



huu ay aht

ANCIENT SPIRIT, MODERN MIND

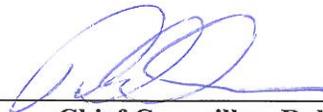
NON-REPLACEABLE FOREST LICENCE REGULATION

Official consolidation
Current to March 1, 2017

REGISTRY OF LAWS CERTIFICATION

I certify that the *Non-Replaceable Forest License Regulation Amendment Regulation, 2017* was passed by Executive Council on:

March 1, 2017



Chief Councillor, Robert Dennis Sr.

I certify that the *Non-Replaceable Forest License Regulation Amendment Regulation, 2017* is enacted as law on:

March 1, 2017



Ta'yii Hawilth, Derek Peters

I certify that the *Non-Replaceable Forest License Regulation Amendment Regulation, 2017* came into force on:

March 1, 2017



Law Clerk, Kim Chretien

NON-REPLACEABLE FOREST LICENCE REGULATION

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Purpose

- 1 The purpose of this regulation is to set out the form of non-replaceable forest licence.

Non-Replaceable forest licence

- 2 For the purposes of sections 10 (g) and 11 (g) of the *Land Act*, a non-replaceable forest licence may be issued in accordance with the *Land Act* in substantially the form set out in the Schedule.

Director may sign

- 3 The Director of Lands and Natural Resources may sign a non-replaceable forest licence on behalf of the HUU-ay-aht.

Confidential Information

- 4 Executive Council may designate one or more schedules to a non-replaceable forest licence that will not be made available for public inspection in the HUU-ay-aht land registry under section 48(6) of the *Land Act*.

SCHEDULE
NON-REPLACEABLE FOREST LICENCE

HFNR 1/2017, s. 1.

NON-REPLACEABLE TIMBER LICENCE AGREEMENT

THIS AGREEMENT dated for reference the ___ day of _____, 20__ is between:

HUU-AY-AHT FIRST NATIONS,
4644 Adelaide Street
Port Alberni, British Columbia,
V9Y 6N4

(“**Huu-ay-aht**”)

and:

[insert name of Licencee and address]

(the “**Licencee**”)

BACKGROUND

A. The Parties have entered into this Agreement in accordance with section 10(g) of the *Land Act* (HFN) and the *Non-Replaceable Forest Licence Regulation* (HFNR 14/2013, as amended by HFNR 1/2017).

B. This Agreement is entered into with the Licencee to [insert reason for grant of licence].

AGREEMENT

In consideration of the covenants, terms and conditions contained in this Agreement and for good and valuable consideration, (the receipt and sufficiency of which is acknowledged by the Parties), the Parties agree as follows:

PART 1 - INTERPRETATION**Agreement**

1.1 This Agreement is the entire contract between the Parties as to the matters set out in this Agreement, and all previous promises, representations, contracts or agreements between the Parties, whether oral or written, are deemed to have been replaced by this Agreement. This Agreement is comprised of the following components, all of which have been reviewed and agreed to by the Parties:

- (a) these general terms and conditions;
- (b) Schedule “A” –Logging Cutblock Details;

- (c) Schedule “B” – Financial Matters;
 - (d) Schedule “C” – Planning Documents; and
 - (e) Schedule “D” – Insurance,
- (collectively, this “**Agreement**”).

Definitions

1.2 In this Agreement, the following words and phrases will have the following meanings:

“**Agreement**” has the meaning given to it in Section 1.1;

“**Business Day**” means a day that is not a Saturday, Sunday or statutory holiday in British Columbia;

“**Claim**” means any notice (including a notice of defect or non-compliance), assessment, reassessment, order, summons, citation, directive, no-action letter, ticket, charge, fine, penalty, judgment, order, liability, expense, cost, damage, loss, investigation, demand letter or other similar written communication, claim, remediation, cost recovery action, demand, suit, action, compliant, grievance, legal assertion, prosecution, petition or proceeding from any Person;

“**Cutblocks**” means the areas designated as such on the maps attached as Schedule “A” to this Agreement;

“**Default**” has the meaning given to it in Section 16.1;

“**Defaulting Party**” has the meaning given to it in Section 16.1;

“**Effective Date**” means [insert date]

“**Forest Service**” means the Ministry of Forests, Lands and Natural Resource Operations of the Province of British Columbia or its successor or equivalent HFN governmental department, as the case may be;

“**Forest Legislation**” means the *Forest Act* (British Columbia), the *Forest and Range Practices Act* (British Columbia), the *Forest Practices Code of British Columbia Act*, the *Wildfire Act* (British Columbia), the *Land Act* (HFN), including all regulations, by-laws, rules, ordinances, codes of practice, standards and other like instruments promulgated, issued, prescribed, made or established under those statutes;

“**Governmental Authority**” means any federal, provincial, state, municipal, county, local or regional government, court, office, official or governmental or

regulatory authority, domestic or foreign (including international organizations formed by or participated in by any national, provincial or state government or representatives thereof) or other political subdivision of any of them including any aboriginal, indigenous or First Nation government, office, official or governmental or regulatory authority or any entity, authority, agency or court or Person exercising executive, legislative, judicial, regulatory or administrative functions on behalf of any of them and includes any department, commission, bureau, board, administrative agency or regulatory body of any of the foregoing;

“Hazardous Substance” means any substance which, when Released on an area used by the Licencee under this Agreement or into the natural environment, is likely to cause, at any time, material harm or degradation to such or any part of it, or to the natural environment, or material risk to human health, and includes, without limitation, any flammables, explosives, radioactive materials, asbestos, polychlorinated biphenyls, chlorofluorocarbons, hydro chlorofluorocarbons, urea formaldehyde foam insulation, radon gas, chemicals known to cause cancer or other toxicity, pollutants, contaminants, hazardous wastes or waste of any kind, pesticides, defoliants, wood preservatives, toxic substances or related materials, petroleum and petroleum products, or any substance declared to be hazardous or corrosive or toxic or a pollutant, dangerous good, deleterious substance, effluent, hazardous waste or special waste, or words of similar meaning under any Laws now or enacted in the future, which affect or apply to such area, Huu-ay-aht, the Licencee or any of them;

“HFN-Related Parties” means the Huu-ay-aht Government., and its respective councillors, directors, officers, employees, and agents, invitees, and **“HFN-Related Party”** means any one of them, as the case may be;

“Indemnitee” has the meaning given it in Section 15.3;

“Indemnifier” has the meaning given it in Section 15.3;

“Laws” means all Huu-ay-aht, federal, provincial, municipal, regional, or local laws, statutes, regulations, rules, by-laws, ordinances, orders, or guidelines applicable to the Licencee’s Operations under this Agreement, including, without limitation, those relating to the environment, occupational health and safety, product liability, transportation and Forest Legislation and **“Law”** means any one of them;

“Lien” means any lien, charge or encumbrance of any nature whatsoever;

“Licence Area” means the areas of Treaty Settlement Lands reasonably required to for the Licencee to perform the Licencee’s Operations;

“Licencee’s Operations” means all of the Licencee’s operations to perform the activities of the Licencee on or in respect of the Cutblocks and Timber harvested under this Agreement, including those activities described in Section 3.2;

“**Maa-nulth First Nations Final Agreement**” means the “Maa-nulth First Nations Final Agreement” dated April 9, 2009 among Canada, the Province of British Columbia, and the Maa-nulth First Nations;

“**Merchantable Timber**” means Timber of all species within a Cutblock that is within Timber utilization specifications commonly used in the coastal forest industry in British Columbia;

“**Metre**” or “**m³**” means one cubic metre of Timber measured in accordance with the British Columbia metric scale;

“**Non-Defaulting Party**” has the meaning given to it in Section 16.1;

“**OHS Reg**” means the Occupational Health and Safety Regulation B.C. Reg. 296/97;

“**Old Growth Timber**” means a stand of Timber 140 years or older in age;

“**Parties**” means Huu-ay-aht and the Licencee and “**Party**” means either Huu-ay-aht or the Licencee as appropriate for the context in which it is used;

“**Person**” includes a natural person, company, corporation, partnership, proprietorship, First Nation, government and its ministries, agencies and other authorities and a person as that term is used in any applicable Law;

“**Planning Documents**” means the planning documents required by Huu-ay-aht and described in Schedule “C” related to the Licencee’s Operations, including, as determined by Huu-ay-aht at its sole discretion, cutting permits, road permits or other such authorizations, that set the rules, requirements and restrictions on the Licencee’s Operations;

“**Post-Harvest Obligations**” means Licencee’s post-harvest obligations as described in the applicable Planning Documents;

“**Related Parties**” means a Party and its directors, officers, employees, shareholders, agents and invitees;

“**Release**” has the meaning given it in Section 10.4 for the purposes of that Section and “**Released**” as used in the definition of “**Hazardous Substance**” in this Section has a corresponding meaning;

“**Second Growth Timber**” means a stand of Timber that is less than 140 years old;

“**Term**” means has the meaning given to it in Section 2.1;

“**Timber**” means trees, whether standing, fallen, living, dead, limbed, bucked or peeled;

“**Treaty Settlement Lands**” means those Maa-nulth First Nations Lands for HFN under Chapter 2 of the Maa-nulth First Nations Final Agreement;

“**Huu-ay-aht’s Representative**” means the Director of Lands and Resources or a Person designated in writing by such director who will represent Huu-ay-aht for the purposes of this Agreement;

“**Waste**” means the volume of Timber in each Cutblock that the Licencee could have cut and removed under this Agreement but, at the Licencee’s discretion, did not cut and remove from the applicable Cutblock and is in excess of:

- (a) 10 m³ per hectare in Second Growth Timber; or
- (b) 35 m³ per hectare in Old Growth Timber;

“**WCA**” means the *Workers Compensation Act* (British Columbia), including all regulations, by-laws, rules, ordinances, codes of practice, standards and other like instruments promulgated, issued, prescribed, made or established under that statute;

“**Wildfire Act**” means the *Wildfire Act* (British Columbia), including all regulations, by-laws, rules, ordinances, codes of practice, standards and other like instruments promulgated, issued, prescribed, made or established under that statute.

Other Definitions

- 1.3** Any term defined in the Forest Legislation and not otherwise defined in this Agreement will have the meaning given to it in the Forest Legislation.

Headings

- 1.4** The headings in this Agreement are for convenience of reference only and are not to affect the construction and interpretation of this Agreement. For greater clarification, the headings are set out and referred to as follows:

- Part;
- Paragraph; and
- (a) Section.

Governing Law

- 1.5** This Agreement is governed by and construed in accordance with the Laws of Huu-ay-aht, the Province of British Columbia and Canada applicable to this Agreement in the Province of British Columbia.

Included Words

- 1.6** In this Agreement, unless this Agreement specifies, or the context requires, otherwise:
- (a) the plural includes the singular and the singular includes the plural;
 - (b) the masculine, the feminine and the neuter are interchangeable and all include the body corporate; and
 - (c) the word “including”, when used in this Agreement and preceded or followed by any terms or conditions, is not to be construed as limiting in any way the terms or conditions that either precede or follow that word, and, in respect of the terms and conditions that follow that word, is deemed to refer to all other terms and conditions that can reasonably fall within the broadest possible scope of such terms and conditions.

Canadian Dollars

- 1.7** All dollar amounts referred to in this Agreement are in Canadian funds.

Severance

- 1.8** If any term of this Agreement is determined to be invalid or unenforceable, in whole or in part:
- (a) the invalidity or unenforceability will attach only to that term or part term, and the remaining part of the term and all other terms of this Agreement will continue in full force and effect;
 - (b) the Parties will negotiate in good faith to agree to a substitute term that will be as close as possible to the intention of any invalid or unenforceable term while being valid and enforceable; and
 - (c) the invalidity or unenforceability of the term in any particular jurisdiction will not affect its validity or enforceability in any other jurisdiction where it is valid or enforceable.

Time

- 1.9** Time is of the essence in this Agreement.

PART 2 - GRANT OF RIGHTS AND TERM**Term**

- 2.1 The Term of the Agreement commences on Effective Date and remains in effect for [insert number of years] years from that date.

Grant

- 2.2 Subject to this Agreement and the Forest Legislation, the Licencee during the Term:
- (a) may perform the Licencee's Operations to harvest and purchase Timber from the Cutblocks in accordance with applicable Planning Documents; and
 - (b) has the right to enter and use the Treaty Settlement Land to exercise the rights granted under subsection (a) and fulfill obligations under this Agreement.

Maximum Volume & Overcut Penalty

- 2.3 The Parties agree that unless otherwise agreed in writing by Huu-ay-aht at its sole discretion:
- (a) the maximum harvestable volume of Merchantable Timber by the Licencee under this Agreement is [insert volume] m³, plus or minus [insert number – recommended 5 to 10%]%, and the determination of the volume of Merchantable Timber harvested will incorporate the volume of Waste determined under Part 7; and
 - (b) in addition to any other remedies that may be available to Huu-ay-aht under this Agreement, the Licencee will pay the penalty as set out in Schedule "B" respecting any Merchantable Timber that the Licencee harvests over the volume limit set out in subsection (a) above.

Non-Replaceable

- 2.4 This Agreement is not replaceable.

Extensions

- 2.5 No extensions will be granted to the Term of this Agreement.

Licencee's Operations

- 2.6 As part of the Licencee's Operations under this Agreement, the Licencee will be responsible at its own expense for all aspects of planning, management,

development, harvesting, delivery and scaling of Timber, post-harvest activities and reforestation of Cutblocks under this Agreement and the Licencee will carry-out the Licencee's Operations in accordance with this Agreement.

PART 3 - LICENCEE'S OPERATIONS

Use Conditions

- 3.1** At all times during the Term and without limiting its other obligations under this Agreement, the Licencee will:
- (a) occupy and use the Licence Area only for the purpose of exercising a right or performing an obligation of the Licencee, including the Licencee's Operations, under and in accordance with this Agreement and for no other use or purpose;
 - (b) perform its obligations in accordance with the standards described in Section 3.3;
 - (c) maintain an environmental management system consistent with Coastal British Columbia forest industry standards for such systems and operate on the Licence Area in accordance with that environmental management system, as it may be revised from time to time; and
 - (d) permit Huu-ay-aht, upon prior reasonable notice when there is no emergency, or at any time during an emergency or apparent emergency to:
 - (i) examine the state of the Licencee's Operations on the Licence Area or the state of a Cutblock to ensure the Licencee's compliance with this Agreement; or
 - (ii) remedy any default of the Licencee as permitted under this Agreement.

Scope of Licencee's Responsibilities

- 3.2** Without limiting Section 2.6, the Licencee will, as part of the Licencee's Operations, at its cost and in accordance with this Agreement:
- (a) perform all of the functions pertaining to harvesting Timber under this Agreement, including:
 - (i) planning of access road and timber harvesting operations, including preparing the Planning Documents;
 - (ii) engineering, constructing, maintaining and deactivating all access roads on the Licence Area that the Licencee constructs or uses;

- (iii) felling, bucking, processing, yarding, skidding, forwarding, loading, marking, hauling, dumping and, thereafter, all handling of the Timber the Licencee removes from each Cutblock;
- (iv) scaling of all Timber the Licencee removes from each Cutblock;
- (v) performing Waste and residue assessments of each Cutblock where the Licencee cuts or removes Timber;
- (vi) assessing and abating any fire hazard within each Cutblock and on the Licence Area generally;
- (b) reforest and manage all Cutblocks that the Licencee harvests under this Agreement until such Cutblocks are “free to grow”, as such term is commonly referred to in the British Columbia Coastal forest industry;
- (c) obtain all permits and licences necessary for the Licencee’s Operations that are not otherwise supplied by Huu-ay-aht;
- (d) perform such additional matters identified in the Planning Documents and as required by Forest Legislation; and
- (e) provide all labour, supervision, security, equipment, tools, materials, supplies, including consumables, and other things necessary to perform the Licencee’s Operations.

Standards

- 3.3** Without limiting any other provision of this Agreement, the Licencee will, and will cause the Licencee’s workforce and contractors to, perform the Licencee’s Operations:
- (a) in a good, workmanlike, safe, environmentally sound, timely and diligent manner:
 - (i) in accordance with the best modern practices used on Crown land on the Coast of British Columbia for such operations;
 - (ii) to the standards required by Forest Legislation for the performance of such operations on Crown land on the Coast of British Columbia, despite the fact that at Law those standards for Crown Land may not be applicable to such practices when performed on Treaty Settlement Land; and
 - (iii) to the satisfaction of Huu-ay-aht, acting reasonably;
 - (b) in compliance with all of the following, and any amendments thereto or renewals, replacements or extensions thereof, that apply to or in respect of

the Licencee's Operations or a Cutblock on which the Licencee is performing the Licencee's Operations under this Agreement:

- (i) all applicable Laws; and
- (ii) lawful orders, directions or other decisions that Huu-ay-aht, a Governmental Authority, court or tribunal may give or make; and
- (c) safely and in a manner that will not unreasonably interfere with, or harm other permitted users of the Licence Area or access roads or assets of Huu-ay-aht throughout the Licence Area.

Overlap, Inconsistency or Conflict Among Standards

- 3.4** If more than one standard specified in Section 3.3 or elsewhere in this Agreement applies to the same obligation of the Licencee under this Agreement, or there is a conflict or inconsistency between or among such standards, then the Licencee will meet the highest standard in performing that obligation, unless meeting that standard will conflict with a Law, in which case, the Licencee will meet the highest standard that does not conflict with a Law.

Capability to Perform Operations.

- 3.5** The Licencee hereby represents and warrants to Huu-ay-aht that it has, and will continue to have throughout the Term, the resources, skill, knowledge, experience, training, labour, equipment, supplies and materials necessary to perform the Licencee's Operations in accordance with this Agreement.

Correction of Work.

- 3.6** Without limiting any of Huu-ay-aht's other rights or remedies in respect of any breach of this Agreement by the Licencee:
- (a) the Licencee will, on request of Huu-ay-aht, and in accordance with Huu-ay-aht's request, remediate or re-perform any portion of the Licencee's Operations not performed in accordance with this Agreement; and
 - (b) if the Licencee fails to undertake remediation or re-performance in accordance with subsection (a), Huu-ay-aht may, but is not obligated to, perform the obligation, and the Licencee will, immediately on receipt of a demand from Huu-ay-aht to do so, reimburse Huu-ay-aht for Huu-ay-aht's reasonable expenses for doing so.

Planning documents

- 3.7** The Licencee will comply with the obligations described in Schedule "C" regarding Planning Documents and, for clarity, the Planning Documents are deemed to be a part of this Agreement.

Conditions for Commencing Operations

- 3.8** The Licencee will not harvest Timber on any area of a Cutblock until Huu-ay-aht has approved the applicable Planning Documents for that area.

Notice of Commencement of Operations

- 3.9** The Licencee will, within two Business Days of commencing the Licencee's Operations on the Licence Area give notice to Huu-ay-aht specifying the Cutblock or access road on which the Licencee's Operations have commenced, the nature of the Licencee's Operations and the date of commencement.

PART 4 - TITLE, RISK AND NOTICES**Title and Risk**

- 4.1** Title and risk for the Timber will pass from Huu-ay-aht to the Licencee upon the Timber being felled at the stump.

Clear Title

- 4.2** Huu-ay-aht will pass title to Timber to the Licencee under Section 4.1 free and clear of any Liens that apply as a result of any action or inaction by Huu-ay-aht but, for greater certainty, this excludes Liens that apply as a result of an action or inaction by the Licencee or the Licencee's workforce and contractors.

Notice Regarding Completion of Harvesting

- 4.3** The Licencee will, in respect of each Cutblock under this Agreement, give notice to Huu-ay-aht within 10 Business Days of completion of the harvesting activities on that Cutblock.

Lost or Damaged Timber

- 4.4** In addition to the obligations of the Licencee regarding Waste under this Agreement, if any Timber is lost, destroyed or left on a Cutblock as a result of the negligence or a willful act of the Licencee or if the Licencee cuts Timber without authority as set out under this Agreement, the Licencee will indemnify the Huu-ay-aht for:
- (a) the fair market value of the Timber harvested or wasted as estimated by Huu-ay-aht's Representative; and
 - (b) all costs incurred by Huu-ay-aht in rectifying or repairing the damage caused by the Licencee's activities.

Removal of Equipment

4.5 The Licencee will, for each Cutblock, by completion of the Licencee's Operations on each Cutblock, remove from the applicable Licence Area all of the Licencee's equipment and improvements it has made to that Cutblock, except any such equipment and improvements required to enable the Licencee to perform the Forestry Obligations that the Licencee must still fulfill following completion of the harvesting of the Cutblock.

Clean up and Removal by Huu-ay-aht

- 4.6** If the Licencee fails to do anything it is required to do under this Agreement in respect of its operations on a Cutblock, then:
- (a) in addition to any other remedies Huu-ay-aht has under this Agreement or at Law, Huu-ay-aht may, but is not obligated to, do any of those things without liability to the Licencee, including:
 - (i) perform work that the Licencee has failed to perform or complete in accordance with this Agreement or at all;
 - (ii) leave, take, keep, use, consume, dismantle, remove or dispose of any of the things referred to in Section 4.5;
 - (iii) hire such supervision, labour and equipment, acquire such tools, supplies and materials and make such other expenditures as are reasonably necessary to do anything referred to in clauses (i) or (ii); and
 - (b) the Licencee will, forthwith on receipt of an invoice therefor, pay Huu-ay-aht its reasonable costs of doing anything referred to in subsection (a).

PART 5 - SCALING, TAXES AND RECORDS

Scaling and Taxes

- 5.1** Without limiting Section 3.2, the Licencee will for all Timber removed in accordance with this Agreement
- (a) scale all such Timber in accordance with the *Forest Act* (British Columbia) (including related regulations) and any applicable policies or manuals produced by the Forest Service;
 - (b) deliver to Huu-ay-aht statements of all scaling records of scaled volumes of such Timber, unless otherwise directed by Huu-ay-aht; and
 - (c) pay all taxes imposed by Governmental Authorities with respect to such Timber, including any applicable export fees.

Records

- 5.2 The Licencee will keep records of all of the Licencee's Operations completed including Merchantable Timber produced and/or delivered under this Agreement in a manner and form satisfactory to Huu-ay-aht and provide those records to Huu-ay-aht's Representative when requested.

Marking

- 5.3 Prior to removing Timber from the Licence Area and again as necessary throughout the handling of the Timber, the Licencee will ensure all Timber is properly marked with stamp marks, paint and other markers as may be required by the *Forest Act* (British Columbia), or the Forest Service from time to time.

PART 6 - FINANCIAL MATTERS**Payment for Merchantable Timber**

- 6.1 The Licencee will pay Huu-ay-aht for the Merchantable Timber as required under Schedule "B".

Security Deposit

- 6.2 The Licencee will provide Huu-ay-aht the Security Deposit as required under Schedule "B".

Payment for Waste

- 6.3 The Licencee will pay Huu-ay-aht for Waste as required under Schedule "B".

Post-Harvest Obligations Account

- 6.4 The Licencee will create and maintain an account for the purposes of paying for all Post-Harvest Obligations as required under Schedule "B".

PART 7 - POST-HARVEST OBLIGATIONS**Waste Assessments**

- 7.1 The Licencee will:
- (a) conduct a Waste and residue assessment of each Cutblock under this Agreement:
 - (i) within 60 days after primary logging of the Cutblock is completed and ground being sufficiently clear of snow to conduct an adequate assessment; and

- (ii) in accordance with the Provincial Logging Residue and Waste Measurement Procedures Manual in effect, unless Huu-ay-aht gives its prior approval in writing to an assessment based on oculars or comparables; and
- (b) provide a copy of the waste survey report required under subsection (a) to Huu-ay-aht within 10 Business Days after the survey report is provided to the Licencee.

Reforestation

- 7.2** Without limiting Section 3.2, the Licencee will, in respect of each Cutblock it harvests under this Agreement and each area on the Licence Area where Timber is destroyed due to a breach of this Agreement, negligence or willful default of the Licencee or the Licencee's workforce or contractors, reforest such area as required under the Planning Documents.

Stand Management

- 7.3** Without limiting Section 3.2, the Licencee will, in respect of all areas that the Licencee is required to reforest under this Agreement, carry out all stand management obligations as required under the applicable Planning Documents for such areas.

Road Deactivation

- 7.4** Without limiting Section 3.2:
- (a) the Licencee will:
 - (i) subject to subsection (b), deactivate each access road it constructs or uses on the Licence Area as required under the Planning Documents as soon as practicable after it no longer requires the access road and intends to cease maintaining it;
 - (ii) before deactivating such an access road under this Section, give notice to Huu-ay-aht that the Licencee intends to deactivate the access road; and
 - (b) if, within 15 Business Days after Huu-ay-aht receives a notice under subsection (a)(ii), Huu-ay-aht gives notice to the Licencee that the Licencee should not deactivate the access road, the Licencee is relieved of its obligations under this Section in respect of that access road and will not deactivate the access road.

Notices of Completion

- 7.5** The Licencee will give Huu-ay-aht notice of when the Licencee has completed:

- (a) harvesting of a Cutblock under this Agreement;
- (b) restocking of a Cutblock or area of damaged Timber under Section 7.2;
- (c) establishing a “free to grow” stand in a Cutblock or area of damaged timber under Section 7.2;
- (d) deactivation of an access road under Section 7.4; and
- (e) all Forestry Obligations under this Agreement,

in each such case, giving the notice within 10 Business Days of the completion date and specifying in the notice the Cutblock or access road, as the case may be, the nature of the Licencee’s Operation completed and the date of completion.

Changes to Obligations

- 7.6 The Licencee will inform Huu-ay-aht as soon as possible of any matter that suggests to the Licencee that Huu-ay-aht should consider revising any obligation of the Licencee under this Agreement to enable the Licencee to perform its obligations in a safe and environmentally sound manner.

Survival of Obligations

- 7.7 If the Licencee incurs an obligation under this Agreement during the Term but has not fulfilled that obligation at the expiry of the Term or upon other termination of this Agreement, the obligation survives such expiry or termination of this Agreement until the Licencee fulfills the obligation. This Section survives the expiry of the Term or any other termination of this Agreement.

PART 8 - FOREST FIRES

Compliance with Fire Requirements

- 8.1 Without limiting any other provision of this Agreement, the Licencee will:
- (a) comply with the Wildfire Act;
 - (b) before it commences the Licencee’s Operations under this Agreement, establish a fire preparedness plan and other instructions that set out information and instructions typically included in plans and instructions of such nature in the British Columbia coastal forest industry pertaining to fire prevention, notification and fighting and provide to Huu-ay-aht by notice a copy of such plan and other instructions; thereafter, maintain such plan and other instructions in effect throughout the Term; and provide to Huu-ay-aht by notice a copy of each amendment to such plan or other instructions as the same are made from time to time; and

- (c) without limiting subsections (a) and (b), comply with all obligations specified under the Forest Legislation and other documents referred to in those subsections in respect of the provision of firefighting equipment and fire watchers, prevention of fire, restrictions of operations, hazard abatement, reporting fires, fighting fires and performing rehabilitation as a result of such firefighting.

Fire Prevention

8.2 Without limiting any other provision of this Agreement, the Licencee will:

- (a) not, unless it has received the prior written authorization of Huu-ay-aht, directly or indirectly or intentionally or not, start, light, fuel, use, cause or permit (hereinafter in this Part, all such actions or inactions collectively called “Cause” or “Caused”) any open fire on the Licence Area, including any lunch or debris fire;
- (b) prohibit and prevent smoking by any Person engaged in respect of the Licencee’s Operations except in vehicles or machines or in designated smoking areas, which designated smoking areas the Licencee will ensure:
 - (i) are free of all flammable material within the smoking area;
 - (ii) have at least one fully operational manual back pack firefighting pump filled with water at the site;
 - (iii) have a bucket of water into which all finished cigarettes and ashes must be placed;
 - (iv) when a fire watch is required, are inspected by the Person conducting the fire watch immediately before that Person leaves the area at the conclusion of each shift during which the fire watch occurs;
- (c) forthwith remove from participation in any of the Licencee’s Operations any member of the Licencee’s Workforce found smoking in hazardous areas;
- (d) take every reasonable precaution to prevent the escape of any fire;
- (e) for each current Cutblock, obtain and record daily weather readings and determine the fire danger class from these readings in accordance with the Wildfire Regulation;
- (f) restrict its operations under this Agreement and take such other actions as required to comply with the Wildfire Act in light of the fire danger class for each day and consecutive days at each Cutblock; and

- (g) ensure at all times from March 1 to October 31, inclusive, that a natural person who has been trained to a level acceptable to Huu-ay-aht and the Forest Service in the areas of fire suppression techniques, fire behaviour and fireline safety is present on each site where the Licencee is performing the Licencee's Operations on each active Cutblock or other lands pursuant to this Agreement.

Fire Notification

- 8.3** In addition to its obligations under the Wildfire Act to report a fire that appears to be burning unattended or uncontrolled, the Licencee will report any such fire if or the Licencee's Workforce sees burning on the Licence Area:
- (a) in accordance with any fire preparedness plan or other instruction referred to in Section 8.1(b);
 - (b) if such document or instruction does not specify fire reporting requirements, immediately by telephone to Huu-ay-aht's Representative or such other contact person or telephone number as Huu-ay-aht may provide to the Licencee by notice or, if the Licencee is unable to reach in that manner, by the quickest communication available to a natural person of authority in Huu-ay-aht.

Firefighting

- 8.4** Without limiting the Licencee's obligations under the Wildfire Act to fight fire, the Licencee will:
- (a) unless Huu-ay-aht directs it otherwise, use all reasonable efforts, including all of its labour and suitable equipment, materials, supplies and other things employed or utilized by it, directly or through the Licencee's workforce and contractors, on the areas of the Licence Area relevant to the Licencee's Operations, to fight any fire that:
 - (i) the Licencee or the Licencee's workforce or contractors causes while on any such area;
 - (ii) the Licencee or the Licencee's workforce or contractors permits to escape onto or from any area, whether or not the fire itself was caused by the Licencee or the Licencee's workforce or contractors;
 - (iii) although the Cause of the fire is unknown, started where the Licencee or a member of the Licencee's workforce or contractors performed the Licencee's Operations on any such area at any time during the 24 hours immediately prior to the estimated time that the fire started; or

- (iv) is on any such area but is not a fire referred to in clauses (i) to (iii), that HUU-ay-aht asks the Licencee to fight; and
- (b) as soon as practicable after a fire for which the Licencee is responsible for fighting is spotted, the Licencee will inform HUU-ay-aht of the Licencee's planned actions regarding the fighting of the fire and, thereafter, will keep HUU-ay-aht informed of the fighting of the fire until it is extinguished.

Responsibility for Fire Fighting Costs

8.5 The Licencee and HUU-ay-aht will bear the liability for all costs and losses related to the Licencee, or the Licencee's workforce or contractors, fighting a fire in accordance with this Agreement as follows:

- (a) the Licencee will be responsible for any loss, cost or liability that the Licencee and anyone in the Licencee's workforce or contractors incurs in fighting a fire referred to in Section 8.4(a)(i) to (iii), including any loss, cost or liability in respect of labour, equipment, materials and supplies;
- (b) subject to subsection (c), where HUU-ay-aht asks the Licencee to fight a fire under section 8.4(a) (iv), HUU-ay-aht will pay the Licencee for its services in fighting the fire in accordance with the rates paid by the Forest Service under the Wildfire Act for labour and equipment rental for firefighting, to the extent the Licencee has applied the labour and equipment reasonably in fighting the fire, except to the extent the Licencee is reimbursed for those services by the Forest Service or a third party; and
- (c) where a fire is under the control of the Forest Service, HUU-ay-aht is not under any obligation to pay the Licencee for any Claims, including Claims in respect of labour, equipment, materials and supplies, incurred or made by the Licencee or anyone in the Licencee's workforce and contractors in respect of fighting the fire, except to the extent, if any, the Forest Service pays HUU-ay-aht for firefighting costs incurred by the Licencee for the purposes of forwarding that payment to the Licencee.

Fire Indemnity

8.6 Despite any insurance held by HUU-ay-aht, and without limiting the generality of the Licencee's indemnity of HUU-ay-aht under this Agreement, the Licencee will indemnify and save harmless HUU-ay-aht-Related Parties from and against any and all Claims made or incurred by HUU-ay-aht in respect of a fire if the Licencee or the Licencee's workforce or contractors in or as a result of a default under this Agreement or negligently or willfully:

- (a) causes the fire; or

- (b) permits the escape of the fire, whether or not Caused by the Licencee or the Licencee's workforce or contractors.

Status of the Licencee's Workforce and Contractors when Fighting Fire

- 8.7** Any Person within the Licencee's workforce or contractors that fights a fire under this Agreement is not, while doing so, an employee, contractor or agent of Huu-ay-aht.

PART 9 - WORKPLACE SAFETY

Application of this Part

- 9.1** This Part applies wherever the Licencee is conducting the Licencee Operation's on the Licence Area.

Definitions from WCA

- 9.2** Each of the following terms has the meaning given them in the WCA:

- (a) "Forestry Operation";
- (b) "Multiple-Employer Workplace";
- (c) "Owner";
- (d) "Prime Contractor"; and
- (e) "Workplace".

Compliance with Safety Requirements

- 9.3** The Licencee will:
- (a) before commencing the Licencee's Operations, review and, thereafter throughout the Term, ensure it is familiar with the WCA; and
 - (b) without limiting Section 3.2, plan and perform all of the Licencee's Operations and maintain every Workplace associated with all such Operations in compliance with the WCA;
 - (c) be deemed to be a Person with knowledge and control of an activity in a Forestry Operation; and
 - (d) perform the Licencee's Operation in a manner that will ensure that at all times Huu-ay-aht is, in respect of the Licencee's Operations, in compliance with its obligations under:

- (i) Part 3 of the WCA as an Owner or Employer of the Workplace; and
- (ii) Part 26 of the OHS Reg as an Owner of a Forestry Operation.

Health and Safety Program

9.4 The Licencee:

- (a) is responsible for the safety of the Licencee's workforce and contractors and will comply with all Laws respecting such responsibilities;
- (b) will take all necessary precautions against risk of injury or loss of life in the Licencee's workforce and contractors and among all other Persons present at the Workplaces associated with the Licencee's Operations, whether or not those other Persons are associated with the Licencee's Operations;
- (c) provide to Huu-ay-aht, on such reasonable request as Huu-ay-aht may make from time to time, a copy of all documents that establish, describe or comprise the Licencee's health and safety program, including such specific site safety plans as Huu-ay-aht may request.

Working with Others

9.5 The Licencee will:

- (a) when carrying out the Licencee's Operations on the Licence Area, coordinate the activities of the Licencee with those of the Licencee's workforce and contractors and any third party also working on that area for the purposes of ensuring that the activities of all Persons on the area are safe;
- (b) without limiting subsection (a), develop and maintain open communication with the other Employers and workers at each Workplace where the Licencee carries out the Licencee's Operations;
- (c) without limiting subsections (a) or (b), if the Licencee is not the Prime Contractor in respect of a Multiple-Employer Workplace where the Licencee's Operations are being performed or where the Licencee or a member of the Licencee's workforce or contractors are otherwise on the Licence Area for the purposes of this Agreement:
 - (i) determine who is the Prime Contractor for that Multiple-Employer Workplace; and
 - (ii) to enable that Prime Contractor to fulfill its obligations under the WCA, cooperate, and require all members of the Licencee's

workforce and contractors active at that Multiple-Employer Workplace to cooperate, with that Prime Contractor, in respect of the duties of that Person as Prime Contractor as:

- (A) directed by Huu-ay-aht; or
- (B) in the absence of direction by Huu-ay-aht, as is appropriate in the circumstances and consistent with the Licencee's obligations under this Agreement.

Directions from Huu-ay-aht

9.6 The Licencee will:

- (a) comply with all reasonable directions Huu-ay-aht may give it at any time and from time to time in respect of safety;
- (b) make such changes to the Licencee's health and safety program that Huu-ay-aht may reasonably request to better reflect the WCA or the Licencee's safety-related obligations under this Agreement; and
- (c) at the request of Huu-ay-aht, participate in any safety initiative of Huu-ay-aht, including safety meetings and programs,

provided, however, that at all times it is the Licencee's responsibility to ensure that the Licencee's Operations, including the operations of the Licencee's workforce and contractors, are safe and in compliance with the WCA.

Hazards and Incidents

9.7 The Licencee will:

- (a) if a hazard exists in respect of the Licencee's Operations at any Workplace that makes it unsafe to continue the Licencee's Operations, immediately cease or modify the Licencee's Operations so as to avoid injury, and advise Huu-ay-aht of the hazard and the actions taken to avoid injury; and
- (b) immediately notify Huu-ay-aht of:
 - (i) any incident at the Licencee's Workplaces requiring medical treatment or first aid, and any other serious accident or other safety incident involving the Licencee's workforce or contractors whether or not such occurrence results in an inspection, investigation, order or other action under the WCA; and
 - (ii) the actions the Licencee is taking to avoid any such occurrence from that time forward.

SAFE Certification

- 9.8** The Licencee will meet the following SAFE Certified requirements:
- (a) if the Licencee is Safe Certified as of the Commencement Date, provide to Huu-ay-aht proof the Licencee's Safe Certified registration number, for recording in Schedule A by the date of execution of this Agreement, and, thereafter, as may be requested by Huu-ay-aht at any time and from time to time;
 - (b) if the Licencee is not SAFE Certified as of the Commencement Date, the Licencee will use all commercially reasonable efforts to become so as soon as commercially reasonable;
 - (c) if it is or becomes SAFE Certified, the Licencee will, subject to subsection (d), maintain SAFE Certified status throughout the Term;
 - (d) if the Licencee loses SAFE Certified status because of the actions of a third party contracted to Huu-ay-aht:
 - (i) the Licencee will use all commercially reasonable efforts to reacquire SAFE Certified status as soon as commercially reasonable thereafter; and
 - (ii) the requirements of subsection (c) are suspended unless and until the Licencee reacquires SAFE Certified status under this subsection; and
 - (e) the Licencee will, on the reasonable request of Huu-ay-aht, which Huu-ay-aht may make at any time and from time to time, provide evidence satisfactory to Huu-ay-aht of the Licencee's SAFE Certified status.

Qualified to be Prime Contractor

- 9.9** The Licencee:
- (a) hereby represents and warrants to Huu-ay-aht that it:
 - (i) has reviewed, and is familiar with, the qualifications and obligations of a Prime Contractor under the WCA; and
 - (ii) is qualified in accordance with the WCA to serve as the Prime Contractor for each Multiple-Employer Workplace where the Licencee is performing the Licencee's Operations or is otherwise on a Parcel;

- (b) will take all steps as may be necessary from time to time to continue to be qualified to be a Prime Contractor for the purposes of this Agreement, including any such steps Huu-ay-aht may reasonably require; and
- (c) will provide to Huu-ay-aht such information as Huu-ay-aht may request at any time and from time to time indicating the Licencee's qualifications to be a Prime Contractor for the purposes of this Agreement.

Appointment as Prime Contractor

9.10 The Licencee will, subject to Section 9.12(b), be the Prime Contractor for each Multiple-Employer Workplace where the Licencee, including a member of the Licencee's workforce or contractors, is performing the Licencee's Operations, or is otherwise, on the Licence Area.

Duties as Prime Contractor

9.11 The Licencee will, for each Multiple-Employer Workplace for which it is the Prime Contractor under this Agreement:

- (a) ensure each Employer of workers at those Multiple-Employer Workplaces has provided the Licencee the name of the natural person the Employer has designated to supervise the Employer's workers at that Workplace;
- (b) perform the duties of a Prime Contractor under the WCA; and
- (c) without limiting subsection (b):
 - (i) send to the Workers' Compensation Board such Notices of Project in respect of the Licencee's Operations when and as may be required under the WCA; and
 - (ii) before the applicable the Licencee's Operation commences, provide to Huu-ay-aht by notice a copy of each such Notice of Project.

Changes to Status as Prime Contractor

9.12 The Licencee:

- (a) will immediately inform Huu-ay-aht if, for any reason, it becomes unqualified to serve as the Prime Contractor in accordance with the WCA;
- (b) will cease to be the Prime Contractor for a Multiple-Employer Workplace under this Agreement for the time, circumstances, location or any combination thereof, and to the extent specified in, and in accordance with, any notice to that effect given by Huu-ay-aht to the Licencee, which Huu-ay-aht may give, amend or rescind from time to time; and

- (c) will not, without the prior written consent of Huu-ay-aht:
 - (i) assign or subcontract the Licencee's appointment, rights or responsibilities as Prime Contractor under this Agreement or retain an agent to exercise such rights or perform such responsibilities; or
 - (ii) appoint anyone to act as Prime Contractor in respect of the Licencee's Operations on the Licence Area.

Training

9.13 The Licencee must ensure that all the Licencee's workforce and contractors are properly trained, and continue to be trained and up-to-date as individuals and crews in accordance with applicable Laws for safety, fire protection and environmental protection.

Timber Falling Safety

9.14 The Licencee will inform Huu-ay-aht's Representative prior to falling any Timber for safety reasons, or obtain the permission of Huu-ay-aht's Representative prior to falling any Timber for any other reasons, when that Timber is either not marked, outside boundaries or otherwise designated for harvest.

PART 10 - ENVIRONMENTAL PROTECTION

Environmental Management System

10.1 If so requested by Huu-ay-aht, the Licencee will:

- (a) have in place at all times during the Term of this Agreement, an environmental management system that:
 - (i) is designed to prevent damage to the environment;
 - (ii) includes the Licencee's certification systems, standard operating procedures and emergency preparedness and response plan;
 - (iii) is independently audited annually;
 - (iv) requires the Licencee to:
 - (A) perform the Licencee's Operations in accordance with that system;
 - (B) produce a written report an incident in respect of the Licencee's Operations has damaged, or may result in damage to, the environment; and

- (C) take action to remedy or prevent such damage, as the case may be; and
- (b) conduct the Licencee's Operations in accordance with the environmental management system required by subsection (a); and
- (c) provide to Huu-ay-aht by notice as soon as practicable copies of the results of each annual audit referred to in subsection (a)(iii) as it pertains to the Licencee's Operations; reports referred to in subsection (a)(iv)(B), and an explanation of the remedial and preventative actions taken, and the results of those remedial actions, referred to in subsection (a)(iv)(C).

Preventing Damage to Environmental Features

10.2 Without limiting Sections 3.3, 10.1 or any other provision of this Agreement, the Licencee will:

- (a) if weather or site conditions are such that the Licencee's Operations on a Cutblock result or may result in damage to the environment, including the slumping or sliding of land, inordinate soil disturbance or other "damage" to the environment as defined under Forest Legislation, cease the Licencee's Operations in the affected area, take all reasonable steps to prevent any or any further damage to the environment and immediately inform Huu-ay-aht of the situation;
- (b) if the Licencee finds any feature of environmental or recreational significance or value in an Operating Area:
 - (i) stop the Licencee's Operation to the extent necessary to avoid harmfully altering it, threatening, damaging or destroying it or rendering it ineffective;
 - (ii) immediately inform Huu-ay-aht of the situation;
 - (iii) co-operate with Huu-ay-aht to determine what, if any, action the Licencee should take in respect of the feature;
 - (iv) not recommence the Licencee's Operation until Huu-ay-aht and the Licencee, both acting reasonably, have agreed upon a course of action; and
 - (v) recommence and conduct the Licencee's Operation in a manner consistent with that agreement; and

Preventing Damage to Cultural Features and Traditional Use Sites

10.3 Without limiting Sections 3.3, 10.1 or any other provision of this Agreement, the Licencee will:

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- (a) if weather or site conditions are such that the Licencee's Operations on a Cutblock result or may result in damage to cultural features or traditional use site, cease the Licencee's Operations in the affected area, take all reasonable steps to prevent any or any further damage to the cultural feature or traditional use site and immediately inform HUU-AY-AHT of the situation;
 - (b) if the Licencee finds any feature of cultural significance or value or traditional use site in an Operating Area:
 - (i) stop the Licencee's Operation to the extent necessary to avoid harmfully altering it, threatening, damaging or destroying it or rendering it ineffective;
 - (ii) immediately inform HUU-AY-AHT of the situation;
 - (iii) co-operate with HUU-AY-AHT to determine what, if any, action the Licencee should take in respect of the feature;
 - (iv) not recommence the Licencee's Operation until HUU-AY-AHT and the Licencee, both acting reasonably, have agreed upon a course of action; and
 - (v) recommence and conduct the Licencee's Operation in a manner consistent with that agreement; and
 - (c) protect HUU-AY-AHT cultural features and traditional use sites within the Licence Area as required by Schedule "C".

Hazardous Substances

10.4 Without limiting Sections 3.3 and 10.1:

- (a) the Licencee will ensure that its environmental management system referred to in Section 10.1 is designed to prevent the Release of any Hazardous Substances from the Licencee's Operations;
- (b) except as expressly authorized by HUU-AY-AHT and in compliance with all applicable Laws, the Licencee will not, and will ensure that the Licencee's workforce or contractors does not, Release, store or transport any Hazardous Substances in or on any part of the Licencee Area or in or on land or in or on water adjacent to the Licence Area or in a place or in circumstances where any such Hazardous Substances may enter water; and
- (c) if the Licencee or the Licencee's workforce or contractors Releases, stores or transports a Hazardous Substances contrary to subsection (b), the Licencee will:

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- (i) immediately cease the Licencee's Operation that caused or contributed to such Release, storage or transportation until:
 - (A) the Licencee has completed the actions referred to in clauses (ii) and (iii); or
 - (B) Huu-ay-aht has otherwise authorized the Licencee to recommence the Operation;
 - (ii) immediately commence and continue all reasonable efforts to stop, contain, and clean up, and minimize and mitigate damage resulting from, the Release, storage or transportation;
 - (iii) immediately inform Huu-ay-aht of the Release, storage or transportation and the actions the Licencee is taking under clauses (i) and (ii) and the actions the Licencee will take to avoid such incident from that time forward;
 - (iv) continue to inform Huu-ay-aht of the Licencee's actions under clauses (i) to (iii) as and when Huu-ay-aht requests; and
 - (v) despite any insurance held by Huu-ay-aht and without limiting the generality of the Licencee's indemnity of Huu-ay-aht under this Agreement, indemnify Huu-ay-aht for any Claim against Huu-ay-aht, or by Huu-ay-aht against the Licencee, in respect of any such Release, storage or transportation,

where, in this Section “**Release**” includes to spill, leak, deposit, seep, pump, pour, emit, empty, throw, discharge, inject, escape, leach, dispose, dump or place.

Termination for Environmental Irresponsibility

- 10.5** Without limiting any other provision of this Agreement, if the Licencee, in the opinion of Huu-ay-aht, fails to perform the Licencee's Operations or its other obligations under this Agreement in an environmentally responsible and correct manner, Huu-ay-aht may, on notice to the Licencee and without liability to the Licencee, terminate this Agreement.

PART 11 - COMPLIANCE AND ENFORCEMENT

Notice of C&E Events

- 11.1** The Licencee will by notice, immediately inform Huu-ay-aht as soon as the Licencee becomes aware of:
- (a) any offence or other contravention the Licencee or any member of the Licencee's workforce or contractors may have committed while

performing the Licencee's Operations or being on any part of the Licence Area;

- (b) any:
 - (i) inspection, investigation, request for records or allegation of non-compliance; or
 - (ii) notice, violation ticket, order, summons, information, indictment, notice of opportunity to be heard or other like document received from, or like process initiated,

by any government, Governmental Authority, court, tribunal or other like authority in respect of the Licencee's Operations, or the presence of the Licencee or the Licencee's workforce and contractors on the Licence Area or other lands pursuant to this Agreement;
- (c) any opportunity to be heard or make representations to, or request consultation with or be interviewed by, a government or Governmental Authority, review, trial, appeal or other hearing or like process to be provided or held in respect of or arising from any matter referred to in subsections (a) or (b), including the time and location of and the name of the entity conducting such event; and
- (d) any ruling, report or finding of, or any penalty levied or order made by, a government, Governmental Authority, court, tribunal or other like authority in respect of an event referred to in any of subsections (a) to (c).

Actions in Response to C&E Events

11.2 The Licencee will on request of Huu-ay-aht:

- (a) co-operate with Huu-ay-aht in assessing and taking action related to the matter referred to in Section 11.1;
- (b) challenge, at any event referred to in Section 11.1(c) or other applicable forum, as the case may be, an allegation or determination against the Licencee of contravention of any Law or order, permit or direction of any government, Governmental Authority, court, tribunal or other like authority in respect of the Licencee's Operations, or the presence of the Licencee or the Licencee's workforce or contractors on the Licence Area, if such matter could lead to vicarious liability for Huu-ay-aht;
- (c) support any application by Huu-ay-aht to participate on its own behalf in any event referred to in subsection (b).

Indemnity for Penalties

11.3 Despite any insurance coverage held by Huu-ay-aht, and without limiting the Licencee's indemnity of Huu-ay-aht under this Agreement, the Licencee is responsible for and will indemnify and save harmless Huu-ay-aht-Related Parties from and against any and all tickets, fines, penalties, orders and other sanctions as a result of, in respect of, arising out of or related to any non-compliance by the Licencee or the Licencee's workforce and contractors.

Contribution to Penalties

11.4 To the extent a ticket, fine, penalty, order or other sanction referred to in Section 11.3 is, in part, a result of prior actions of Huu-ay-aht, the liability of the Licencee under that Section is limited to a reasonable proportionate share of the liability referred to in that Section, but the burden of proving that the Licencee's proportionate share is less than 100% is on the Licencee.

Remedial Action

11.5 Without limiting Section 3.3, the Licencee will comply with any order by a government, Governmental Authority, court, tribunal or other like authority to take remedial action that is:

- (a) made against the Licencee in respect of the Licencee's Operations or the presence of the Licencee or the Licencee's workforce or contractors on the Licence Area or other lands pursuant to this Agreement; or
- (b) against Huu-ay-aht as a result of an act or omission of the Licencee or the Licencee's workforce or contracts, if Huu-ay-aht requests the Licencee to do so.

PART 12 - INSURANCE

Obtaining and Maintaining Insurance

12.1 Without restricting the generality of the indemnification provisions of this Agreement, the Licencee will, at its expense, obtain and maintain throughout the Term the insurance required by this Part (the "**Insurance**").

Terms of Insurance

12.2 The Licencee will ensure that the Insurance:

- (a) is on terms and with insurers satisfactory to Huu-ay-aht;
- (b) except for statutory motor vehicle insurance, names Huu-ay-aht as an additional insured;

- (c) is primary and does not require the sharing of any loss by any insurer of HUU-AY-AHT;
- (d) includes a waiver of subrogation by the insurer as against HUU-AY-AHT and its officers, directors, employees and agents; and
- (e) is endorsed to require at least 30 days' prior written notice from the insurer to HUU-AY-AHT of alteration, cancellation or expiration.

Scope of Insurance

12.3 The Licencee will ensure that the Insurance protects HUU-AY-AHT and its:

- (a) directors, officers, employees and agents; and
- (b) contractors and subcontractors not within the Licencee's workforce and contractors,

from Claims that may arise directly or indirectly out of the Licencee's Operations, including the operations of the Licencee's workforce and contractors as part of the Licencee's Operations, or any other acts or omissions of the Licencee or the Licencee's workforce and contractors in respect of this Agreement.

Insurance Coverages

12.4 The Licencee will ensure that the Insurance includes the following coverage to not less than each applicable minimum limit specified in Section 12.5, or such other minimum limit specified by HUU-AY-AHT in accordance with Section 12.7, on a per occurrence basis:

- (a) comprehensive general liability Insurance covering liability for all bodily injury, death, property damage and property loss (including damage to and loss of the property of HUU-AY-AHT), including:
 - (i) products and completed operations liability;
 - (ii) owner's and the Licencee's protective liability;
 - (iii) blanket contractual liability covering the Licencee's liability under this Agreement (and specifically referring to this Agreement) and any other agreement with HUU-AY-AHT, including every indemnity provided by the Licencee under this Agreement or any other such agreement;
 - (iv) contingent employer's liability and contingent liability in respect of the Licencee's contractor's and subcontractor's;
 - (v) personal injury liability;

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- (vi) non-owned automobile liability;
 - (vii) cross liability;
 - (viii) employees as additional insureds arising out of their duties as employees;
 - (ix) broad form property damage;
 - (x) forest fire fighting expense, with no limitation or exclusion in respect of slash burning operations and with Huu-ay-aht being deemed to be a third party for the purpose of third party forest fire fighting expenses;
 - (xi) fire suppression liability, including contractual liability;
 - (xii) loss of or damage to any Timber that is felled, bucked, cold decked or windrowed under this Agreement, due to fire or any other usual supplemental risk;
 - (xiii) first aid malpractice;
 - (xiv) unlicensed and specially licensed vehicles;
 - (xv) attached machinery liability;
 - (xvi) occurrence property damage;
 - (xvii) any premises or property of the Licencee including unlicensed motor vehicles or provisionally or specially licensed motor vehicles while operating off the public highway, and all operations of the Licencee;
 - (xviii) liability for watercraft and aircraft that is owned, leased, used, operated, chartered or otherwise engaged by the Licencee in the performance of the Licencee's Operations; and
 - (xix) blasting liability, if blasting is part of the Licencee's Operations;
- (b) statutory motor vehicle liability Insurance covering all vehicles owned, operated by or for or leased or licensed in the name of the Licencee and used under or in respect of this Agreement, including all provisionally or specially licensed motor vehicles while operating on a public highway and all all-terrain vehicles, whether licensed or not;
 - (c) environmental impairment Insurance that:
 - (i) covers losses caused by pollution conditions;

- (ii) includes coverage for:
 - (A) a Release of Hazardous Substances, that arises from the Licencee's Operations;
 - (B) includes coverage for bodily injury, including death; loss of or damage to property, including loss of use of damaged property or of property that has not been physically injured; cleanup costs; and costs and expenses incurred in the investigation, defence, or settlement of Claims; and
 - (C) is not subject to limitation based on a reporting period;
- (d) aviation Insurance covering physical damage to aircraft that is owned, leased or non-owned and non-leased and used, operated, chartered or otherwise engaged by the Licencee in the performance of the Licencee's Operations; and
- (e) professional liability Insurance.

Minimum Limits

12.5 Subject to Section 11.7, the Licencee will ensure that the minimum limits on the Insurance required under this Part are not less than the following:

- | | |
|-----------------------------------------------------|----------------------|
| (a) Comprehensive General Liability: | min. \$5,000,000.00 |
| (b) Firefighting expense and suppression liability: | min. \$2,000,000.00 |
| (d) Statutory motor vehicle: | min. \$5,000,000.00 |
| (e) Environmental Impairment: | min. \$1,000,000.00 |
| (f) Aviation: | min. \$ 5,000,000.00 |
| (g) Professional liability: | min. \$ 1,000,000.00 |

Insurance Information

12.6 The Licencee:

- (a) represents and warrants to Huu-ay-aht that, as of the Effective Date, the Licencee's insurer(s), policy numbers and expiry dates, and agents are as described in Schedule "D";
- (b) will provide to Huu-ay-aht by notice and changes to the, or new, insurer, policy numbers or expiry dates for the Insurance policies or insurance agent that the Licencee has in place from time to time under this

Agreement, within seven days of any such change or new insurer, policy number, policy expiry date or insurance agent; and

- (c) will, at the request of Huu-ay-aht, provide to Huu-ay-aht at least 10 days before the Licencee commences the Licencee's Operations under this Agreement, and at such reasonable times thereafter, such of the following as Huu-ay-aht requests:
 - (i) a certified copy of each Insurance policy required under this Part; or
 - (ii) a certificate of insurance in a form satisfactory to Huu-ay-aht, evidencing the Insurance coverage required by this Part, signed by the Licencee and certified by the insurer.

Increase in Limits

- 12.7** Huu-ay-aht may, by notice to the Licencee, require that the minimum limits of Insurance specified in Section 12.5 be increased by an amount reasonable in the circumstances and the Licencee will without delay obtain the additional coverage and provide to Huu-ay-aht evidence of the additional coverage in accordance with Section 12.6.

PART 13 - STATUS OF THE CONTRACTOR AND RELATED OBLIGATIONS

Independent Licencee

- 13.1** The Licencee and any contractor engaged by the Licencee pursuant to this Agreement are independent contractors and not partners, employees or agents of Huu-ay-aht. The Licencee and any contractor are employers for the purposes of the WCA, the *Employment Standards Act*, the *Income Tax Act*, the *Employment Insurance Act*, and the *Canada Pension Plan Act* and for the purposes of any other Laws affecting employment.

The Licencee's Expenses

- 13.2** The Licencee will promptly pay, and will ensure that its contractors promptly pay, all charges for labour, materials, equipment and services used or contracted for by the Licencee and its subcontractors in the performance of the Licencee's Operations.

Liens

- 13.3** The Licencee:
- (a) will not:

- (i) by reason of this Agreement or anything done by it pursuant to or under this Agreement, acquire any right, interest or title in or to the Timber on the Licence Area or any other asset or property of Huu-ay-aht on the Licence Area (collectively called “**HFN Assets**”) except Timber for which title has passed to the Licencee under this Agreement;
 - (ii) purport to mortgage, charge, pledge or otherwise encumber any HFN Asset or the Licence Area without the prior written consent of Huu-ay-aht; or
 - (iii) cause or permit any Liens to attach to or be registered against any HFN Asset or the Licence Area or permit the Licencee’s workforce or contractors to attach a Lien to or be registered against any HFN Asset or the Licence Area in respect of any matter related to this Agreement;
- (b) will pay all of its liabilities, and ensure the Licencee’s workforce and contractors pays all of its or their liabilities, including wages, dues and other employment related expenses, arising from the Licencee’s Operations, whether performed or exercised by the Licencee or the Licencee’s workforce or contractors, or from any other act or omission of the Licencee or the Licencee’s workforce and contractors, that might constitute a Lien upon any HFN Asset or the Licence Area immediately upon such liabilities becoming due; and
- (c) will, if a Lien, is made or threatened to be made against any HFN Asset or the Licence Area as a result of the Licencee’s Operations, whether performed or exercised by the Licencee or the Licencee’s workforce and contractors, or any other act or omission of the Licencee or the Licencee’s workforce and contractors, immediately take all steps and make all payments, including the granting of security or payment into court, as are necessary to remove the Lien, or prevent the Lien being made, attached, registered or otherwise applying.

PART 14 - REPRESENTATIONS

Representations and Warranties

14.1 There are no representations, warranties, guarantees, promises or agreements other than those set out in this Agreement and the Licencee:

- (a) acknowledges and agrees that Huu-ay-aht has not made or given, and will not make or give, any representation or warranty to the Licencee regarding:
 - (i) the Licence Area, the Timber on the Licence Area, including the Merchantable Timber, or the Licencee’s Operations; or

- (ii) without limiting clause (i):
 - (A) the ease or difficulty, simplicity or complexity or costs or profitability of the Licencee in performing the Licencee's Operations;
 - (B) the nature or condition of, or the ease or difficulty of access to, over or on, the Licence Area or any other area where the Licencee performs the Licencee's Operations; or
 - (C) the quality of the Timber on the Licence Area or the suitability of the Licence Area for the performance of the Licencee's Operations;
- (b) is responsible for assessing all matters described in clauses (i) and (ii) of subsection (a) for itself before performing the Licencee's Operations;
- (c) has the ability to carry out the harvesting of Timber and the other Licencee's Operations set out in this Agreement in a safe and environmentally sound fashion; and
- (d) releases and absolutely discharges Huu-ay-aht from any and all Claims that the Licencee may have in respect of the matters referred to in this Section.

PART 15 - RELEASE AND INDEMNITY

Acknowledgement

15.1 The Licencee acknowledges that any information released to the Licencee by Huu-ay-aht about the nature of the Licence Area, the quality or quantity of Timber or the difficulty of the Licencee's Operations, was an estimation only and not binding upon Huu-ay-aht, and all such matters have been investigated by the Licencee prior to executing this Agreement. The Licencee acknowledges that the estimates or information supplied by Huu-ay-aht are not a guarantee of the actual amount of work available. Execution of this Agreement by the Licencee is an absolute release by the Licencee of Huu-ay-aht from any claim that the Licencee may have in respect of those matters.

Release

15.2 The Licencee, for itself and its successors and assigns, hereby releases and absolutely discharges the HFN-Related Parties from any and all responsibility or liability, whether by way of indemnity or by reason of breach of contract or in tort, including liability for negligence and breach of statutory duty, or on any other legal or equitable basis, in respect of any and all Claims suffered or incurred by the Licencee or any Person making a Claim through or under Licencee, including the Licencee's workforce and contractors and its or their invitees, and

arising out of, in respect of, attributable to or occurring during the Licencee's performance of the Licencee's Operations, use or ownership of any of the Licence Area or of any other asset the HFN-Related Parties by Licencee or any other Person, and the Licencee will undertake no such Claim against the HFN-Related Parties either on its own behalf or on behalf of any of the aforesaid Persons and will save harmless the HFN-Related Parties from any such Claim initiated by any of the aforesaid Persons, except to the extent that such Claim is directly attributable to the negligence or willful default of the HFN-Related Parties.

Indemnity

15.3 A Party (the "**Indemnifier**") is responsible for and will, despite any insurance coverage held by the other Party (the "**Indemnitee**"), indemnify and save harmless the Indemnitee and the Indemnitee's Related Parties from and against all Claims that the Indemnitee may sustain, incur, or be subject to, including legal costs on a solicitor and own client basis, whatsoever as a result of, in respect of, arising out of or attributable to, whether directly or indirectly, any breach by the Indemnifier of any of the Indemnifier's obligations, promises, representations, warranties or agreements made in or under this Agreement.

Occupier's Liability

15.4 Without limiting the generality of this Part, the Licencee acknowledges that Huu-ay-aht are not, and will not at any time be, responsible for any injuries or damages suffered by the Licencee or its employees either during the Term of this Agreement, or afterwards and regardless of where the injury or damage occurs, even if it occurs on the Licence Area. The Licencee will be solely responsible for the safety of its employees at all times and will indemnify Huu-ay-aht against any costs resulting from an injury to such employees.

PART 16 - TERMINATION AND SURVIVAL

Default or Insolvency

- 16.1** If:
- (a) either Party defaults in the observance of any of the covenants, terms and conditions contained in this Agreement (the "**Defaulting Party**") and if that default continues for 10 days after the other Party (the "**Non-Defaulting Party**") gives the Defaulting Party written notice specifying such default and:
 - (i) the default is curable within 10 days; or
 - (ii) the default is not curable within 10 days, but the Defaulting Party fails to take reasonable steps to cure the default; or

- (b) if a Party becomes insolvent, makes an assignment for the benefit of its creditors, otherwise acknowledges its insolvency, commits any act of bankruptcy, commences liquidation proceedings, whether voluntary or otherwise, or if a receiver is appointed for any of its assets,

(any such condition called a “**Default**”),

the Non-Defaulting Party may, in its sole discretion, without limiting any other right or remedy, terminate this Agreement forthwith by giving the Defaulting Party written notice of termination and exercise any other rights or remedies available to the Non-Defaulting Party at law or in equity including injunctive relief. This Agreement will not be considered an asset in the bankruptcy of an insolvent Party.

Continued Obligations

16.2 Despite the existence of a Default:

- (a) nothing in this Agreement relieves a Defaulting Party from continuing to perform its obligations to the Non-Defaulting Party under this Agreement; and
- (b) by allowing the defaulting Party to continue to perform its obligations under this Agreement, the Non-Defaulting Party will not be considered to have acquiesced to or waived its rights to enforce its rights under this Agreement with respect to such Default.

Effect of Termination

16.3 If this Agreement expires or is otherwise terminated for any reason:

- (a) all the rights, privileges and obligations of the Parties hereunder, except as provided in this Section and as otherwise specified in this Agreement, will thereupon cease and terminate;
- (b) the Licencee will as soon as practicable after the expiry or other termination date:
- (i) complete harvesting and removal of Timber that the Licencee wishes to remove on the Cutblocks on which the Licencee has commenced felling operations as of that date, but not given a notice of completion of harvesting activities as required under this Agreement;
- (ii) perform all of its obligations under this Agreement that would have applied in respect of such harvesting had the Agreement not expired or otherwise terminated, including:

-
- (A) giving notice to Huu-ay-aht of the Harvest Completion Date on each such Cutblock;
 - (B) having that Timber scaled;
 - (C) carrying out a Waste assessment for the applicable Cutblock;
 - (D) paying the amounts required under Schedule “B” relating to Timber and Waste for that Timber and Waste to Huu-ay-aht; and
 - (E) performing all post-harvest obligations under this Agreement in respect of the applicable Cutblocks as well as all other Cutblocks where such obligations have not been fulfilled as of the expiry or termination date, including reforestation and road deactivation obligations;
- (c) the Licencee will as soon as practicable after the expiry or other termination date and completion of the obligations referred to in subsection (c)(ii) on each Cutblock under this Agreement, remove from the Licence Area all of the Licencee’s equipment and improvements it has made;
 - (d) each Party will be responsible for its obligations or liabilities to the other Party that existed under this Agreement as of the date of expiry or other termination and, without limiting the foregoing:
 - (i) such expiry or other termination is without prejudice to any other rights or remedies under this Agreement or at Law that a Party may have for enforcement of its rights under this Agreement or for recovery of monies owing to it under this Agreement; and
 - (ii) nothing in this Section releases either Party from liability to the other Party for any breach by the Party of any obligation under this Agreement up to the date of expiry or other termination of this Agreement;
 - (e) the Licencee’s obligations under this Agreement respecting protection of the Lands and forest practice requirements apply to the Licencee’s Operations under subsections(c) and (d);
 - (f) the Licencee’s obligations to reforest Cutblocks that it harvests under this Agreement and deactivate roads survive expiry or other termination of this Agreement until the Licencee fulfills all of those obligations; and
 - (g) each indemnity and release under this Agreement survives expiry or other termination of this Agreement.

Clean-Up and Removal by Huu-ay-aht On Expiry or Other Termination

- 16.4** If the Licencee fails to do anything it is required to do under Section 16.3 in accordance with that Section then:
- (a) in addition to any other remedies Huu-ay-aht has under this Agreement or at Law, Huu-ay-aht may, but is not obligated to, do any of those things without liability to the Licencee, including:
 - (i) perform the work described in Section 16.3;
 - (ii) leave, take, keep, use, consume, dismantle, remove or dispose of any of the things referred to in Section 16.3;
 - (iii) hire such supervision, labour and equipment, acquire such tools, supplies and materials and make such other expenditures as are reasonably necessary to do anything referred to in clauses (i) or (ii); and
 - (b) the Licencee will, forthwith on receipt of an invoice therefor, pay Huu-ay-aht its reasonable costs of doing anything referred to in subsection (a), less any amounts Huu-ay-aht recovers by selling any such things referred to in Section 16.3 but, for greater certainty, Huu-ay-aht is under no obligation to sell any such thing or to achieve any particular price for such thing if Huu-ay-aht sells it, and has no obligations as a bailee in respect of any such thing.

PART 17 - SUSPENSION AND FORCE MAJEURE**Suspension and Curtailment of Operations**

- 17.1** The Licencee will suspend or curtail its operations under this Agreement, or any component thereof, as required by Huu-ay-aht under this Part or any government, governmental authority, or court or tribunal.

Causes for Suspension or Curtailment

- 17.2** Huu-ay-aht may, without limiting any other rights or remedies Huu-ay-aht may have under this Agreement or at Law, at any time and from time to time, direct the Licencee to suspend or curtail the Licencee's Operations, or any component thereof, as, when and in the manner and to the extent determined appropriate by Huu-ay-aht if, in the opinion of Huu-ay-aht, acting reasonably, such suspension or curtailment is required or appropriate due to:
- (a) order of a government, governmental authority, court or tribunal;
 - (b) a Default, apparent Default or imminent Default by the Licencee in any of its obligations under this Agreement;

- (c) a Force Majeure Event affecting either HUU-AY-AHT or the Licencee; or
- (d) any other circumstance, whether or not similar to the foregoing, that affects the Licence Area, other of HUU-AY-AHT's Assets or the Licencee's Operations.

Effect of Suspension

17.3 Where the Licencee has been directed to suspend or curtail the Licencee's Operations under this Agreement, or any component thereof, HUU-AY-AHT is not liable to the Licencee in respect of such suspension or curtailment and the Licencee will not otherwise have any right to compensation from or any other Claim against HUU-AY-AHT on account of the Licencee Operations that the Licencee would have performed but for the suspension or curtailment.

Event of Force Majeure

17.4 Subject to Section 17.6, if either Party fails to perform any term of this Agreement and such failure is due to an event of force majeure, including flood, fire, explosion, war, strike, lockout, labour unrest, extraordinary breakdown or other substantial cause beyond its control, that Party, provided that it complies with Section 17.5, will not be deemed to be a default under this Agreement in respect of that failure.

Obligations in a Force Majeure Event

- 17.5** If a Party is claiming the benefit of Section 17.4, that Party:
- (a) will immediately give notice to the other Party of the qualifying force majeure event, describing the force majeure event, identifying the obligation of the Party that the event is affecting and providing an estimate as to when the Party believes the event will end and the impact that event is having and will have in respect of that Party's ability to perform the obligation;
 - (b) will take all reasonable steps to minimize the extent and duration of the force majeure event;
 - (c) will give notice to the other Party as soon as practicable after the force majeure event ends, specifying the date that occurred and updating the estimate of the impacts of the event referred to in subsection (a); and
 - (d) bears the burden of proving that a force majeure event has occurred and had the impacts claimed by that Party.

Exclusions

17.6 A Party may not invoke a force majeure event for any of the following reasons:

- (a) for economic or financial hardship or for lack of money, credit or markets;
- (b) without limiting subparagraph (a), due to the market price for logs or a change in such price;
- (c) without limiting the requirement that the force majeure event must be beyond the reasonable control of a Party invoking a force majeure event:
 - (i) if the force majeure event is the result of a breach by that Party of a permit, certificate, licence or approval or of any applicable Laws, regulations or orders;
 - (ii) if that Party has failed to use all commercially reasonable efforts to prevent or remedy the situation and remove, so far as possible and with reasonable dispatch, the force majeure event; or
 - (iii) if that Party caused the force majeure event by a breach of, or Default under, this Agreement or by a willful or negligent act or omission.

Orderly Suspension

17.7 During a force majeure event to which Sections 17.4 and 17.5 apply affecting the Licencee's Operations, or other circumstance requiring suspension or curtailment of the Licencee's Operations under this Agreement, the Licencee will suspend or curtail the affected portions of the Licencee's Operations in an expeditious, safe, environmentally sound and orderly manner and consistent with any directions that Huu-ay-aht may provide in that regard.

PART 18 - DISPUTE RESOLUTION

Amicable Negotiation

18.1 The Parties will endeavour in good faith to resolve any disputes in respect of the interpretation or performance of this Agreement informally and as between them by amicable negotiation.

Mediation

18.2 Where the Parties have been unable to resolve a dispute under Section 1.1, either Party may give notice to the other Party requesting mediation of the dispute. Following such notice being given, the Parties will appoint a qualified, impartial and experienced individual to serve as a mediator in connection with the dispute and if the Parties are unable to agree on a mediator within 15 Business Days of the notice referred to above then, upon application by either Party, the mediator will be appointed by the British Columbia International Commercial Arbitration Centre. The mediation will be administered under the Commercial Mediation Rules of Procedure.

Arbitration

18.3 If the Parties are unable to resolve a dispute under Section 18.2 within 30 days after the mediator has been appointed under Section 18.2, or such other period agreed to in writing by the Parties, the dispute will be referred to and finally resolved by arbitration administered by the British Columbia International Commercial Arbitration Centre, pursuant to its Domestic Commercial Arbitration Shortened Rules of Procedure. The decision of the arbitrator on all issues or matters submitted to the arbitrator for resolution will be conclusive, final and binding on all of the Parties. The costs of the arbitrator will be borne equally by the Parties unless the arbitrator determines otherwise.

Location of Arbitration

18.4 In the absence of any written agreement otherwise, the place of arbitration will be Vancouver, British Columbia.

Confidentiality

18.5 The Parties agree that all negotiations and/or matters relating to any dispute under this Agreement will be kept confidential and will not be disclosed to any other persons except those persons authorized by both Parties.

PART 19 - GENERAL

Giving Notice

19.1 All notices, requests, demands and other communications pursuant to this Agreement will be in writing and are deemed to have been duly given if delivered by hand or mailed by registered mail postage prepaid addressed to the Party concerned at the following addresses:

Address of Huu-ay-aht:

4644 Adelaide Street
Port Alberni, British Columbia,
V9Y 6N4

Address of the Licencee:

[insert address of Licencee]

**Attention: Director of
Government Services**

**Attention: [insert name of contact
person]**

or at such other address as may from time to time be notified in writing by any of the foregoing.

Receipt of Notice

19.2 Any notice given under this Part is given and received if delivered by hand upon receipt. Any such notice that is mailed is deemed given and received on the fifth

Business Day after it has been posted at any postal station in Canada; provided that if mailed, should there be at the time of mailing or between the time of mailing and the actual receipt of notice, a mail strike or other such dispute which might affect the delivery of such notice by the mail, then that notice will be effective when actually delivered.

Restriction on Assignment

19.3 Neither party may assign this Agreement or any part of it without first obtaining the other Party's written consent. For the purposes of this Agreement, an assignment includes a change in the management or a transfer of shares in a Party. This Agreement enures to the benefit of and is binding upon the successors and permitted assigns of the Parties.

No Waiver

19.4 No waiver by either Party of any default by the other Party in the strict and literal performance of or compliance with any provision of this Agreement will be deemed to be a waiver of the strict and literal performance of or compliance with any other provision, condition or requirement of this Agreement or to be a waiver of, or in any manner release such other Party from compliance with any provision, condition or requirement in the future, nor shall any delay or omission by either Party to exercise any right hereunder in any manner impair the exercise of any such right thereafter.

Compliance

19.5 Each Party will comply at all times and in all respects with the requirements of all Huu-ay-aht, federal, provincial, regional and municipal laws, by-laws, rules and regulations applicable to this Agreement in the operations of the Parties hereunder.

Further Assurances

19.6 Each of the Parties will, upon the reasonable request of any other Party hereto, make, do, execute, or cause to be done or executed all further and other lawful acts, deeds, things, devices, documents, instruments and assurances for the better and more perfect and absolute performance of the terms and conditions of this Agreement.

Continuing Effect

19.7 This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

Amendments to this Agreement

- 19.8** This Agreement may be amended at any time and from time to time but only by the express, written and executed agreement of the Parties.

Execution

19.9 This Agreement may be executed in counterparts, each of which together form one document. This Agreement is properly executed and delivered if executed by the Parties in counterparts and executed copies exchanged by the Parties by facsimile.

TO EVIDENCE THIS AGREEMENT each of the Parties has executed this Agreement as of the date first written above.

HUU-AY-AHT FIRST NATIONS

By:

Name:

Title:

[Insert name of Licencee]

By:

Name:

Title:

SCHEDULE “A”

LOGGING CUTBLOCKS DETAILS

[Particulars and maps to be attached to detail Cutblocks]

SCHEDULE "B"**FINANCIAL MATTERS**

[Details regarding such things as stumpage/price for timber, overcut penalty, payment terms, profit sharing, security deposits, post-harvest obligations account and reporting requirements to be inserted as per per details of timber right grant]

SCHEDULE “C”**PLANNING DOCUMENTS****Required Planning Documents**

[To attach planning documents prepared as of date of grant of Agreement or to attach requirements for what needs to be submitted. To ensure that all post-harvest obligations (including financial details) are detailed in the documents.]

Protection of Huu-ay-aht Cultural Features and Traditional Use Sites

[Insert requirements relating to how the Licencee will address the protection of Huu-ay-aht cultural features and traditional use sites within the Licence Area.]

SCHEDULE “D”

INSURANCE

[To insert insurance particulars.]

	Insurance	Insurer			Policy	
		<i>Name</i>	<i>Address</i>	<i>Telephone</i>	<i>Number</i>	<i>Expiry Date</i>
(A)	Comprehensive general liability:					
(B)	Fire fighting expense and suppression liability:					
(C)	Statutory motor vehicle:					
(D)	Environmental impairment coverage:					
(E)	Aviation:					
(F)	Professional liability:					

Insurance Agent is:

Name

Address

Telephone

