

1. **EFFECTIVE DATE:** June 1st, 2014 **EXPIRY DATE:** May 31st, 2019

2. **LICENSOR:** Island Timberlands Limited Partnership ("ITLP")
4th Floor – 65 Front Street
Nanaimo, B.C. Canada
V9R 5H9

3. **LICENSEE:** **Regional District of Nanaimo**
6300 Hammond Bay Road
Nanaimo, BC
V9T 6N2
Att: Mr. Sean De pol, Director of Water and Wastewater Services
SDePol@rdn.bc.ca T: 250.390.4111

4. **GRANT:** ITLP is the owner of certain property legally described as: **PID#005-629-471 - BLOCK 563, PID#009-540-334 - BLOCK 152, & PID#009-449-469 - DL 56, PLAN 351 R/W, ALL IN THE NANOOSE LAND DISTRICT**

ITLP grants to the Licensee, its contractors, invitees, licensees, employees, agents and servants, together with vehicles, supplies, and equipment, the non-exclusive license to enter and be upon the roads shown outlined in RED on the attached Schedule 'A' map (the "Lands").

See overview maps attached as Schedule 'A' for location and further details.

5. **PURPOSE:** This License is granted for the purpose of vehicle access to the Madrona water reservoir and the associated infrastructure ("the Improvements") and no other purpose, upon the terms agreed to herein.

6. **LICENCE FEES:** No annual fee. Tied to G#1261.

7. **SECURITY DEPOSIT:** Not required.

The Security Deposit is security for the performance of all obligations by the Licensee under this License. If the Licensee defaults in the performance of any obligation herein, ITLP may, without prejudice to any right or remedy hereunder, apply the said security to the extent necessary.

8. **TAXES:** On demand from ITLP, the Licensee shall pay for any increase in taxes incurred due to any Licensee improvements placed upon the Lands.

9. **MAINTENANCE, THEFT, REPAIR, SEARCH AND RESCUE, AND POLICING:**
 - a) The Licensee shall keep the Lands used in connection therewith in a neat and tidy condition.
 - b) Garbage removal and repair of vandalism found to be directly attributed to the existence of the improvements will be the sole responsibility of the Licensee.

10. **IMPROVEMENTS:**
 - a) The Licensee shall not place any improvements upon, or make any physical changes to, the Licensed Roads without the prior written consent of ITLP, such consent not to be unreasonably withheld.

11. **TIMBER:** The Licensee shall:
 - a) not cut or damage, or allow the cutting or damaging of trees, upon the Lands except in locations where the Improvements are approved by ITLP under section 10 of this Licence and,
 - b) ensure the felling of timber, where required, only occurs using fully certified and trained Fallers and a falling plan approved by ITLP.

12. **ROAD USE RULES:** If any ITLP road is used in connection with this License, the Licensee shall
 - a) strictly observe all speed limits and traffic regulations,
 - b) suspend use of ITLP roads whenever such use is likely to cause excessive damage to them,
 - c) ensure all security gates used in connection with this License remain operational, and
 - d) ensure that motor vehicle access to the Lands is restricted to the Licensee (or Licensee designate) as required for security or maintenance of improvements only.

13. **PROTECTION AGAINST FIRE:** The Licensee shall
 - a) have on the Lands at all times firefighting tools and equipment as required by the BC Wildfire Regulation,
 - b) immediately notify ITLP, the Ministry of Forests, and the local fire department upon discovery of any fire in the vicinity of the Lands, and
 - c) strictly observe ITLP and Ministry of Forests closure instructions with regard to forest fire hazards.

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14. **ENVIRONMENTAL RESPONSIBILITY:**
- a) In exercising its rights under this Licence, the Licensee shall comply with all applicable environmental laws and implement practicable measures to protect environmental quality and human health on the Lands.
 - b) In exercising its rights under this Licence, the Licensee shall use the Lands in a manner to prevent the occurrence of any adverse environmental events and minimize potential environmental hazards that may affect ITLP and its contractors, invitees, licensees, employees, agents and servants, the public and the environment; and in connection with any adverse environmental event, the Licensee shall implement effective control measures and notify all concerned parties.
 - c) The Lands used by the Licensee shall be subject to environmental audits, as ITLP, in its sole discretion, thinks advisable.
15. **COMPLIANCE WITH LAWS AND REGULATIONS:** The Licensee shall comply with all laws, by-laws, and regulations, Federal, Provincial or otherwise.
16. **ASSUMPTION OF RISK AND LIABILITY OF LICENSEE:**
- a) ITLP has made no representations or given any warranties save as set forth herein.
 - b) The Licensee assumes all risk of damage to property of, or injury including death ("**Licensee Damage**") to, the Licensee and the Licensee's contractors, invitees, licensees, employees, agents and servants in connection with the Licensee's exercise of the privileges hereunder, except to the extent that such the Licensee Damage arises from the negligence ITLP, its contractors, invitees, licensees, employees, agents and servants
 - c) The Licensee shall pay for all damage to ITLP resulting directly or indirectly from any negligent act or omission of the said Licensee in exercising its privileges hereunder, and shall reimburse ITLP for all expenses incurred by ITLP for fighting fire to the extent that such expenses result directly or indirectly from said Licensee's negligent acts or omissions in exercising its privileges hereunder.
 - d) The Licensee shall indemnify and save harmless ITLP against all claims, damages, costs, suits, actions, expenses or liabilities asserted by the public or third party persons resulting directly or indirectly from said Licensee's negligent acts or omissions in exercising its privileges hereunder, except to the extent that such claims, damages, costs, suits, actions, expenses or liabilities arise from the negligence of ITLP, its contractors, invitees, licensees, employees, agents and servants.
17. **INSURANCE:** The Licensee shall obtain and maintain during the term hereof
- a) Comprehensive general liability insurance including non-owned automobile, covering bodily injury and property damage including loss of use thereof, and loss of use of tangible property which has not been physically injured or destroyed. The policy shall also include coverage for:
 - i) unlicensed and specially licensed vehicles,
 - ii) forest fire caused by the Licensee, Licensee's invitees, or members of the general public which are accessing the lands,
 - iii) contractual liability covering the Licensee's liability under this License; and
 - b) Motor vehicle liability covering all said Licensee's licensed vehicles (owned and leased) exercising privileges granted under this License. The minimum limits of liability for (a) and (b) shall be \$5,000,000 inclusive. Such insurance shall be issued by an insurance company acceptable to ITLP, and shall include an endorsement requiring thirty (30) days' notice to ITLP prior to cancellation. The Licensee shall furnish evidence of the insurance prescribed in sub-paragraphs (a) and (b) above to ITLP before exercising any privileges granted hereunder.
- Notwithstanding the foregoing, ITLP acknowledges that the Licensee may satisfy the foregoing insurance requirements through primary coverage or self-insured retention.**
18. **TERMINATION, SUSPENSION AND RENEWAL:**
- a) Either party may terminate this License by giving the other one-hundred eighty (180) days' written notice, and if ITLP terminates this License for any reason, the unearned portion of any prepaid consideration shall be returned to the Licensee, without interest.
 - b) If the Licensee defaults, all privileges hereunder terminate ten (10) days after notice of default is given by ITLP to the Licensee, if the default is not remedied within such time. If the default cannot be remedied within ten (10) days, the Licensee must notify ITLP in writing, ITLP may consent to extend the time within which the Licensee must remedy the default for such time as is reasonably required by the Licensee to correct or cure the default, such consent not to be unreasonably withheld. ITLP's termination of this License shall not prejudice ITLP's right to collect damages on account of the Licensee's breach of any term hereof.
 - c) Any failure to exercise ITLP's right to terminate this License in case of default does not constitute a waiver of the Licensee's obligations to perform strictly in accordance with the terms of this License. Any such right to terminate shall remain in effect and may be exercised as long as the default continues.
 - d) On termination, the Licensee shall forthwith deactivate and/or remove any improvements placed on the Lands if requested by ITLP. Where requested, if such improvements are not deactivated and/or removed within one-hundred eighty (180) days of termination, ITLP will deactivate/remove the improvements at the Licensee's cost plus 15%.
 - e) The privileges granted under this License may be suspended and/or modified as ITLP, in its sole discretion, thinks advisable.
 - f) If the Licensee requests a renewal of this License at least three (3) months before the Expiry Date, ITLP may, but is not obligated to, grant a renewal on terms satisfactory to it.
19. **NON-ASSIGNMENT:** Neither this License nor the privileges hereunder may be assigned in whole or in part by operation of law or otherwise, without the previous written consent of ITLP.
20. **NOTICES:** All notices shall be written and deemed duly given if delivered by hand or mailed by registered mail, postage prepaid, addressed to the party concerned at the address herein set forth or at such other address as may from time to time be communicated by notice. Notices shall be deemed to have been received, if delivered by hand, on the day delivered, and, if mailed, on the third day after posting unless there is between the time of mailing and actual receipt a mail strike, slowdown or other dispute which might affect delivery of the mail, in which case notice shall be only effective when actually delivered.

21. **OTHER TERMS:**

- a) The Licensee will review the attached ITLP INFO-FLIP with their employees, agents, and contractors prior to entering onto any ITLP lands, including without limitation the Licensed Roads.
- b) Where road access already exists, ITLP shall use reasonable efforts to provide the Licensee with reasonable access to the License Area, but ITLP shall not be under any obligation to maintain, re-construct, repair or improve the existing road or right of way, or to clear it of snow or other obstruction.
- c) ITLP will only maintain the Licensed Roads during periods in which ITLP is actively using the Licensed Roads for timber harvesting or other business purpose.
- d) The Licensee shall consult with ITLP before undertaking any significant road improvements or other works on the Licensed Roads, and will undertake such works only after receiving written approval from ITLP, such approval not to be unreasonably conditioned, withheld or delayed.
- e) Wind felled trees which are restricting access may be removed by the Licensee provided those bucking the trees are trained to do so, the trees can be removed safely, and any and all personal protective equipment required is worn by those involved.
- f) The Licensee shall comply with all reasonable rules and regulations that may, from time to time, be issued by ITLP to govern the use of the Licensed Roads.
- g) The Licensee will maintain radio contact on the appropriate frequency while travelling or hauling on the Licensed Roads.
- h) The Licensee agrees to use the Licensed Roads solely for the purpose of access and shall not store any vehicles, good or materials thereon.
- i) It is understood and agreed to between ITLP and the Licensee that gates owned by either party may be modified with an additional lock back to facilitate the other party's lock. Upon request, they shall be modified back to their original state on or before the expiry of this License, all at the cost of the modifying party.
- j) On termination or expiration of this License, the Licensee shall leave the Licensed Roads in a condition acceptable to ITLP, acting commercially reasonably.
- k) Nothing in this Licence, or in the use of or expenditure of public funds upon ITLP lands as contemplated by this Licence, shall be construed as a dedication of ITLP lands as a public park, public lands, highway, or trail.

22.

SIGNED:

**Island Timberlands Limited Partnership,
by its general partner Island Timberlands GP Ltd.
Real Estate Group
Per**

**Licensee
Regional District of Nanaimo**

Signature

Randy Orr, RI, RFT

Type/Print Name

Manager, Real Estate

Position

Dated

Signature

Type/Print Name

Position





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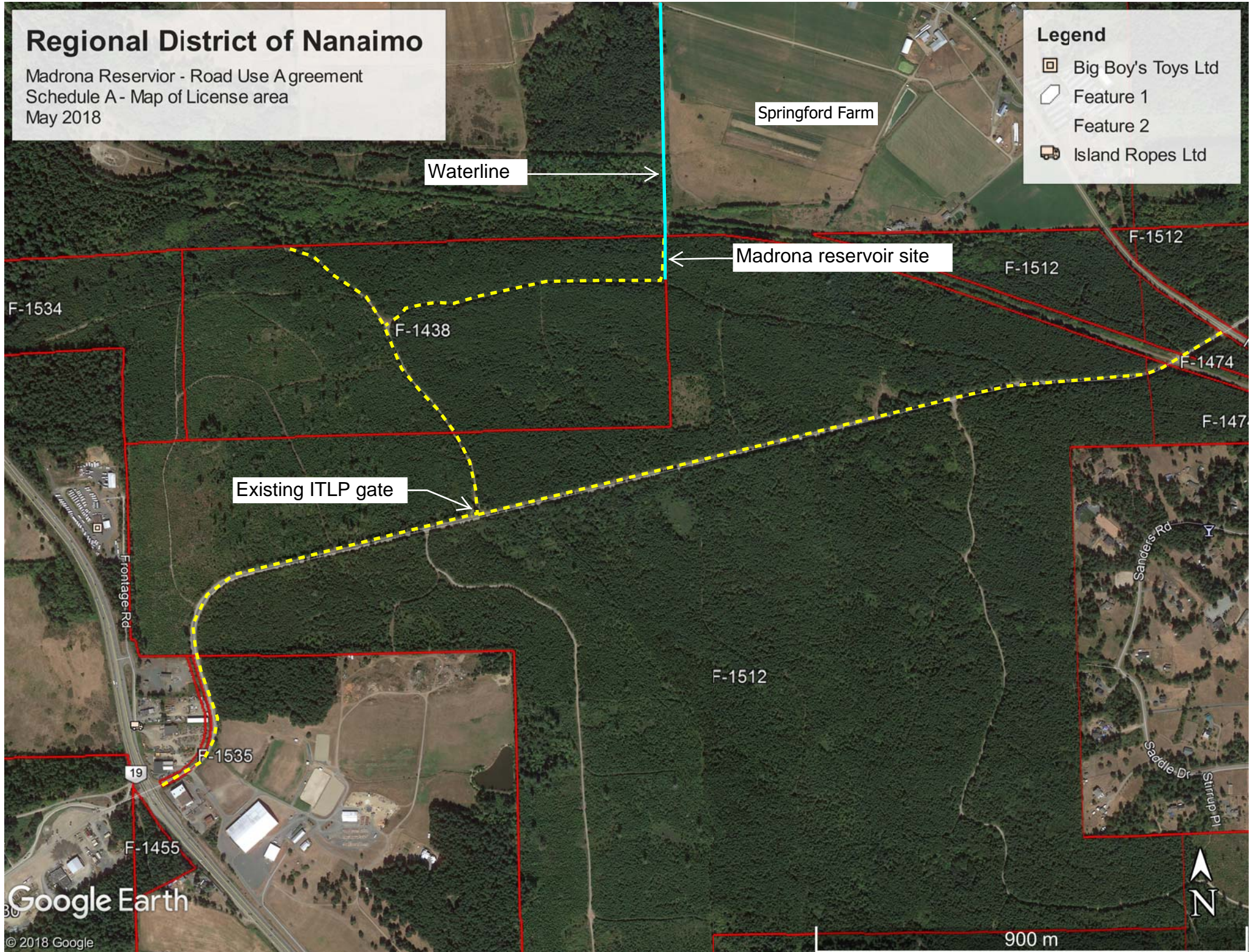
SCHEDULE 'A'
MAP & PLANS

Regional District of Nanaimo

Madrona Reservoir - Road Use Agreement
Schedule A - Map of License area
May 2018

Legend

-  Big Boy's Toys Ltd
-  Feature 1
-  Feature 2
-  Island Ropes Ltd



Google Earth

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