

LICENCE AGREEMENT

THIS AGREEMENT is made as of April 01, 2022.

BETWEEN:

MOSAIC FOREST MANAGEMENT CORPORATION

31-618 Terminal Avenue
Nanaimo, British Columbia
V9R 5E2

Email: access@mosaicforests.com

(the "**Licensor**" or "**Mosaic**")

AND:

SOOKE ATV CLUB, having a place of business at 181 Cedar Park, Sooke, British Columbia V9N4

Email: sookeatvclub@gmail.com

(the "**Licensee**")

WHEREAS:

- A. The Licensor is part of an affiliation among the Licensor, TimberWest Forest Corp. ("**TimberWest**") and Island Timberlands Limited Partnership ("**Island Timberlands**") (each an "**Affiliate**"), where the Licensor acts as timberland manager for TimberWest and Island Timberlands;
- B. One or more Affiliate is the owner, or the beneficial owner, and / or has the right to use various roads and access certain lands shown in bold black on the map attached hereto as Schedule A (the "**Licensed Area**"); and
- C. The Licensee wishes to use the Licensed Area for the Purpose, as defined herein, and the Licensor has agreed to permit such use on the terms and conditions set forth in this Agreement.

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which each Party hereby acknowledges, the Parties agree as follows:

MAIN AGREEMENT

1. **Definitions.** Any term in this Agreement, or any Schedule hereto, which is capitalized but not defined as follows will have the meaning ascribed to such term in the body of this Agreement or any Schedule hereto, as applicable.
 - (a) "**Applicable Laws**" means all statutes, laws, regulations, by-laws, building codes, orders and requirements of any federal, provincial, municipal or other public authority having jurisdiction at any time and from time to time in force;
 - (b) "**Environmental Laws**" means all Applicable Laws which impose any obligations relating to the protection, management, conservation or restoration of the natural environment or relating to Hazardous Substances or to the release of Hazardous Substances into the environment;
 - (c) "**Hazardous Substances**" means any contaminant, pollutant, dangerous or potentially dangerous or noxious or toxic good or substance, hazardous waste, special waste, flammable or explosive or radioactive material, urea formaldehyde foam insulation, asbestos, PCBs and

substances or any other materials declared or defined to be hazardous, toxic, contaminants or pollutants or which at any time are prohibited, controlled or regulated for the protection, management, conservation or restoration of public health or the environment under or pursuant to any Environmental Laws;

- (d) **"Licensee's Representatives"** means, individually, the Licensee's employees, agents, contractors, permittees, licensees, customers, members and invited guests;
- (e) **"Licensor's Representatives"** means the Licensor's partners and Affiliates and their respective directors, officers, shareholders, employees, contractors, agents, licensees, invitees, successors and assigns;
- (f) **"Purpose"** has the meaning set out in Schedule B to this Agreement; and
- (g) **"Road"** means a road that is on the Licensed Area or is used by the Licensee to access the Licensed Area and to which this Licence applies, and includes all bridges and related drainage structures.

2. **Grant of Licence.** The Licensor hereby grants to the Licensee a non-exclusive and temporary licence for the Licensee and the Licensee's Representatives to use the Licensed Area, and to enter upon and use the Road as reasonably required to access the Licensed Area, provided that the Licensee's use does not interfere with the Licensor's use of the Road, upon the conditions contained herein for the Purpose and for no other purpose whatsoever.
3. **Licensor and Affiliate Priority.** In the event the Licensor or an Affiliate requires use of the Licensed Area, its use shall have priority over the Licensee's use.
4. **Term.** The term of this Agreement (the **"Term"**) will be for 1 year, commencing on April 01, 2022 and expiring on March 31, 2023 unless extended in writing by mutual agreement or unless otherwise terminated in accordance with its terms.
5. **Licence Fee.** The Licensee will pay to the Licensor a fee (the **"Licence Fee"**) in the amount of \$500.00 for the rights granted under this Agreement. The Licensee will pay the Licence Fee concurrently with its execution and delivery of this Agreement to Mosaic.
6. **Administration Fee.** The Licensee will pay to the Licensor a one-time fee (the **"Administration Fee"**) in the amount of \$500.00 plus applicable taxes for the administration of this Agreement.
7. **Goods and Services Tax.** The Licensee will pay to the Licensor goods and services tax or any other tax imposed on the Licensor with respect to any amounts payable hereunder, if applicable.
8. **Property Tax.** The Licensee will pay to the Licensor an amount equal to any taxes of any nature imposed on the Licensor as a result of the Licensee's exercise of its rights and obligations under this Agreement including, but without limiting the generality of the foregoing, any property tax assessed as a result of any improvements made by or on behalf of the Licensee to the Licensor's lands.
9. **Payment.** All amounts payable pursuant to this Agreement will be paid as invoiced without any set-off, abatement or deduction whatsoever.
10. **Licensor's Authorized Representative.** For purposes of this Agreement, Steve Mjaaland, Manager, Forest Protection, telephone: 250-713-0687, email: steve.mjaaland@mosaicforests.com is the **"Licensor's Authorized Representative"**.
11. **Insurance.**
 - (a) Coverages. During the term of this Agreement, the Licensee shall procure and maintain the following insurance coverage:
 - i. commercial general liability (**"CGL"**) insurance in an amount not less than \$5,000,000.00 per occurrence and in the aggregate, with coverage for claims related to bodily injury or property damage occurring in connection with any exercise of the rights of the Licensee under this Agreement by the Licensee or its employees, contractors, agents, invitees or any other persons for whom the Licensee is responsible at law, or who is on the Licensed

Area or adjacent lands as a result of the Licensee's use or occupancy of the Licensed Area, including the following coverages and endorsements:

- A. broad form bodily injury and property damage;
 - B. blanket contractual liability;
 - C. non-owned automobile liability;
 - D. cross liability and severability of interest;
 - E. premises and operations liability / completed operations;
 - F. independent contractors;
 - G. forest fire fighting expense with coverage for privately held lands like the Licensed Area and with a minimum sublimit of \$1,000,000.00; and
- ii. automobile liability insurance in an amount not less than \$2,000,000.00 combined single limit per occurrence, where licensed vehicles (owned, leased, or rented) are used on the Licensed Area;
 - iii. to the extent the Licensee's employees, contractors, agents or invitees operate any personal vehicles on the Licensed Area, the Licensee will also confirm a minimum of \$2,000,000.00 auto liability insurance coverage is maintained by the owners of such vehicles; and
 - iv. Such insurance will be with insurers holding an AM Best rating of A- or higher, and on such terms and conditions (including deductibles) as are acceptable to the Licenser, acting reasonably. The Licensee agrees to waive its right of subrogation with respect to the Licenser and any additional insureds, and do so on behalf of its insurer, irrespective of whether Licensee's insurance policy contains an endorsement to this effect. The Licensee agrees that its insurance coverage shall be primary to and the Licensee will not seek contribution from any other insurance available to any additional insured, irrespective of whether the Licensee's insurance policy contains an endorsement to this effect.

(b) Certificates of Insurance.

- i. Prior to accessing the Licensed Area, the Licensee shall provide one or more certificates of insurance evidencing the above insurance (the "**COI**"), and shall name the following as additional insureds on such COI with respect to the CGL policy as their interests may appear, at the address listed below:

Mosaic Forest Management Corporation
 Island Timberlands Limited Partnership
 TimberWest Forest Company
 2000 – 1055 West Hastings Street
 Vancouver, BC V6E 2E9

- ii. Such COI shall also include the following information:
 - A. Name of the insurer and the insureds;
 - B. Amount of insurance carried and applicable deductibles;
 - C. Coverages and endorsements provided;
 - D. Effective and expiry dates and times;
 - E. Date to which premiums have been paid, if applicable
 - F. Statement that insurer shall provide at least 30 days prior written notice to the Licenser before any cancellation of the policy or changes to the limits shown thereon.

- iii. The Licensee shall deliver a replacement certificate to the Licensor within 30 days of the expiration date of the then current certificate.

12. **Gate Key.** The Licensee acknowledges that, if necessary, it will attend at the Licensor's Northwest Bay Office at 1420 East Island Highway, Nanoose Bay, BC, V9P 9A5 in order to obtain a gate key, and the Licensee shall provide Northwest Bay Office with all the requested information, sign a Gate Key Form, and if required, pay a refundable deposit for each gate key issued. The Licensee shall use the key(s) exclusively for the Purpose. If applicable, the Licensee will return the key(s) to the Licensor upon termination of this Agreement, failing which the deposit for the use of the key(s) is forfeited to the Licensor.
13. **Licensee's Covenants.** The Licensee covenants with the Licensor:
 - (a) Applicable Laws. At its sole cost, to comply with all Applicable Laws (including all Environmental Laws) pertaining to the Licensee's use and occupation of the Licensed Area and the Road.
 - (b) Licensor's rules. The Licensee will comply with all rules and directives of the Licensor including, without limitation, "Mosaic Safe Road Use Procedures", a current copy of which is attached to this Agreement as Schedule C (as such document may be amended during the Term on notice to the Licensee), together with any other rules concerning the Licensed Area or the Road, timber holdings of the Licensor, fire protection, safety and the environment.
 - (c) Nuisance and waste. Not to do anything on the Licensed Area or the Road which is or may become a nuisance, danger or disturbance to the Licensor or to any other occupants or users of the Licensed Area or adjacent areas or to any works or structures or installations thereon; and not to commit any waste upon the Licensed Area or the Road and, in particular, not to root up, cut down or destroy any trees or bushes or commence site work without the prior written consent of the Licensor.
 - (d) Maintenance. The Licensee will repair and maintain the Licensed Area provided that no such repair or maintenance work will be carried out without the Licensor's prior written consent. If and to the extent repairs or maintenance of the Licensed Area are undertaken by or at the direction of the Licensee, the Licensee will be responsible for all costs of such work. The Licensee, at its cost, will repair any damage it causes to the Licensed Area to the sole satisfaction of Licensor. If the Licensee fails to repair any such damage to the Licensed Area or fails to maintain the Licensed Area, the Licensee will be obligated to pay Licensor a reasonable amount for such repairs and maintenance as determined by Licensor in its sole discretion.
 - (e) No Improvements. The Licensee will not construct or establish on the Licensed Area any improvements without the prior written consent of Licensor.
 - (f) Legal fees. To reimburse the Licensor on demand for the Licensor's legal costs incurred in respect of the enforcement or interpretation of the terms of this Agreement or any matter or thing which is the obligation of the Licensee under this Agreement.
 - (g) No fires – No smoking. Not to start or permit to be started any open fire or any fire menace on or near the Licensed Area or the Road at any time and to take every reasonable precaution to prevent and to extinguish, at its own cost, all fires regardless of cause or origin, and to prevent the escape of fire on or to any of the Licensor's lands and timber. A fire menace includes the lighting and / or smoking and / or littering of cigars, cigarettes, butts, and any other legal or illegal substances.
 - (h) Notice of Fire. The Licensee will immediately notify Licensor and the nearest office of the Ministry of Forests, Lands, Natural Resource Operations and Rural Development by telephone upon discovery of any fire on or in the vicinity of the Licensed Area.
 - (i) No camping. Not to camp overnight anywhere on the Licensed Area or the Road except within areas designated by the Licensor.
 - (j) No work. Not to carry out any work or operations on the Licensed Area or the Road unless such work is permitted under this Agreement or the Licensor has consented in writing to such work.

- (k) Stand damage. Not to conduct any activities which result in flagrant crown or stem damage to live trees.
- (l) Public Highway. The Licensee will not permit public funds to be expended on the Licensed Area, and the Licensee will not do anything that will result in the Licensed Area or Road being classified as a public highway or a forest service road.
- (m) Signs. The Licensee will erect and maintain at its cost any signs that the Licensors considers necessary in conjunction with the Licensee's use of the Licensed Area.
- (n) No Interference. The Licensee will ensure that the exercise of its rights under this Agreement does not interfere with the activities of the Licensors or its Affiliates on the Licensed Area or Road.

14. **Licensee's Acknowledgements.** The Licensee acknowledges and agrees that:

- (a) Safe Use. The Licensee acknowledges it is critically important to the Licensors that the Licensed Area and Road are used in a safe and professional manner at all times, and that the failure by the Licensee, any of the Licensee's employees, contractors, agents, invitees or anyone else for whom the Licensee is responsible in law or who is on the Licensed Area as a result of the Licensee's use or occupancy of the Licensed Area, to so use the Licensed Area and Road will be grounds for immediate termination of this Agreement.
- (b) Risk Assessment. Prior to entering and using the Licensed Area, the Licensee will tour the Licensed Area and the Road to conduct a risk assessment and identify any potential hazards to the Licensee's use thereof.
- (c) Medical and rescue costs. The Licensee will be responsible for any search and rescue costs or emergency medical costs charged by parties in connection with this Agreement, the Licensee's Purpose, or Licensee's use of the Licensed Area and Road.
- (d) Waiver. The Licensee will, when requiring its members, customers, invitees or anyone else for whom the Licensee is responsible in law or who is on the Licensed Area or Road as a result of the Licensee's use or occupancy of the Licensed Area execute a waiver and release of liability (the "**Licensee Waiver Form**"), include the Licensors and its Affiliates as released parties and / or indemnitees in the Licensee's Waiver Form. The Licensee will provide copies of all Licensee Waiver Forms to Licensors forthwith upon written demand and in any case within 30 days following the expiration or earlier termination of this Agreement.
- (e) As is, where is. The Licensors has not made, and will not make, any representation or warranty as to the state of the Licensed Area or Road (including its environmental condition), its fitness for the purposes contemplated in this Agreement or any other matter in any way related to or connected with the Licensed Area, the Road or the Licensee's intended use thereof, and the Licensee acknowledges and agrees that it has satisfied itself with respect to all such matters as it considers necessary relating to the Licensed Area, the Road and the Licensee's intended use thereof and that the Licensee is accepting the Licensed Area for such use strictly on an "as is, where is" basis.
- (f) Non-exclusive. The rights granted under this Agreement do not entitle the Licensee to exclusive possession of the Licensed Area or the Road, and the Licensors, its affiliates, or its permitted third parties may enter upon and use the Licensed Area at any time.
- (g) Licensors' interests. The Licensee's rights under this Agreement are at all times subject to the rights and interests of the Licensors and Affiliates.
- (h) Restricted access periods. The Licensors hereby reserves to itself the right to temporarily interrupt the rights granted under this Agreement including, without limitation, the use and enjoyment of the Licensed Area or any portion thereof, at the Licensors' sole discretion, in connection with:
 - (i) the planned business activities of the Licensors to be carried out on the Licensed Area or lands adjacent to or in the vicinity of the Licensed Area; or

- (ii) extreme wildfire hazards or other emergency situations prevailing on the Licensed Area or lands adjacent to or in the vicinity of the Licensed Area.
 - (i) Notice of Access. The Licensee will advise the Licensor's Authorized Representative of the dates and times the Licensee plans to access the Licensed Area at least three (3) business days prior to such access. The Licensee agrees to abide by the direction of the Licensor's Authorized Representative with respect to restricted access periods.
 - (j) Third parties. The Licensor may permit third parties to use the Licensed Area and the Road for purposes associated with the Licensor's business from time to time and may grant licenses of use and occupation to third parties unrelated to the Licensor's business in respect of the Licensed Area and the Road.
- 15. **Risk and Limitation of Liability.** The Licensee will use the Licensed Area and the Road at its own risk. The Licensor will not be liable for, and the Licensee hereby waives, any claim, action, damage, liability, cost or expense which the Licensee may suffer, incur or be put to in connection with any occurrence on the Licensed Area or the Road or with the use and occupation of the Licensed Area or the Road by the Licensee. The Licensor will not be liable to the Licensee in connection with this Agreement, whether based in contract, tort (including negligence and strict liability), under warranty or otherwise, for any special, indirect, incidental or consequential loss or damage whatsoever including, without limitation, loss of use of equipment or facilities and loss of profits or revenues. The waiver set out above will be in addition to, and not in limitation or derogation of, any other waiver or release contained in or required by this Agreement with respect to any loss of, or damage to, property of the Licensee.
- 16. **Indemnity.** The Licensee will indemnify and save harmless the Licensor and the Licensor's Representatives from and against any and all claims, actions, damages, liabilities and expenses (including, without limitation, all legal fees on a solicitor and own client basis, experts fees and disbursements) in connection with (a) loss of life, personal injury and damage to property arising from or out of any occurrence in or upon the Licensed Area or the Road in any way related to the exercise by the Licensee of its rights under this Agreement, unless caused by the gross negligence of the Licensor, (b) any breach by the Licensee of any of the terms of this Agreement, and (c) any claim, action, damage, liability, cost or expense suffered or incurred by any of the Licensee's Representative or any other person for whom the Licensee is responsible at law for which the Licensor is held liable unless caused by the negligence of the Licensor.
- 17. **Hazardous Substances.**
 - (a) No Hazardous Substances. During the Term, the Licensee will not bring or store or permit to be used any Hazardous Substances on the Licensed Area or the Road. The Licensee will not release nor permit the release of any Hazardous Substances into the environment or into culverts, drains or sewers. The Licensee is solely responsible for compliance with all Environmental Laws in respect of the Licensee's use of the Licensed Area.
 - (b) Removal of Hazardous Substances. On or before the expiration or sooner termination of this Agreement, the Licensee will remove all Hazardous Substances which have been brought onto or created on or about the Licensed Area or Road during the Term by the Licensee, the Licensee's Representatives or any other persons for whom the Licensee is responsible or who is on the Licensed Area or Road as a result of the Licensee's use or occupancy of the Licensed Area or Road including, without limitation, any Hazardous Substances which may have been released into the environment.
 - (c) Notice to Licensor. The Licensee will advise the Licensor forthwith of any release of any Hazardous Substances on or from the Licensed Area and will provide the Licensor with all information, notices, reports and other documents it has or receives regarding such release and the remediation steps being undertaken by the Licensee with respect to the release or as may reasonably be required by the Licensor.
 - (d) Cleanup Plans. If any Hazardous Substance is released on the Licensed Area or any adjacent lands by the Licensee, the Licensee's Representatives or any other person for whom the Licensee

is responsible in law or who is on the Licensed Area or Road as a result of the Licensee's use or occupancy thereof, the Licensee will, at its sole cost:

- (i) prepare all necessary studies, plans and proposals to clean up such Hazardous Substances and submit them for approval;
 - (ii) provide all bonds and other security required by any governmental body or by the Licensors;
 - (iii) carry out the work required to clean up such Hazardous Substances in such manner as is approved by the Licensors;
 - (iv) keep the Licensors fully informed regarding the contamination and remediation thereof;
 - (v) provide to the Licensee full information with respect to the proposed plans and comply with the Licensors' reasonable requirements with respect to such plans; and
 - (vi) obtain a certificate of compliance under the *Environmental Management Act* (British Columbia) in respect of such remediation, if applicable.
- (e) Clean up by the Licensors. Notwithstanding the terms of this paragraph 17, upon notice to the Licensee, the Licensors may itself undertake remediation of any contamination at the Licensee's sole cost.
- (f) Environmental Liability. The Licensee will indemnify, save harmless and defend the Licensors and the Licensors' Representatives from and against all losses, expenses (including investigation and remediation expenses), claims, demands, actions, suits or other proceedings, judgments, damages, penalties, fines, costs and liabilities including, without limitation, any reduction in the market value of the Licensed Area or Road, damages for loss or restriction in use of the Licensed Area or Road, sums paid in settlement of claims, legal fees, consultants' fees and experts' fees which arise during or after the Term and are in any manner based upon, arise out of or are connected with (a) the presence or suspected presence of any Hazardous Substance or any other contamination on the Licensed Area or Road or released from the Licensed Area or Road which has been caused by, contributed to or aggravated by the Licensee, the Licensee's Representatives or any other person for whom the Licensee is responsible in law or who is on the Licensed Area as a result of the Licensee's use or occupancy thereof; or (b) any breach by the Licensee of this Agreement. For greater certainty, this indemnity applies to expenses incurred by the Licensors to investigate and remediate contamination even if not required to do so by a governmental authority or by law.

18. Early Termination and Suspension.

- (a) For Cause. Either party may terminate this Agreement immediately on written notice of a material breach hereof by the other party.
- (b) Without Cause. Either party may terminate this Agreement upon providing 10 business days' prior written notice to the other party.
- (c) Suspension. The Licensors may suspend this Agreement and the License granted herein, at any time, without penalty.

Neither early termination nor suspension relieves the Licensee's obligation to pay any monies owed or accruing to the Licensors by the Licensee from Licensee's exercise of its license herein.

19. Schedules. The following Schedules form part of this Agreement:

Schedule A – Licensed Area
 Schedule B – Special Terms and Conditions
 Schedule C – Safe Road & Radio Use Procedures

The provisions in the foregoing Schedules are incorporated into and form part of this Agreement as fully as if they were set forth in the body of this Agreement. Any term in any Schedule which is capitalized but not defined therein will have the meaning ascribed to such term in the body of this Agreement.

21. Miscellaneous.

- (a) Expropriation. If during the Term the Licensed Area, or any part thereof, is acquired or condemned by expropriation for any public or quasi-public use, then the Licensor and the Licensee may separately claim, receive and retain awards of compensation for the loss of their respective interests, but neither the Licensor nor the Licensee will have any claim against the other in respect of such loss or the unexpired Term.
- (b) Survival of obligations. Upon the expiry of the Term or other termination of this Agreement all of the Licensee's obligations and indemnities granted by the Licensee herein will survive the expiry of the Term or other termination of this Agreement.
- (c) Time. Time will be of the essence herein.
- (d) Waiver. No condoning, excusing or overlooking by the Licensor of any default, breach or non-observance by the Licensee of any covenant, proviso or condition herein contained will operate as a waiver of the Licensor's rights hereunder in respect of any continuing or subsequent default, breach or non-observance. No waiver will be inferred from or implied by anything done or omitted by the Licensor or Licensee save only an express waiver in writing.
- (e) Remedies cumulative. All rights and remedies of the Licensor in this Agreement will be cumulative and not alternative.
- (f) Amendments. No amendment of this Agreement will be binding upon the parties unless reduced to writing and signed by them.
- (g) Governing law / exclusive jurisdiction. This Agreement will be construed and governed in accordance with the laws of British Columbia, which will be deemed to be the proper law hereof, and the courts of British Columbia will have the exclusive jurisdiction to determine all claims and disputes arising out of or in any way connected with this Agreement.
- (h) No registration. This Agreement does not contain a grant in favour of the Licensee of any interest in the Licensed Area or any part of the Licensed Area or Road and, accordingly, the Licensee will not attempt to register this Agreement in any public registry.
- (i) No transfers. The Licensee will not assign or transfer its interest in this Agreement unless the Licensee has obtained the prior written consent of the Licensor.
- (j) No Asset in Bankruptcy. This Agreement will not be deemed to be an asset in bankruptcy of the Licensee.
- (k) Notices. All notices will 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 first set forth in this Agreement, or at such other address as may from time to time be communicated by notice. Any notice is deemed given and received, if delivered by hand, on the day delivered, and if mailed, when it should have been received in the ordinary course of post. If there is an actual or generally anticipated disruption in postal service caused by strike, lockout, or other labour disturbance, any notice given must be delivered personally.
- (l) Compliance of Licensee's Representatives. The Licensee will cause the Licensee's Representatives to comply with this Agreement.
- (m) Force Majeure. Where "Force Majeure" means an event beyond the control of a party and includes weather, flood, fire, explosion, war, strike, lockout, civil unrest, extraordinary breakdown, pandemic, acts of God or acts or directions of government authorities, if either party fails to perform any term of this Agreement due to an event of Force Majeure, that failure will not be a default under this Agreement. The party affected by an event of Force Majeure will immediately notify the other party and will take all reasonable steps to minimize the extent and duration. The burden of proving that an event of Force Majeure has prevented performance of an obligation under this Agreement is upon the person claiming the benefit of this provision.
- (n) Independent Legal Advice. Each of the parties declares that they have carefully read this Agreement and that they understand and agree to its terms. Further, each of the parties acknowledges that they have executed this Agreement after receiving prior independent legal

advice, or after having the opportunity to seek and obtain independent legal advice and waiving that right.

- (o) Joint and several. If the Licensee is comprised of more than one person, the covenants, agreements, representations, warranties, obligations and liabilities of the Licensee will be joint and several covenants, agreements, representations, warranties, obligations and liabilities of each person comprising the Licensee.
- (p) Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which, taken together, will be deemed to constitute one and the same instrument.
- (q) Execution by Electronic Transmission. Delivery of an executed copy of this Agreement by any party by electronic transmission will be as effective as personal delivery of an originally executed copy of this Agreement by such party.
- (r) Entire Agreement. This Agreement and its Schedules sets forth all of the covenants, promises, conditions, agreements and understandings between the Licensor and the Licensee.

**MOSAIC FOREST MANAGEMENT
CORPORATION**

SOOKE ATV CLUB



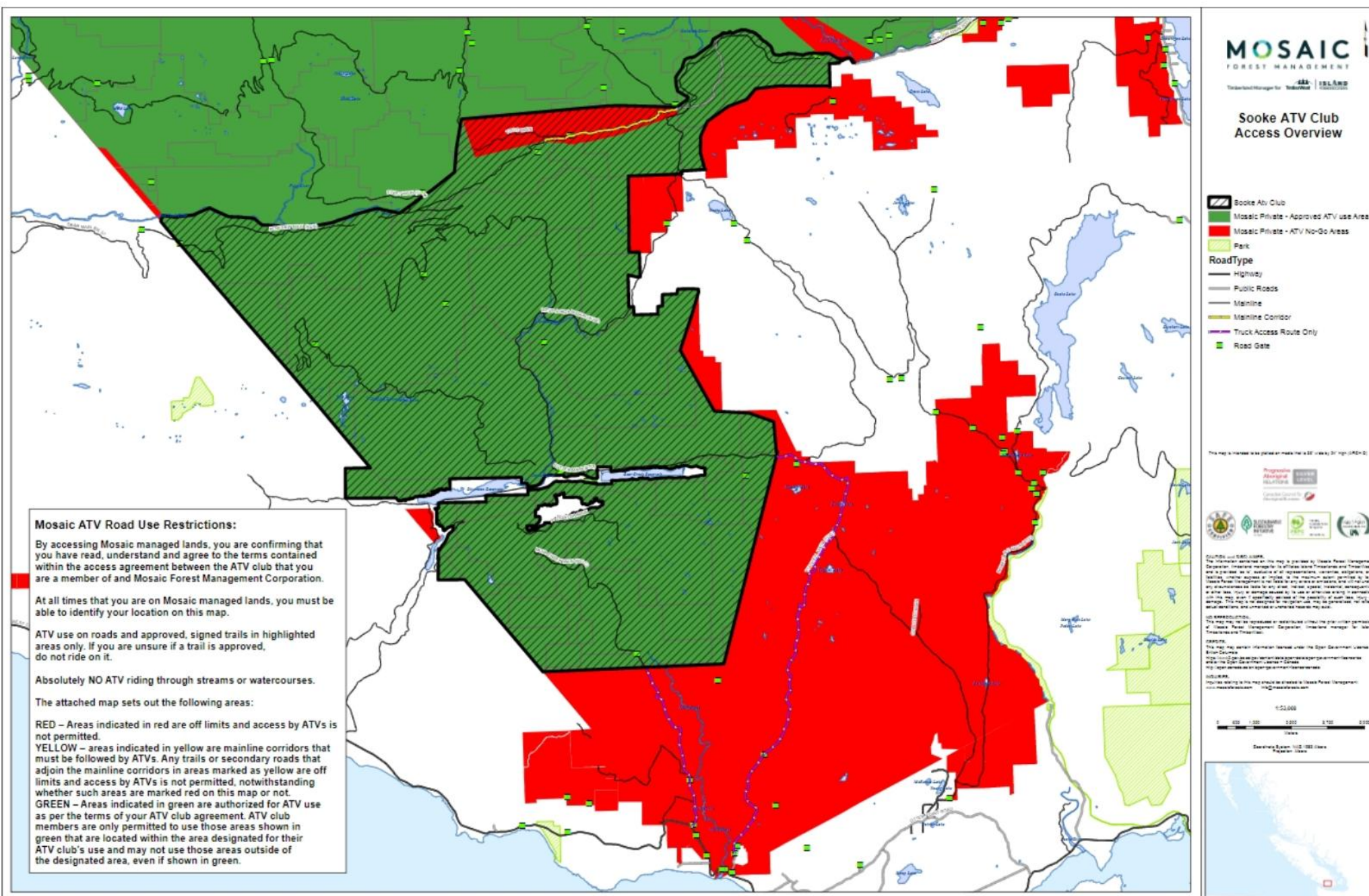
Signed: Tuesday, June 14, 2022

Authorized Signatory

Digger Pond, Senior Vice President, Chief Operating
Officer

Authorized Signatory

Dillon Baycroft, Club President



**SCHEDULE B
SPECIAL TERMS AND CONDITIONS**

ATV CLUB RIDE

DEFINITIONS

1. Capitalized words and phrases used in this Schedule B have the following meanings:
 - (a) **"ATV"** means a single-operator four wheel all-terrain vehicle designed and manufactured for off-road use, informally referred to as a 'quad bike', 'quad', 'utility terrain vehicle', 'side by side' or 'four wheeler', and includes "sit on" and "sit in" ATVs, but expressly excludes 2 wheel motorcycles, informally referred to as 'dirt bikes', and vehicles referred to as 'dune buggies', 'mud buggy's', and other home-built or modified 4x4 vehicles;
 - (b) **"Club Ride"** means a group ATV ride (comprised of 3 or more ATVs) within the Licensed Area organized and sponsored by the Licensee for its members and invited guests;
 - (c) **"Environmentally Sensitive Areas"** means areas in the Licensed Area identified by the Licensor to the Licensee as having special environmental significance or attributes worthy of protection or special care and may include, without limitation, fish-bearing streams and vulnerable habitats and ecosystems;
 - (d) **"Individual Ride"** means an ATV ride (comprised of 1 or more ATVs) within the Licensed Area that is not a Club Ride and that has been expressly and in writing approved by the Licensee for that individual;
 - (e) **"Off-Road Trail"** means a pathway that has not been constructed or previously used for the purposes of any industrial transportation such as for transport of logs, timber or minerals;
 - (f) **"Purpose"** means:
 - i. conducting Club Rides or Individual Rides on existing roads and Licensor pre-approved trails within the Licensed Area; and
 - ii. access and parking of vehicles used to transport ATVs to and from the Licensed Area;
 - (g) **"Structures"** means any improvement of a long-term or permanent nature that is fixed to the ground or permanently secured in a fixed location and may include, without limitation, cabins, bridges, litter barrels, shelters, signs and corrals; and
 - (h) **"Watercourse"** means the bed and shore of a river, stream, lake, creek, pond, marsh or estuary that contains water for at least part of each year.

INSURANCE

2. In addition to the insurance requirements set out in section 11 of this Agreement, during the term of this Agreement, the Licensee shall procure and maintain the following insurance coverage:
 - (a) sudden and accidental pollution liability with a minimum sublimit of **\$1,000,000.00**;
 - (b) participant and spectator insurance in an amount not less than **\$5,000,000.00** per occurrence and in the aggregate, with coverage for claims relating to bodily injury liability claims brought by persons participating in the activities or competitions permitted under this Agreement, regardless of whether such persons are involved in training or competition, and including but not limited to participants, spectators, officials, employees, or volunteers. This coverage may be secured either

as a stand-alone policy or as an endorsement under the CGL policy, provided that if this coverage falls under the CGL policy, the COI (or attachments thereto) shall confirm that any related exclusion(s) of such liability have been removed; and

- (c) the Licensee will confirm a minimum of **\$1,000,000** 3rd party liability insurance, including off road liability insurance, for any ATV operated under this Agreement.

ADDITIONAL LICENSEE'S COVENANTS

3. The Licensee covenants with the Licensor as follows:

- (a) Watercourse. Not to permit the use of, use or operate an ATV within any Watercourse located within the Licensed Area.
- (b) Off-Road Trails. Not to construct, install, build, or establish any Off-Road Trails without prior written consent of the Licensor. The Licensee will document and identify to the Licensee's Representatives existing trails and not permit the Licensee's Representatives to use any Off-Road Trails without prior written consent of the Licensor.
- (c) Environmentally Sensitive Areas. To prohibit the Licensee's Representatives from accessing or traversing upon Environmentally Sensitive Areas. The Licensee will post signage on trails identifying Environmentally Sensitive Areas, forbidding the Licensee's Representatives from entering Environmentally Sensitive Areas and identifying alternative routes around the Environmentally Sensitive Areas, which alternative routes will be approved by the Licensor.
- (d) Members / invited guests. To ensure that each of the Licensee's Representatives comply with the terms and conditions of this Agreement (save and except the obligations to pay any amount to the Licensor). For greater certainty, the Licensee will be responsible for:
 - i. any act or omission of a Licensee's Representatives which would constitute a breach of this Agreement as if the Licensee had itself breached this Agreement; and
 - ii. ensuring that Licensee's Representatives are not in possession of or impaired by alcohol or drugs while on the Licensed Area or Road.
- (e) No nuisance. The Licensee will respect the rights of other users of the Licensed Area, Road, and property owners adjacent to the Licensed Area and Road, ensuring its Licensed Representatives operate their vehicles and ATV's in a manner which won't cause a nuisance to a third party.
- (f) Structures. Without limiting the generality of subsection 8(k), the Licensee will not construct any Structures without the prior written consent of the Licensor, and will document any Structures constructed by the Licensee (with the consent of the Licensor). Any request by the Licensee for the Licensor's consent will be in writing and accompanied by plans, designs or specifications, as applicable, of the proposed structure and any further information requested by the Licensor. The Licensee will construct, install or erect Structures, at its cost, in strict compliance with plans, designs or specifications approved or amended by the Licensor, and will ensure all Structures are constructed in good and workmanlike manner. The Licensee will promptly correct any defects or variations in construction of the Structures identified by the Licensor. Upon the Licensor's request, the Licensee will promptly take down and remove from the Licensed Area any Structures constructed by the Licensee and clean and return that part of the Licensed Area where the Structure was located to its original condition.
- (g) No Interference. To ensure that the exercise of its rights under this Agreement does not cause interference to the Licensor's activities on the Lands.

- (h) Disciplinary Action. The Licensee will cause the Licensee's Representatives to comply with all covenants and obligations of the Licensee set out in this Agreement and will prohibit the Licensee's Representatives from using the Licensed Area for uses or purposes not contemplated in this Agreement. Such prohibited uses include, but are not limited to, using the Licensed Area outside of the Permitted Hours set out in this Schedule B, using the ATVs in or on Watercourses, Off-Road Trails or Environmentally Sensitive Areas contemplated in Subsections 3(a), (b), and (c) in this Schedule B, or committing theft, vandalism or any other criminal or unlawful acts on the Licensed Area or any other of the Licensors' lands. Licensee's Representative's use of lands for the Purpose outside of the Licensed Area is strictly prohibited. If the Licensee becomes aware of any prohibited uses or other breaches of this Agreement, the Licensee will take disciplinary action satisfactory to the Licensors against the Licensee's Representative, which may include suspension and termination of membership. The Licensee will maintain a record of all such disciplinary actions, which record shall be produced to the Licensors upon its request.

LICENSEE'S OBLIGATIONS

4. Responsibility for safety. Notwithstanding the foregoing provisions, the Licensee will be solely responsible for all aspects of safety in connection with the Purpose within the Licensed Area.
5. Medical and rescue costs. The Licensee will be responsible for any search and rescue costs or emergency medical costs charged by parties in connection with the Licensee's Representatives.
6. Non-emergency assistance. In the event that a Licensee's Representative requires assistance with a vehicular breakdown, orientation on the Lands or other non-life threatening situation necessitating an intervention by the Licensors or the Licensors' representatives, the Licensee will promptly pay to the Licensors any administration fee charged to recoup the cost of providing such assistance, plus applicable taxes.
7. Provide Names and Vehicle Information. The Licensee will email to access@mosaicforests.com upon execution of this Agreement a list containing the names and contact phone numbers of its members that will access the Licensed Area, including transport vehicle description and license plate number, and ATV licence plate number (the "**List**"). The Licensee will update the List upon any renewal of this Agreement and as Licensors may request from time to time during the Term or renewal thereof. Licensee further understands and agrees that Licensors may withdraw, permanently or as a suspension, its grant of access provided herein to any one of Licensee's members at any time, and Licensee agrees to suspend or terminate that member's privileges under this Agreement accordingly.
8. Checking-in procedures. The Licensee will be responsible for ensuring that all of the Licensee's Representatives have returned from the Licensed Area on or before the end of each day.
9. Training. The Licensee will cause those Licensee's Representatives operating an ATV in the Licensed Area to complete an ATV training course approved by the Licensors prior to participating in any Club or Individual Ride. Such training course will cover ATV safety, handling, vehicle inspections and environmental best practices, and may be in digital or online format. The Licensee will maintain records of completion and will provide such records to the Licensors upon the Licensors' request.
10. Club Ride leaders. The Licensee will appoint a ride leader for each Club Ride and each ride leader:
 - (a) must be 19 years of age or older;
 - (b) must successfully complete the Canadian ATV Safety Institute course and / or the Canadian Safety Council ATV course; and
 - (c) must carry with them an operational cellular telephone and BC Level 1 first aid kit while on any Club Ride.

11. Requirements to ride.

- (a) All ATV operators under 16 years of age must be accompanied by a responsible supervising adult of at least 19 years of age having a valid driver's license or appropriate training.
- (b) Club Ride leaders, on behalf of themselves and all Club Ride participants, and Individual Ride participants must:
 - i. ensure that each participant has executed the Licensee Waiver Form;
 - ii. ensure that each ATV is registered under the *Motor Vehicle Act*, RSBC 1996 c. 318, and display an identifying license plate number (or sticker) with a valid insurance decal;
 - iii. ensure ATVs and transport vehicles also have a club decal to assist the Licensor in identifying club members;
 - iv. ensure that each ATV is covered by off-road liability insurance;
 - v. wear a safe-certified helmet and proper personal protective gear including appropriate footwear and high visibility garments meeting a minimum standard of the Worker's Compensation Board: PPE 2 High Visibility Garment – Personal Protective Equipment Standard 2;
 - vi. wear seat belts if the ATV came equipped with seat belts installed by the manufacturer;
 - vii. use lights for low-visibility conditions;
 - viii. ride an appropriately sized ATV, having regard to the rider's age and height; and
 - ix. travel within posted speed limits having regard to the prevailing condition of the trails or roads within the Licensed Area.

ADDITIONAL LICENSEE'S ACKNOWLEDGEMENTS

12. The Licensee acknowledges and agrees that:

- (a) Key FOB System. The Licensor has installed a key fob system on certain gates (the "**FOB System**") to facilitate controlled passage through the gates. Licensor will supply the Licensee with key fobs at a cost of **\$30/key fob/year** for each key fob issued. Licensor will further provide Licensee with a form of key fob agreement. Licensee will ensure any Licensee's Representatives to which it issues a key fob fully fills out the key fob agreement and emails a copy of each key fob agreement to the Licensor's Representative. The Licensee agrees that, with respect to the FOB System, the Licensee will:
 - i. issue key fobs for the FOB System only to members;
 - ii. will provide instructions on the use of the key fob and the FOB System;
 - iii. will advise each member issued a key fob that:
 - (a) a gate must be closed securely after passing through; and
 - (b) if a gate is open upon the member's arrival, the member is still required to record their presence on the Licensed Area by logging the issued key fob into the FOB System.

- (b) Permitted Hours. During the Term, use of the Licensed Area is restricted to:
 - i. one hour before sunrise to one hour after sunset on:
 - (a) Saturdays,
 - (b) Sundays, and
 - (c) statutory holidays occurring on Mondays and Fridays;
- (c) Maps of Licensed Area. The Licensee acknowledges and agrees that each of the Licensee's Representatives will be provided a digital or hard copy georeferenced pdf map of Schedule A to this Agreement. Upon request by an authorized representative of the Licensor, any of the Licensee's Representatives must, at all times, be able to produce a copy of the Schedule A map and demonstrate they can easily identify their location on the map.

SCHEDULE C

SAFE ROAD & RADIO USE PROCEDURES

The following procedures apply to all Mosaic Forest Management Corporation ("**Mosaic**") managed resource roads. All users must be familiar with these procedures to ensure safe traveling conditions. Any vehicles failing to follow the Mosaic Safe Road & Radio Use Procedures should be reported to the appropriate supervisor or Mosaic representative. Use of seatbelts is always mandatory.

Remember, roads are radio assisted – not radio controlled, drive accordingly, always expect the unexpected around every corner.

All vehicles:

- All road users must be fully licensed with correct endorsements, adequately insured for the vehicles intended use and follow all applicable driving legislation.
- All vehicles and drivers must comply with applicable rules, laws and regulations like WorkSafe, DOT, National Safety Code, *Motor Vehicle Act*, etc. This is to ensure proper driving, loading, securing, inspection and maintenance of all industrial road users.
- All vehicles must have Mosaic designated haul road frequencies for the operating area they are working or traveling in. Any cell phone use is not permitted on Mosaic resource radio roads, drivers need to pay attention to driving and listen to the radio traffic for safety.
- **All heavy industrial vehicles have the right-of-way at all times.**
- Heavy industrial vehicles have little opportunity to move off the center of the road grade, ensure you quickly find a turnout that enables adequate clearance for safe passage.
- Light vehicles must yield to heavy industrial traffic at all times. Light vehicles will always drive on the right side of the road and be ready to pull over as required.
- Observe and obey all posted signage. Do not proceed into an active area without proper clearance. No vehicles should be parked where they encroach or obstruct an active road.
- Check with the local Mosaic office to ensure you have contact information for the designated Prime Contractor if required. Road users must have a radio and know the current status of log hauling and other industrial use on the desired roads of travel.
- **Maximum vehicle speed is 65 Km/hr** (unless otherwise posted). Road and weather conditions may warrant a slower speed, posted speed limits should never be exceeded. Ambulances and emergency vehicles will comply with speed limits.
- Drive by the road conditions, sight lines, dust or weather related visibility. Maintain safe distances when following other vehicles. Use caution when passing slower vehicles, never pass on a corner or until given clearance verbally or visually from logging trucks, low beds, graders, etc. Be aware that long loads of logs can sweep a vehicle off the road on corners.
- Vehicles must use headlights while travelling on logging roads year round.
- Report all road hazards immediately to the Prime Contractor or Mosaic representative.

Bridges:

- All bridges are one lane only. All heavy industrial vehicles will have the right of way over light vehicle traffic on bridges. Know where you are and pull over.
- Mosaic bridge inventory is managed to support industrial traffic. When in doubt ask.

Note: Notify Mosaic representative prior to walking (**point loading**) across structures with equipment 35 tonnes or greater to ensure structure can safely support the weight.

RADIO USE PROCEDURES:**Known Hazards**

1. Losing track of your location	5. Unnecessary radio chatter
2. Losing track of other vehicles location	6. Using the wrong frequency
3. Meeting oncoming vehicles without a radio	7. "Walking over" other calls
4. Not following calling procedures	8. Being distracted (i.e. phones, music, passengers)

Minimum guidelines are stated below for all traffic, it is very noteworthy that some road headings require more communication, narrow winding roads that are busy may require users to call more frequently, be Safe and consistent when conditions change.

- Note the standard radio call sequence is: **road name => km => direction => vehicle type** as noted below other than logging trucks.
- **All heavy industrial vehicles must call when entering a new road heading**, and at a minimum frequency of **every 2 km's loaded or empty** or when resuming along a road after having been stopped for an extended period of time.
- **Heavy industrial vehicles** will use the terms "**loaded**" when km's are decreasing and "**empty**" when km's are increasing. For example: "**Buckley 6km loaded**".
- **Heavy industrial vehicles** other than log trucks will identify themselves. For example: "Buckley 4km loaded gravel truck" or "Chemainus 2km empty grader".
- **Low beds will identify themselves** when calling, for example when increasing km's with a machine on deck low beds will call "**Holt 6km empty Low bed, machine on**".
- **Heavy industrial vehicles**, in some rare cases log trucks may be loaded while increasing km's, in this event trucks will call for example "**Road name 6km empty trailer down**".
- **Light Vehicles must call when entering a new road heading**, and at a minimum frequency of every 5 km's or when resuming along a road after having been stopped for an extended period of time. As noted above this may need to increase on busy roads.
- **Light vehicle traffic** will use the terms "**down**" when km's are decreasing and "**up**" when kms are increasing. For example: "**Buckley 6km down**".
- **Some locations have Radio Control Points** (RCP's). RCP's will be established for high risk road sections and will be marked as RCP's on the signage, these are must call points.