlawful purposes or any purpose which may constitute a danger, hazard or nuisance;

(e) not do, suffer or permit any act or neglect which may in any manner, directly or indirectly, cause injury to the Lands or Licensed Area, or to any fixtures or appurtenances thereto, or which may increase any premium payable for any insurance instituted and maintained by the Licensor;

(f) not commit or suffer to be committed any waste upon the Licensed Area; and

(g) not cut, damage nor destroy any of the Licensor’s timber without the Licensor’s prior written permission, and the cutting, damaging or destroying of any such timber will be considered wilful trespass and the Licensee will be liable to the Licensor therefore in a sum equal to the damage sustained by the Licensor on account of the cutting, damaging or destroying of such timber, as determined in the Licensor’s reasonable discretion.

9. Unless otherwise specifically authorized in writing by the Licensor, the Licensee shall not, and shall ensure that the Licensee’s Responsible Parties do not, bring onto the Lands and Licensed Area, dispose of, store, deposit, or otherwise release any hazardous waste or materials or containers containing any hazardous waste or materials in, on or under the Lands, the Licensed Area or any adjacent land or water body. As used herein, the term “**hazardous waste or materials**” includes any substance, waste or material designated as hazardous, toxic or dangerous under any Applicable Law or by any Authority, including petroleum products. In the event the Licensee is permitted to bring any hazardous waste or materials onto the Lands or the Licensed Area, the Licensee shall:

(a) perform the Permitted Activities in an environmentally safe and a good workmanlike manner and comply with all Applicable Laws and all requirements of Authorities (including any required permits, agreements, contracts, authorizations or licenses), whether now in force or hereafter adopted relating to the Licensee’s use of the Lands or the Licensed Area, or the storage, use, disposal, processing, distribution, shipping or sale of any hazardous waste or materials;

- (b) comply with all reasonable recommendations by the insurance carrier of either the Licensor or the Licensee relating to the use by the Licensee on the Lands or the Licensed Area of such hazardous waste or materials;
- (c) refrain from unlawfully disposing of or allowing the disposal of any hazardous waste or materials upon, within, about or under the Lands and the Licensed Area; and
- (d) remove all hazardous waste or materials from the Lands and the Licensed Area, either after their use by the Licensee or upon the expiration or earlier termination of this Licence, in compliance with all Applicable Laws.

10. Unless otherwise specifically authorized in writing by the Licensor, in the event the Licensee has occasion or need to dispose of hazardous waste or materials, the Licensee will retain an independent hazardous waste disposal firm to dispose of any and all such hazardous waste or materials at an off-site facility which has been properly approved, licensed and authorized under Applicable Laws to accept such substances. The Licensee will ensure that the disposal firm is properly licensed and in good standing with the applicable regulatory authorities for such work, and is qualified to transport such materials.

11. In the event of a spill or release of hazardous waste or materials by the Licensee or the Licensee's Responsible Parties on the Lands, the Licensed Area or any adjacent land or water body, the Licensee will at a minimum (1) immediately notify the Licensor of such spill or release and (2) promptly comply with all spill notification and response requirements under Applicable Laws, including all federal and provincial health and safety requirements. The Licensee shall also pay all costs, expenses, penalties and damages associated with any cleanup, restoration, or mitigation related to such spill or release.

12. Prior to the commencement of Permitted Activities, the Licensee will prepare and provide for approval by the Licensor a written plan acceptable to the Licensor (the "**Spill Plan**") for use in the event of a spill or release of hazardous waste or materials. The Licensee shall follow the Spill Plan in the event of a spill or release of hazardous waste or materials and shall ensure that all equipment and separate fuel or chemical tanks used or situated on the Lands or Licensed Area carry spill kits that comply with all requirements under Applicable Laws, any Licensor policies and the Spill Plan.

13. The Licensee acknowledges and agrees that:

- (a) it has inspected the Licensed Area, knows the condition thereof and is entering into this Licence with full knowledge of the state and condition of the Licensed Area; and
- (b) the Licensor makes no warranty or representation as to the present or future condition of the Licensed Area or the suitability of the Licensed Area for the Licensee's purposes, and the Licensee assumes all risk of damage to the Licensed Area or injury to the Licensee in connection with the exercise of the rights hereunder.
- (c) Licensee acknowledges receipt of the MIMTA Vendor Code of Conduct, attached hereto as Schedule C (the "Code") and understands that MFM, and its parent entities, Manulife Investment Management Timberland and Agriculture Inc and Manulife Financial Corporation, require Licensee to materially comply with the Code at all times. Licensee agrees to promptly notify MFM of any known violation of the Code.

14. Either party may terminate this Licence on 30-days prior written notice. The Licensor may also terminate this Licence: (a) if the Licensee breaches any of its obligations under this Licence and fails to remedy the breach within 5 days of receiving written notice from the Licensor specifying such breach (with

the exception of the Licensor's right to terminate under Schedule B, which is exercisable on the number of days specified in that Schedule); or (b) upon notice to the Licensee if the Licensee becomes insolvent or makes an assignment for the benefit of its creditors or otherwise acknowledges its insolvency or commits an act of bankruptcy or seeks protection from its creditors under any legislation or commences liquidation proceedings, whether voluntary or otherwise, or if a receiver or receiver-manager is appointed for any of its assets.

15. If the Licensor, acting reasonably, requires the Permitted Activities to be stopped for an emergency situation, as determined in the Licensor's sole discretion, the Licensee shall stop the Permitted Activities forthwith upon receipt of notice from the Licensor. In such a circumstance, the Licensor may, but will not be required to, extend the Term hereof to reflect the period of such a stoppage.

16. If any monuments, corners or accessories are destroyed, obliterated or damaged by the Licensee, the Licensee, at its sole cost and expense, shall hire a registered British Columbia land surveyor to establish or record the monuments, corners or accessories, at the same location and, to the extent applicable, shall record such survey in the appropriate Land Title Office.

17. The Licensee is strictly prohibited from felling any trees on the Lands or the Licensed Area without the prior written consent of the Licensor, which consent may be withheld in the Licensor's sole discretion.

18. The Licensee will not be entitled to transfer or assign this Licence or any of the rights hereunder (including by sub-licence) under any circumstances without prior written consent of the Licensor. A change of the voting control of the Licensee shall constitute a transfer of this Licence.

19. If the Licensee fails to comply with any of the provisions of this Licence, the Licensor will be entitled to rectify such default and any costs, charges or expenses incurred by the Licensor in connection therewith will be immediately due and payable by the Licensee to the Licensor. Without limiting the generality of the foregoing, the Licensor will be entitled to at all times make such inspections of the Licensed Area as it deems advisable in its sole discretion with regard to the Licensee's carrying out of the Permitted Activities and to remedy any situation at the sole cost of the Licensee that the Licensor regards, in its sole discretion, as creating a dangerous situation or risk.

20. All notices under this Licence shall be in writing and signed by a party or its counsel. Notices may be (i) delivered personally, (ii) transmitted by facsimile or electronic mail, (iii) delivered by a recognized national overnight delivery service, or (iv) mailed by registered mail, postage prepaid and return receipt requested. Notices shall be directed to the addresses set forth above, or to such other or additional address as a party may specify by notice to the other party from time to time. Any notice delivered in accordance with this Section 20 shall be deemed given (a) in the case of any notice transmitted by facsimile or electronic mail, on the date on which the transmitting party sends such notice, (b) in the case of any notice delivered by a recognized national overnight delivery service, on the day of delivery to the service, or (c) in the case of any notice mailed by registered mail, two business days after deposit therein.

21. The Licensee must provide, and maintain, with the Licensor a current list of all emergency contacts and personnel for the Licensee.

22. At the end of the Term, the Licensee is responsible, at the Licensee's sole cost and expense, to restore any roads on the Lands or Licensed Area that were used by the Licensee to the condition that such roads were in prior to the Licensee's use.

23. This Licence will be governed by and construed in accordance with the laws of British Columbia and the laws of Canada applicable therein. The parties hereby attorn to the exclusive jurisdiction of the courts of British Columbia.
24. Time is of the essence in this Licence.
25. This Licence expressly does not create an interest in land.
26. This Licence constitutes the entire agreement between the parties hereto in respect of the use by the Licensee of the Licensed Area and the Lands and will be binding upon the parties and their respective successors where permitted.
27. This Licence may be executed in as many counterparts as may be necessary or by facsimile or other electronic means and each such counterpart Licence so executed is deemed to be an original and such counterparts together will constitute one and the same instrument.
28. In this Licence words importing the singular only will also include the plural and vice versa and words importing the masculine gender will also include the feminine gender and neuter pronouns will include, mean and refer to, where the context so requires, persons or things of masculine gender and words importing persons will include individuals, firms and corporations.
29. Any Schedules or Exhibits attached to this Licence are incorporated herein by this reference.
30. Each party acknowledges and agrees that it has been advised to obtain, and has had the opportunity to obtain, legal advice from its own counsel in connection with the entering into of this Licence.

*[Remainder of page intentionally left blank; signature page to follow]*

IN WITNESS WHEREOF the parties hereto have executed this Licence as of the day and year first above written.

**OWNER:**

**PERMITTEE:**

**FMIC AGGREGATOR LIMITED  
PARTNERSHIP**

**COWICHAN VALLEY REGIONAL  
DISTRICT**

By: Manulife Investment Management Forest  
Management Inc,

its property manager and authorized agent

By: \_\_\_\_\_

Name: Matthew Merritt

Its: Area Manager

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Name: Dan Oxland

Its: Forester

Date: \_\_\_\_\_

Date: \_\_\_\_\_

WCB#: \_\_\_\_\_

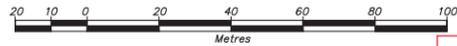
Schedule A

**Map of Premises**

- See attached map |

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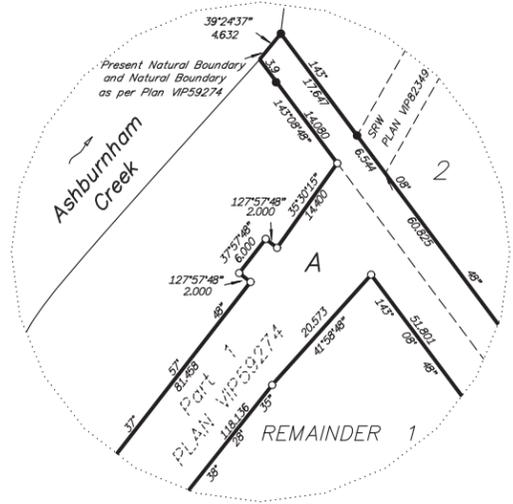
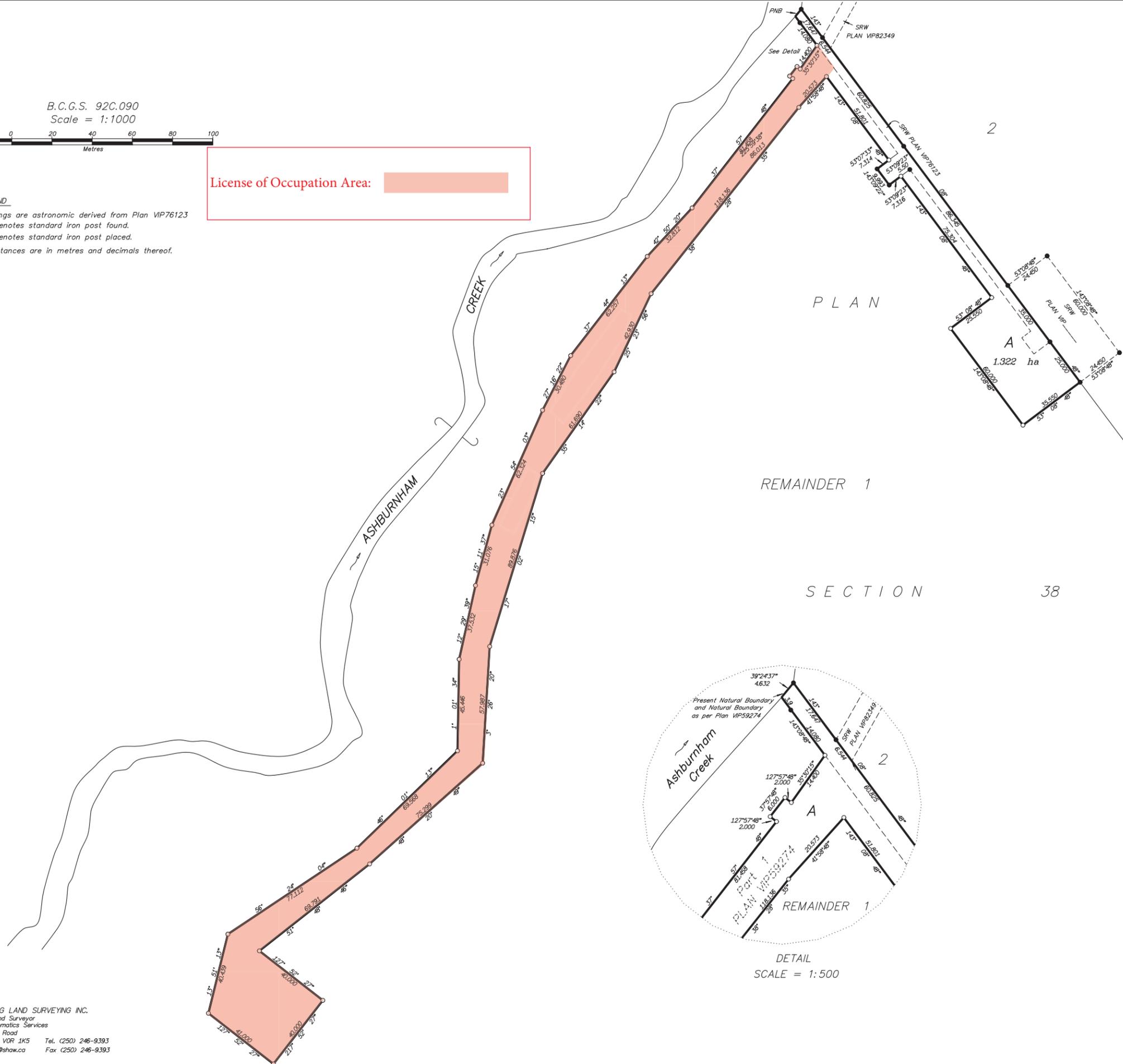
B.C.G.S. 92C.090  
Scale = 1:1000



License of Occupation Area:

**LEGEND**

Bearings are astronomic derived from Plan VP76123  
● denotes standard iron post found.  
○ denotes standard iron post placed.  
All distances are in metres and decimals thereof.



I, Gerald W. Lindberg, a British Columbia Land Surveyor of the Town of Chemainus, in British Columbia, certify that I was present at and personally supervised the survey represented by this plan and that the survey and plan are correct. The field survey was completed on the 14 day of June, 2007. The plan was completed and checked, and the checklist filed under #67630 on the 17 day of July, 2007.

Gerald W. Lindberg B.C.L.S.

G.W. LINDBERG LAND SURVEYING INC.  
Professional Land Surveyor  
Surveying & Geomatics Services  
9261 Chemainus Road  
Chemainus, B.C. V0R 1K5 Tel. (250) 246-9393  
Email gw@lindberg@shaw.ca Fax (250) 246-9393

Schedule B

Insurance

The Licensee will institute and maintain, at its cost, insurance as set out below, and will provide to the Licensor upon request proof of new or continued insurance at least 7 days prior to the expiration date noted on any insurance policies:

**AUTOMOBILES**

Bodily Injury - \$2,000,000 Each Occurrence  
Property Damage - \$2,000,000 Each Occurrence  
Or combined single limits - \$2,000,000

**EXPOSURES OTHER THAN AUTOMOBILES INCLUDING CONTRACTUAL AND COMPLETED OPERATIONS**

Bodily Injury - \$2,000,000 Each Occurrence  
\$2,000,000 Each Person  
Property Damage - \$2,000,000 Each Occurrence  
Or combined Single Limits - \$2,000,000

Pollution liability insurance with a limit of not less than \$1,000,000 per occurrence for bodily injury and property damage N/A

**BROAD FORM B LOGGING PROPERTY DAMAGE N/A**

With Limits of Not Less Than \$2,000,000 Each Occurrence

Including Forest Fire Fighting Expense,  
With Limits of Not Less Than  
\$1,000,000 Each Occurrence

ALL SUCH POLICIES OF INSURANCE SHALL NAME THE LICENSOR AS ADDITIONAL INSURED AND CONTAIN A PROVISION THAT THE SAME SHALL NOT BE CANCELLED NOR THE COVERAGE MODIFIED NOR THE LIMITS CHANGED WITHOUT FIRST GIVING AT LEAST THIRTY (30) DAYS WRITTEN NOTICE THEREOF TO THE LICENSOR. The coverages will be primary, exclusive of any coverage carried by the Licensor, and will be exhausted first notwithstanding that the Licensor may have other valid and collectible insurance covering the same risk. Nothing herein contained will limit the Licensee's liability to the Licensor to the scope or the amount of the insurance coverage. Such policies of insurance shall be written by duly licensed insurance companies satisfactory to the Licensor in the Licensor's sole and absolute discretion. Prior to the Licensee exercising the rights granted to the Licensee hereunder, certificates of insurance evidencing the coverage required on such form as the Licensor may deem acceptable, together with copies of all required endorsements, shall be provided to Licensor by personal delivery or mail, to the address set forth on the first page of this Licence. All of the Licensee's Responsible Parties and owners of vehicles or other equipment used in connection with the performance of this Licence must also meet the same insurance requirements provided in this Section 4, and the Licensee is responsible to ensure that these requirements are met. At the Licensor's request, the Licensee will supply the Licensor with evidence of such compliance. In the event the Licensee fails to supply the Licensor with such evidence within five (5) business days after receiving such request, the

Licensor may immediately terminate this Licence without further action. The premiums, deductibles and other costs for all insurance required under this Licence shall be the obligation of and paid for by the Licensee and/or the Licensee's Responsible Parties.

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## Schedule C

### VENDOR CODE OF CONDUCT

Manulife Investment Management Timberland and Agriculture Inc (“MIMTA”), a Manulife Investment Management (“Manulife”) company, is committed to ethical business practices and good governance, both of which are integral to our business practices and long-term success. Achieving this requires a commitment to integrity and consistent high standards from all partners, including our vendors. As a general principle, MIMTA procurement decisions are made on a best-value basis, where value includes both financial and non-financial factors (such as environmental and social benefits) and costs are full life-cycle costs, including purchase price, maintenance costs, operating costs, and disposal costs. Accordingly, the vendors who provide MIMTA with services and/or products are expected to adhere to the requirements of the Manulife Vendor Code of Conduct (“Code”):

- Legal and Regulatory Compliance – Vendors and the products and services they provide must be in full compliance with all applicable laws and regulations at all times.
- Ethical Business Practices – Vendors must act with integrity and ethical behavior in all business dealings. Vendors must not offer or accept gifts, bribes, or kickbacks of any kind and must be free of conflicts of interest. Vendors must conduct business in an openly competitive environment that is in compliance with all applicable anti-money laundering, anti-trust and anti-corruption laws. It is expected that vendors will be truthful in discussions with MIMTA employees and representatives and that information provided during Requests for Proposals (RFP) fairly reflects the vendor’s capabilities.
- Privacy and Information Security – Vendors must comply with all privacy and non-disclosure agreements and only use information obtained from MIMTA for the purpose defined by the contractual arrangement. Vendors must ensure that all information and data that MIMTA provides to the vendor remains confidential and secure.
- Human Rights and Fair Employment and Labor Practices – Vendors must respect the dignity and human rights of all workers and be committed to fair employment and labor practices. Vendors must provide protections against workplace harassment and abuse, discrimination and violence. Vendors may not use any child or forced labor.
- Anti-Slavery and Human Trafficking – Vendors must comply with all applicable anti-slavery and human trafficking laws, statutes, regulations and codes. Vendors must implement due diligence procedures for its sub-contractors, suppliers and other participants in its supply chain to ensure that there is no slavery or human trafficking.
- Drug-Free Workplace – Vendors must comply with the requirements of the Drug Free Workplace Act and similar local applicable laws and regulations. Vendors shall not assign any personnel to provide services to MIMTA who are impaired by drug use. The use or possession of illegal drugs on MIMTA property is strictly prohibited.
- Health and Safety – Vendors must provide healthy and safe workplaces to their employees. Vendors must comply with relevant health and safety laws and regulations and have practices in place that aim to minimize or eliminate any hazards in the working environment.
- Environmental Protection and Conservation – Vendors should proactively minimize or mitigate the environmental impacts associated with their business activities through documented policies and procedures.

Signing any contract with MIMTA commits you, as a vendor to MIMTA, to adhere to the Code, monitor compliance at all times, and promptly report any violations to MIMTA.