



huu ay aht

ANCIENT SPIRIT, MODERN MIND

**TFL 44 SPECIAL INVESTMENT
BODIES REGULATION**

REGISTRY OF LAWS CERTIFICATION

I certify that the *TFL 44 Special Investment Bodies Regulation* was passed by Executive Council on:

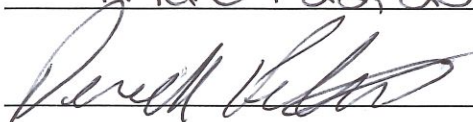
March 22, 2019



Chief Councillor, Robert Dennis

I certify that the *TFL 44 Special Investment Bodies Regulation* is enacted as law on:

March 22, 2019



Ta'yii Hawilth, Derek Peters

I certify that the *TFL 44 Special Investment Bodies Regulation* came into force on:

March 22, 2019



Coraleah Bauer, Law Clerk

TFL 44 SPECIAL INVESTMENT BODIES REGULATION

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Definitions

- 1** In this regulation:

“**Act**” means the *Financial Administration Act*;

“**Transaction Agreement**” means the agreement between the Huu-ay-aht and Western Forest Products Inc. dated December 13, 2018.

Designation of Huu-ay-aht special investment bodies

- 2** (1) The following entities and bodies are designated as special investment bodies under section 62.1 of the Act:
- (a) HFN Investing Limited Partnership;
 - (b) HFN Investing Corporation;
 - (c) HFN Forestry Consulting Services Limited Partnership; and
 - (d) HFN Forestry Consulting Services Corporation.
- (2) Executive Council may, by resolution, change the names of the entities and bodies prescribed in subsection (1).

Specifications of authorized borrowing

- 3** (1) Subject to subsection (2), all Huu-ay-aht bodies are authorized to borrow money for purposes of investing in any of the Huu-ay-aht special investment bodies prescribed in section 2.
- (2) Any borrowing authorized under subsection (1) must:
- (a) not exceed, in aggregate, a total sum of \$8,000,000;
 - (b) be for the purpose of completing the transactions contemplated by the Transaction Agreement and pursuing related investments;
 - (c) not exceed a term ending on April 1, 2022; and
 - (d) be repaid by some or all of the following:
 - (i) revenue generated from the sale of timber pursuant to a non-replaceable forest licence to be issued by the government under the *Land Act* on or near the closing date of the transactions contemplated by the Transaction Agreement;

- (ii) revenue generated from distributions by the HUU-ay-aht special investment bodies prescribed in section 2; or
 - (iii) sources otherwise designated by Executive Council.
- (3) Any borrowing authorized under subsection (1) may be secured by some or all of the following:
- (i) a guarantee by the government;
 - (ii) an assignment of proceeds from the sale of timber pursuant to a non-replaceable forest licence to be issued by the government under the *Land Act* at the same time as the closing of the transactions contemplated by the Transaction Agreement; or
 - (iii) first call on returns due to HFN Investing Limited Partnership as a result of the Transaction Agreement.

Limit on aggregate amount borrowed and loans guaranteed does not apply

- 4** Any amount borrowed by HUU-ay-aht bodies under section 2 or loan guaranteed by HUU-ay-aht bodies under section 62.1(7) of the Act will not be included when calculating the aggregate amount of money borrowed and loans guaranteed for purposes of section 69(6) of the Act.

Commencement

- 5** This regulation comes into force on the date of its enactment by Executive Council.