



BRITISH COLUMBIA FERTILIZATION CONTRACT

WEST FRASER MILLS LTD. of 100 Mile House, BC (the “Company”) and **XXXXXX** of **XXXXXX**, BC (the “Contractor”) agree as follows:

1. The Company has under the tenures set out in Schedule B (the “Licence”) from the Crown in the right of the Province of British Columbia, the right to harvest timber on certain Crown land.
2. Subject to the terms and conditions attached as Schedule A (the “Conditions”) the Contractor will perform aerial fertilization work on **805 ha** within TFL35 at an application rate of **515 kg/ha.** (the “Contract Services”) within the areas of operation as designated by the Company (the “Operating Areas”) and at the rates (the “Contract Rates”) and payment provisions all as set out in Schedule B.
3. The term of this Contract (the “Term”) is **xx days** beginning on **XXXXX, 2021**, and ending on the earlier of (i) **November 15, 2021** and (ii) the date the Contract Services are completed, unless terminated earlier in accordance with this Contract.
4. The Contractor’s Federal Goods and Services Tax registration number is: **XXXXX.**
5. The Contractor’s Workers’ Compensation Board number is: **XXXX.**
6. The Contractor’s insurance agent, underwriter and policy numbers are: **XXXXXX**
7. Other Terms and Conditions:
 - (a) **The Contractor is responsible for any snow plowing activities required to complete this contract; and**
 - (b) _____

_____.
8. The following are the Schedules attached to and incorporated in this Contract by reference and are deemed to form a part hereof:

Schedule A – **Terms and Conditions**
Schedule B – **Amount of Work and Contract Rates**

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Addendums (5)- FFT Fertilization Standard, Fertilization Treatment Prescription, Table of areas, Map of areas, West Fraser's Safety Checklist

9. This Contract, which includes the attached Schedules, constitutes the entire agreement between the Company and the Contractor with respect to the Contract Services.

10. The Contractor hereby confirms receipt of a copy of this Contract dated _____.

WEST FRASER MILLS LTD.

Contractor

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

The principal(s) of the Contractor (please print),
_____,
hereby covenant(s) and agree(s) to be jointly and severally bound by the obligations of the Contractor under this Contract.

Witness (Signature)

Name (Signature):
Principal of the Contractor

Name (please print)

Witness (Signature)

Name (Signature):
Principal of the Contractor

Name (please print)

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West Fraser Mills Ltd

SCHEDULE A

GENERAL SERVICES BRITISH COLUMBIA CONTRACT
TERMS AND CONDITIONS

PART 1
DEFINITIONS AND INTERPRETATION

1.1 In this Contract, the following terms and expressions will have the following meanings:

“**Business Day**” means any day other than a day which is a Saturday, a Sunday, or statutory holiday in British Columbia.

“**Code**” means the *Forest Practices Code of British Columbia Act* (British Columbia) and the *Forest and Range Practices Act* (British Columbia) and any regulations, standards and guide books relating thereto.

“**Company**” means West Fraser Mills Ltd.

“**Conditions**” means these terms and conditions.

“**Confidential Information**” means all information in any form (including verbal, visual, magnetic, electronic or physical) that relates to or is used by or on behalf of the Company or its affiliates and is disclosed to the Contractor hereunder where such information is either (a) not available or known to the general public or (b) would reasonably be known to be confidential or proprietary to the Company or its affiliates by its nature or the nature of its disclosure, in each case whether or not marked or indicated as confidential at the time of disclosure. Without limiting the generality of the foregoing, Confidential Information includes this Contract and its Schedules, details of the Contract Services to be provided by the Contractor and the Contract Rates.

“**Contract**” means this agreement between the Company and the Contractor, including the attached Schedules.

“**Contract Rate(s)**” means the payment rates to the Contractor, exclusive of all taxes, as set out in Schedule B.

“**Contract Services**” has the meaning set out in §2 of this Contract.

“**Contractor**” means the party identified as such in this Contract.

“**Emergency Preparedness and Response Procedure**” means the Company’s written procedures for the prevention, response to and mitigation of the impacts of emergency situations, applicable to woodlands activities that involve fire or Pollutants.

“**Environmental Field Procedure**” means the Company’s operational procedures and controls for conducting specific activities to ensure conformance with its Environmental Policy.

“**Environmental, Health and Safety Laws**” means any statute, regulation, bylaw, judgment, decree, order, injunction, rule, guideline or ordinance in effect in British Columbia regulating the protection of the environment and the health and safety of Workers as it relates to the Contract Services including any requirements under the Code, the *Workers Compensation Act* (British Columbia), the *Environmental Management Act* (British Columbia), the *Fisheries Act* (Canada), the *Wildlife Act* (British Columbia), the *Species At Risk Act* (Canada) and the *Wildfire Act* (British Columbia).

“**Environmental Operating Procedure**” means the Company’s general operational procedures and controls to ensure conformance with its Environmental Policy.

“**Environmental Policy**” means the Company’s environmental management policy governing the performance of its activities.

“**Fire Preparedness Plan**” has the meaning set out in the Code.

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“**Firefighting Costs**” means all costs and expenses reasonably incurred by the Contractor, the Company or by third parties whose costs and expenses the Contractor or the Company are liable for, in connection with the containment, control or extinguishment of fires that occur on, spread onto, or could reasonably be expected to spread onto the Operating Areas.

“**Health and Safety Rules**” means any of the Company’s written policies, standards or requirements relating to operational health and safety matters.

“**Licence**” has the meaning set out in §1 of this Contract.

“**Ministry**” means the Ministry of Forests, Lands and Natural Resource Operations in British Columbia.

“**Operating Areas**” means the areas of operation within the Licence designated by the Company from time to time and such other areas of operation as may be designated by the Company under this Contract.

“**Pollutant**” means any substance or material that does not occur naturally in the environment or which falls within the definition of “contaminants”, “pollutants”, “waste”, “special waste”, “deleterious substance”, “hazardous chemicals”, “hazardous waste”, “dangerous goods”, “toxic substances” or “pesticides” or any variation thereof or any similar term in any of the Environmental, Health and Safety Laws.

“**Release**” means to spill, leak, seep, pump, pour, emit, empty, throw, discharge, inject, escape, leach, dispose, dump or place.

“**Rules**” means the Company’s policies, procedures, and regulations communicated to the Contractor relating to minimum standards governing forest stewardship, safety, the performance of the Contract Services, compliance with the Code, the *Forest Act* (British Columbia) and Environmental, Health and Safety Laws as may be amended and added to from time to time during the Term, including the

- (a) Fire Preparedness Plan,
- (b) Emergency Preparedness and Response Procedure,
- (c) Environmental Field Procedure,
- (d) Environmental Operating Procedure,
- (e) Health and Safety Rules, and
- (f) Standard Operating Procedures.

“**Standard Operating Procedures**” means the Company’s published and mandated standards intended to assist its operations in achieving a consistent and high level of responsible forest stewardship as may be amended by the Company from time to time.

“**Term**” has the meaning set out in §3 of this Contract.

“**Workers**” means all agents, employees, subcontractors, representatives, and partners of the Contractor, and all other persons engaged by the Contractor for the performance of the Contract Services, and, where the Contractor is an independent operator, includes the Contractor.

Interpretation

1.2 For the purposes of this Contract, except as otherwise expressly provided,

- (a) a reference to a corporation includes any corporation that is its successor, and
- (b) a reference to a corporation includes an individual and a word in the singular includes the plural and vice versa.

Headings

1.3 All headings and subheadings in this Contract are inserted for convenience of reference only and will not affect the interpretation of this Contract.

No Limitation

1.4 The word “including”, when followed by any general statement, term or matter, is not to be construed to limit the general statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as “without limitation” or “but not limited to” or words of similar import) is used but rather will be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter.

Time of Essence

1.5 Time is of the essence in this Contract.

Severability

1.6 If any one or more of the provisions contained in this Contract are invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

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Proper Law

1.7 This Contract will be governed and construed in accordance with the regulations and laws of the Province of British Columbia and the federal laws of Canada applicable therein.

Statutes

1.8 Except as otherwise expressly provided, any reference to a statute in this Contract will refer to the British Columbia statute and will be deemed to include

- (a) that statute as amended, restated and/or replaced from time to time,
- (b) all regulations promulgated thereunder, and
- (c) any successor legislation to the same general intent and effect.

No Implied Waiver

1.9 The failure of either party at any time to require performance by the other party of any provision under this Contract will not affect, in any way, the right to require such performance at any later time nor will the waiver by either party of a breach of any provision under this Contract be taken and held to be a waiver of such provision.

Enurement

1.10 Subject to §1.11, this Contract will enure to the benefit of and be binding on the permitted successors and assigns of the Contractor.

Non-Corporate Contractors

1.11 The heirs, executors and administrators of a deceased Contractor will only be entitled to the benefit of this Contract to the extent of receiving payment of amounts, after all applicable deductions, to which the Contractor would have been entitled under this Contract up to the date of the Contractor's death whereupon this Contract will terminate.

**PART 2
OPERATING PROVISIONS**

Contract Services

2.1 The Contractor will, during the Term,

- (a) perform, as required by the Company, from time to time, all work and services necessary to perform the

Contract Services within the time periods specified by the Company,

- (b) provide all skilled labour, adequate and competent supervision and, except as otherwise set out in this Contract or agreed in writing by the parties, all materials, equipment and supplies required for the efficient performance of the Contract Services, which equipment will not be replaced without the prior written consent of the Company, which consent will not be unreasonably withheld,

- (c) promptly observe, perform, execute and comply with any and all applicable laws, ordinances, regulations, rules, orders and directions of any governmental authority and the Company Rules regarding the performance of the Contract Services,

- (d) remediate or reperform any portion of the Contract Services not performed to the reasonable satisfaction of the Company on request by the Company and if directed by the Company, to have such work performed by a third party satisfactory to the Company all at the Contractor's sole expense,

- (e) when applicable, pay directly all rentals, taxes, rates and assessments that may at any time be imposed upon or assessed against any campsite buildings or other facilities owned, used or occupied by the Contractor in the Licence and provide written confirmation of such payments to the Company immediately upon request and, if paid by the Company, immediately reimburse the Company,

- (f) keep accurate and current maps and plans at the site where the Contract Services are being performed and keep proper books and records of its operations under this Contract and any information relevant to the progress or performance of the Contract Services in the Operating Areas, and deliver any such maps, books and records, other than accounting records of the Contractor's income and expense, to the Company immediately upon request,

- (g) at the request of the Company, deliver to the Company a written report setting out the amount of work performed in the Operating Areas and such other reports pertaining to the Contract Services, and

- (h) obtain and pay for all permits and licences (other than permits and licences held from time to time by the Company or available only to the Company) required for the performance of the Contract Services, including the licensing and certification of its equipment and operators.

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**PART 3
USE OF ACCESS ROADS**

Access

3.1 The Company will permit and arrange for access for the Contractor and its Workers to the Operating Areas on a non-exclusive basis and at their own risk, at reasonable times during the Term of this Contract subject to adverse weather conditions and restrictions on access imposed on the Company by land owners, government authorities or other persons with authority to restrict such access.

Road Rules

3.2 The Contractor will

- (a) comply with the Company’s Rules and directions pertaining to the use of the access roads, including hours of use, number of trips per day, locking of gates and closure of roads and bridges, and
- (b) keep the access roads free and clear of all debris and other obstruction resulting from its performance of the Contract Services in a manner consistent with the performance of a responsible and prudent operator.

State of Roads

3.3 The Contractor hereby acknowledges and agrees that the Company has not made any representations or warranties as to the state or condition of the access roads nor as to their suitability for the Contractor’s performance of the Contract Services.

**PART 4
THE CONTRACTOR**

Payments by the Contractor

4.1 The Contractor will

- (a) pay promptly, as they become due, all charges for and with respect to labour, materials, equipment, supplies, services or sub-contractors used or contracted for in the performance of the Contract Services, including all wages, salaries and other remuneration due to employees, and all assessments and employee deductions under the *Woodworker Lien Act* (British Columbia), the *Forestry Service Providers Protection Act* (British Columbia), the *Employment Standards Act* (British Columbia), the *Workers Compensation Act* (British Columbia), the *Employment Insurance Act* (Canada), the *Income Tax Act* (Canada), the *Income Tax Act* (British Columbia), the *Canada Pension Plan Act* (Canada) and any such successor enactments thereto,

- (b) on request, deliver to the Company evidence, to the Company’s satisfaction, of the payment of the charges, assessments and deductions referred to in §4.1(a), including receipted payrolls and certificates under the *Woodworker Lien Act* (British Columbia), the *Forestry Service Providers Protection Act* (British Columbia) and to any such successor enactments thereto, and

- (c) pay as they become due all applicable income, sales, commodity and service taxes payable by the Contractor in respect of the performance of the Contract Services.

Payments to Subcontractors, Suppliers and Service Providers

4.2 Prior to any payment by the Company to the Contractor for the Contract Services, the Company may require that the Contractor deliver a statutory declaration to the Company, in the form required by the Company, accompanied by supporting invoices and documentation, setting out the amounts owing by the Contractor to each subcontractor, supplier or service provider relating to the Contract Services performed during such payment period and containing a declaration by the Contractor that no other amounts are outstanding. The Company will have the right to pay, as agent of the Contractor, any amounts owing by the Contractor to such subcontractors, suppliers or service providers for which liens may arise in the Company’s tenure under the *Woodworker Lien Act* (British Columbia), the *Forestry Service Providers Protection Act* (British Columbia) and any such successor enactment thereto, whether or not a statement of lien is filed and, thereafter, the Company will pay the balance of monies owing, if any, to the Contractor.

Company Approval of Subcontractors

4.3 No subcontractor will be engaged to perform the Contract Services under this Contract without the prior written approval of the Company, which approval will not be unreasonably withheld.

Liens

4.4 The Contractor will not, by reason of this Contract or anything done by it under this Contract, acquire any rights, interest or title in or to any timber, logs or other property of the Company, other than payments made to and received by the Contractor under this Contract, and will not purport to mortgage, charge, pledge or otherwise encumber such property. The Contractor will not permit any liens, including under the *Woodworker Lien Act* (British Columbia), the *Forestry Service Providers Protection Act* (British Columbia) and to any such successor enactments thereto, to attach to any timber, logs or other property of the Company and the Contractor will discharge any such liens as may attach immediately on demand of the Company.

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Performance of Contractor’s Obligations

4.5 If the Contractor does not perform any of its duties under this Contract following receipt of notice from the Company to do so within a reasonable period of time, the Company may, but will not be obligated to, perform any of these duties and the Contractor will pay the Company an amount equal to the expense incurred by the Company in doing so immediately upon receipt of a demand to do so.

Confidentiality

4.6 The Contractor acknowledges and agrees that the Company has furnished or may furnish to the Contractor, or the Contractor may learn or otherwise acquire, Confidential Information of the Company under this Contract or in connection with the performance of the Contract Services. The Contractor agrees that all Confidential Information is and will be the sole and exclusive property of the Company and will, at all times during and after the Term,

(a) keep the Confidential Information strictly confidential and not use it for any purpose except for the proper performance of this Contract in accordance with its terms and conditions,

(b) disclose the Confidential Information only to those of its Workers, personnel and consultants (if any) to whom disclosure is necessary to carry out this Contract where such person has agreed to hold the Confidential Information in confidence under an obligation of confidentiality no less restrictive than this §4.6,

(c) use the same standard of care to protect the Confidential Information that it would use to protect its own, similar information, but in any event not less than a reasonable standard of care,

(d) upon request by the Company at any time but in any event upon the termination or expiry of this Contract, return or caused to be returned all copies and originals of the Confidential Information in its possession or control (including its permitted recipients as set out above), and

(e) if the Contractor or such recipients are requested or required (including, without restriction, by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or other similar process) by any law or in connection with any legal proceeding to disclose any Confidential Information, it may do so provided that (a) the Contractor provides the Company with written notice as soon as practicable in the circumstances so that the Company may seek an appropriate protective order, (b) the Contractor will delay such disclosure until the deadlines set out in such request or requirement, and (c) the Contractor will cooperate reasonably and in good faith with the Company in its

efforts to prevent, restrict or contest such required disclosure.

4.7 The obligations of §4.6 will not apply where (a) the Company consents in writing; or (b) every part of Confidential Information proposed for use or disclosure not permitted hereby (i) is available in the public domain, or (ii) was rightfully received from a third party without any obligation of confidentiality.

**PART 5
FIRE PREVENTION AND SUPPRESSION**

Fire Prevention

5.1 The Contractor will, throughout the Term,

(a) provide and maintain at its own cost, in good operating condition, firefighting equipment at each Operating Area in accordance with the requirements of the Ministry or other applicable authority, the Fire Preparedness Plan and all requirements under applicable laws,

(b) not start or permit any open fires in any of the Operating Areas except as may be permitted by applicable laws, and will take every reasonable precaution to prevent any fire so started from becoming out of the control of the Contractor,

(c) use all reasonable efforts, including all of its labour and suitable equipment, to prevent, control, contain and extinguish all fires, however caused, that occur on or spread onto the Operating Areas,

(d) ensure at all times during the performance of the Contract Services that a person who has been trained to a level acceptable to the Company and the Ministry in the areas of fire suppression techniques, fire behaviour and fireline safety is present on the site where the Contract Services are being performed, and

(e) immediately notify the Ministry and the Company upon becoming aware of any forest fire in or around any of the Operating Areas.

The Contractor’s Responsibilities for Firefighting Costs

5.2 Subject to §5.3(b), the Contractor will be responsible for all Firefighting Costs for fires that occur on or spread onto any of the Operating Areas, or can reasonably be expected to spread onto any of the Operating Areas, except that

(a) the Contractor’s responsibility for Firefighting Costs incurred directly by the Contractor in respect of any such fires will be limited to \$500,000, except that such

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limit will not apply if the fire is caused by the clear and deliberate failure of the Contractor to perform its obligations under this Contract or applicable law,

(b) the Contractor’s responsibility for Firefighting Costs other than those incurred directly by the Contractor in respect of any such fire will be limited to the amount by which \$500,000 exceeds the lesser of

- (i) \$100,000, and
- (ii) the Firefighting Costs incurred directly by the Contractor in respect of such fire

except that such limit will not apply if the fire is caused by the clear and deliberate failure of the Contractor to perform its obligations under this Contract or applicable law or to the extent that such Firefighting Costs are attributable to the clear and deliberate failure of the Contractor to perform its obligations under this Contract or applicable law, and

(c) the Contractor will not be responsible for Firefighting Costs for any fire caused by lightning or by the acts of third parties or the Company, except to the extent that such Firefighting Costs are attributable to the clear and deliberate failure of the Contractor to perform its obligations under this Contract or applicable law.

The Company’s Responsibility for Firefighting Costs

5.3 The Company will

(a) be responsible for Firefighting Costs for fires that occur on or spread onto any of the Operating Areas to the extent that the Contractor is not responsible for such Firefighting Costs under this Contract, and

(b) reimburse the Contractor for Firefighting Costs for any fire over which the Ministry assumes jurisdiction and control, but only to the extent that the Company receives payment from the Ministry for those Firefighting Costs incurred by the Contractor.

Costs of Equipment and Prevention

5.4 The Contractor will be responsible for all costs and expenses the Contractor incurs

(a) providing and maintaining firefighting equipment as required by this Contract, and

(b) in taking precautions to prevent the occurrence of fires in the performance of the Contractor Services.

Contractor Employees

5.5 Any employee or subcontractor of the Contractor engaged in fighting a fire will, at all times, remain an employee or subcontractor of the Contractor and will not become an employee or contractor of the Company.

**PART 6
ENVIRONMENT**

Prohibitions

6.1 The Contractor will not Release, deposit, store or transport any Pollutant in or on any of the Operating Areas, and will not permit any person under its direction or control to do so except as expressly authorized by the Company and in compliance with all applicable laws.

Environmental, Health and Safety Compliance

6.2 Without limiting the generality of any other provision of this Contract, the Contractor will

(a) perform the Contract Services in an environmentally safe, good and prudent manner and in compliance with the applicable (i) Environmental Health and Safety Laws, Rules, plans, prescriptions, cutting permits or other permits and (ii) contracts, agreements or other obligations binding on the Company that the Company has disclosed to the Contractor,

(b) provide adequate supervision and environmental, forestry and safety training for its employees, keep accurate records of such training and participate in any safety, environmental or Rules training arranged or required by the Company,

(c) immediately notify the Company of any possible contravention of the Environmental, Health and Safety Laws or Rules arising from or related to the Contractor’s operations under this Contract,

(d) immediately notify the Company of any communication with government authorities in respect of the Contractor’s operations under this Contract, including any inspections or investigations under the Environmental, Health and Safety Laws, and

(e) notify the Company of any charges or penalties levied against the Contractor under the Environmental, Health and Safety Laws.

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**PART 7
CURTAILMENT AND SUSPENSION**

Curtailment and Suspension of Operations

7.1 The Company may, without liability for any loss of profits or increased costs by the Contractor, from time to time during the Term, direct the Contractor to curtail or temporarily suspend performance of Contract Services for a specified or indefinite period for any reason, including, but not limited to the following and the Contractor will immediately comply with such directions:

- (a) hazardous weather conditions, including but not limited to excessive rain or snow;
- (b) seasonal closures;
- (c) fire hazard;
- (d) in the event of fire or natural disaster;
- (e) inspections or investigations by governmental officials or the Company under the Environmental, Health and Safety Laws or this Contract;
- (f) blockades, strikes, lockouts or disruptions;
- (g) harvesting or operational reasons;
- (h) inventory or marketing reasons;
- (i) shutdown or closure of its operations; or
- (j) lack of approvals or permits.

Resumption of Contract Services

7.2 Subject to §8.1, upon delivery of notice by the Company to the Contractor, the Contract Services will be recommenced by the Contractor.

Adjustment of Contract Services

7.3 Upon resumption of the Contract Services, the Company may, in its sole discretion, adjust the Contract Services and provide for reasonable extensions of time for the completion of the Contract Services by the Contractor.

**PART 8
TERMINATION**

Termination by the Contractor

8.1 If a curtailment or suspension of the Contract Services continues for a period of more than 20 General Services Contract – Terms and Conditions

consecutive Business Days, the Contractor may terminate this Contract at any time after such period by giving notice to the Company.

Termination by the Company

8.2 The Company may terminate this Contract immediately and without any liability by giving notice of termination to the Contractor,

(a) except as provided in §8.2(b), if the Contractor breaches any of its material obligations under this Contract or any other agreement it has entered into with the Company and, in the event of a breach that is capable of being remedied, such breach is not remedied within 20 Business Days after notice specifying the default is given by the Company to the Contractor, or

(b) if the Contractor has failed to comply with any material provision of the Code or any other Environmental, Health and Safety Law, and, in the event of a failure that is capable of being corrected, the Contractor has not promptly taken all reasonable steps to correct that non-compliance.

Termination on Expiry of Licence

8.3 If the Licence expires or is cancelled or surrendered, this Contract may be terminated by either the Company or the Contractor without liability to the other party.

Termination on Bankruptcy, Dissolution or Death

8.4 This Contract will be deemed to terminate immediately, without liability to the Company, upon the Contractor’s dissolution, general assignment for the benefit of creditors, appointment of a receiver or the filing of any petition or assignment in bankruptcy, or if the Contractor is an individual, on the Contractor’s death as provided in §1.11.

No Bankruptcy Assets

8.5 The parties hereby acknowledge and agree that none of the Contract Services, the timber harvested by the Contractor from the Licence or this Contract will be an asset of the Contractor in the event of the bankruptcy of the Contractor.

Effect of Termination

8.6 If this Contract is terminated for any reason, the rights and privileges of the Contractor under this Contract will cease (except as expressly continued in this Part) and the Contractor will immediately cease performing Contract Services and

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(a) the Company will be deemed to be in possession of all the Contract Services performed under this Contract, and

(b) the Company will not be liable for any consequential, direct or indirect damages of any kind under this Contract, howsoever caused and whether arising in contract, tort (including negligence) or otherwise, whether as a result of a loss by the Contractor of present or prospective profits, expenditures, investments, or commitments made in connection with this Contract, or on account of any other reason or cause.

Removal of Machinery, Equipment, Supplies, Buildings, Structures or Improvements

8.7 The Contractor will remove its machinery, equipment, supplies, buildings, structures or improvements no later than the 20th Business Day following the day of receipt of notice from the Company to do so and if not removed within this period, the Company may, without liability to the Contractor for loss, damage or compensation, either

(a) take, keep or use the Contractor’s machinery, equipment, supplies or any buildings, structures or improvements as its own property, or

(b) dismantle, if required, the Contractor’s buildings, structures and improvements and deal with and dispose of them and any machinery, equipment and supplies in such manner as it may, in its absolute discretion determine, and the Contractor will reimburse the Company, immediately on receipt of demand for all direct and indirect costs and expenses incurred by the Company in excess of any monies realized by the Company in such disposition.

**PART 9
INDEMNITY**

Indemnity

9.1 Subject to §9.2, the Contractor will indemnify and save harmless the Company, its directors, officers, employees, servants, and agents from and against any and all claims, demands, actions, causes of action, damages, losses, deficiencies, costs, expenses, lawsuits, administrative sanctions, remediation orders, penalties or fines that the Company, its directors, officers, employees, servants or agents may sustain, incur, or be subject to, including legal costs on a solicitor and own client basis, arising out of, whether directly or indirectly

(a) the failure of the Contractor or any of its Workers to comply fully with any term, condition or warranty in this Contract, or

(b) the carrying out of the obligations of the Contractor under this Contract or any matter or thing done, permitted or omitted to be done by the Contractor or any of its Workers.

Contributory Negligence

9.2 To the extent that a penalty, fine or other sanction or order is, in part, a result of prior actions of the Company or other contractors or persons, the Contractor’s liability will be limited to a reasonable proportionate share of such liability.

No Consequential Damages

9.3 The Company will not be liable for any consequential damages of any kind under this Contract, howsoever caused and whether arising in contract, tort (including negligence) or otherwise, whether as a result of a loss by the Contractor of present or prospective profits, expenditures, investments, or commitments made in connection with this Contract, or on account of any other reason or cause.

Set-Off

9.4 The Company will have the right to satisfy any amount from time to time owing by it to the Contractor under this Contract or pursuant to any other agreement or obligation existing between them by way of set-off against any amount from time to time owing by the Contractor to the Company.

Survival

9.5 This Part will survive the expiry or earlier termination of this Contract.

**PART 10
INSURANCE**

Contractor’s Insurance

10.1 The Contractor will, at its sole cost and expense, obtain and maintain in full force and effect, at all times throughout the Term, the following insurance:

(a) comprehensive general liability insurance with a minimum inclusive limit of liability, except as expressly otherwise stated herein, of \$3,000,000 each occurrence or accident covering liability for bodily injury including personal injury or death of any one or more persons, in any one occurrence, and loss or damage to or destruction of property of others (including the property of the Company and for loss of use thereof), and other insurance which is prudent and reasonable, including coverage in respect of:

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- (i) contractual liability covering the Contractor’s liability under this Contract, including each and every provision of this §10.1,
- (ii) non-owned automobile liability,
- (iii) unlicensed, or provisionally licensed, land motor-vehicles or trailers while operating off the public highway,
- (iv) third party forest fire fighting expense liability with a minimum liability limit of \$500,000 per occurrence, with no limitation or exclusion with respect to slash burning operations and with the Company being deemed to be a third party for purpose of third party forest fire fighting expenses,
- (v) contingent employer’s liability,
- (vi) owner’s and contractor’s protective liability,
- (vii) operation of attached machinery, and

the Company will be added as an additional insured to such insurance policy subject to a separation of insureds, cross-liability clause, and

- (b) statutory motor vehicle liability insurance covering all the Contractor’s licensed vehicles, whether owned or leased, with a minimum liability limit of \$3,000,000, inclusive.

Proof of Insurance

10.2 Evidence of each policy and any renewal or replacement thereof, in the form of a detailed certificate of insurance, will be furnished by the Contractor to the Company at least 10 Business Days before the date of commencement of any operations under this Contract and each policy will state that it cannot be cancelled, lapsed or materially altered without at least 20 Business Days prior written notice being given to the Company.

**PART 11
ASSIGNMENT AND SUBCONTRACT**

Assignment

11.1 The Contractor may not assign any of its rights or interest under this Contract unless the Contractor first obtains the written consent of the Company, which such consent the Company may withhold in its sole discretion.

Other Transfers

General Services Contract – Terms and Conditions

11.2 Subject to §11.1, the Contractor will not at any time

- (a) mortgage, pledge, or otherwise grant security over any of its rights or interest under this Contract, except the right to receive payments for completed Contract Services in accordance with this Contract, or
- (b) permit by way of subcontract or otherwise the performance of any part of the Contract Services by any person other than the Contractor or Contractor’s employees or agents except with the prior written consent of the Company, which such consent the Company may withhold in its sole discretion.

Continuing Obligations

11.3 No assignment, transfer, mortgage, pledge, or granting of security by the Contractor of or over its rights or interest under this Contract, nor any consent by the Company to any such action, will release the Contractor from any of its obligations under this Contract, whether arising before or after such action, unless the Company has executed and delivered to the Contractor an express written release of such obligations.

Change in Control or Management

11.4 If the Contractor is a corporation or partnership, any event or transaction by which effective management or voting control of the Contractor changes or will change from one person or group of persons to another person or group of persons will be deemed, for the purposes of §11.1, to be an assignment by the Contractor of its rights and interest under this Contract.

**PART 12
GENERAL PROVISIONS**

Status of Contractor

12.1 The Contractor will be deemed to be an independent contractor and is not a partner, agent, legal representative, joint venturer or employee of or with the Company.

Notices

12.2 Any demand, consent or notice required or permitted to be given pursuant to this Contract (each a “notice”) must be in writing and delivered by hand to the party for which it is intended, sent by facsimile, sent by electronic mail or other electronic means and confirmed by direct or telephone communication or sent by prepaid courier directed to such party at the address set out in this Contract, or at such other address as either party may stipulate by notice to the other. Any notice delivered by hand or prepaid courier will be deemed to be received on

McMillan LLP – September 30, 2014

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the date of actual delivery thereof. Any notice so sent by facsimile will be deemed to have been received on the first Business Day following the day the sender receives the facsimile confirmation sheet confirming delivery to the recipient. Any notice sent by electronic means and confirmed by direct or telephone communication will be deemed delivered when so confirmed.

Counterparts

12.3 This Contract may be executed in any number of counterparts or by facsimile, or other electronic means, each of which will together, for all purposes, constitute one and the same instrument, binding on the parties, and each of which will together be deemed to be an original, notwithstanding that all of the parties are not signatory to the same counterpart or facsimile.

END OF CONDITIONS

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1. Fees

1.01 Your fees (exclusive of any applicable taxes described in this Agreement that is a taxable transaction chargeable to the Province) will be based upon the rates listed below:

| Item No. | Treatment Unit | Net Hectares | Application rate (kg/ha) | A Estimated Quantity (kg) | B Price Per Unit Measure (Kg) | C (AxB) Extended \$\$.¢¢ Amount |
|------------------------|----------------|--------------|--------------------------|------------------------------|----------------------------------|------------------------------------|
| 1 | TFL35 | 805 | 515 | 415,000 | xxx | \$xxxxxxxx |
| OVERALL TOTALS: | | | | | | |
| | | | | | Total Price: | \$xxxxxxx |

1.02 The quantities stated under Clause 1.01 are estimations only. The final quantity measurements may vary from the estimations and contract payment will be based on the actual quantities and the price(s) per Unit of Measure stated above.

1.03 Notwithstanding Clause 1.02, the contract is not to exceed the price per unit in clause 1.01 without the **prior written** approval of the Company Representative.

2. Expenses

2.01 We will not pay any expenses to you for the completion of the Services.

3. Total Payable

3.01 In no event will the Total Payable for fees exceed the price per unit in the clause 1.01 (exclusive of any applicable taxes described in the Agreement).

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4. Determination of Satisfactory Treatment

4.01 Quality:

(a) Application rate: the Application Quality % (AQ%) is determined as follows; AQ% is $100 \times (\text{prescribed rate (PR)} - \text{the absolute value of [PR-actual applied rate]}) / \text{PR}$ and

(b) operational monitoring confirms

- i) the fertilizer application system was properly calibrated,
- ii) the required swath widths and volume delivery per hectare were achieved,
- iii) compliance with the application procedures,
- iv) water quality monitoring procedures carried out during application were appropriate to the stream and water resources of the Work Areas; and

(c) Water Quality Limits, where applicable, were not exceeded for a period of up to three weeks following fertilization.

4.02 Payment

(a) Full payment

- i) Where inspections indicate fertilizer application quality in a Work Area is at least 92.6%, the Province will pay the full Basic Payment.
- ii) In no case shall the Province pay more than 100% of the Basic Payment.

(b.) Payment reduction for low quality application Where inspection indicates fertilizer Application Quality % (AQ%) in a Work Area is equal to or greater than 70%, but less than 92.6%, the Province shall reduce the Basic Payment by multiplying the Basic Payment by the AQ% using the following formula:

$$\text{Payment \%} = (\text{AQ\%} \times 1.08) - ((100 - (\text{AQ\%} \times 1.08))^2) / 8$$

Example – Treatment Unit Example 1

$$\text{AQ \%} = 100 \times (6873 \text{ kg} - (6873\text{kg} - 6000\text{kg applied})) / 6873 \text{ kg} \qquad \text{AQ \%} = 87.3\%$$

$$\text{Payment \%} = (87.3\% \times 1.08) - ((100 - (87.3\% \times 1.08))^2) / 8$$

Payment 90.2% = 94.28 - 4.08

(c.) No Payment If the performance quality on all or a portion of a Work Area is less than 70% and, in the opinion of the Company, cannot be improved to at least this level by reworking, the Province shall make no payment for the unsatisfactorily treated area. No payment for application outside the Work Area.

5. Holdback from Payment

5.01 As per the Agreement, the Company will withhold 10% of the calculated amount from any payment. The 10% holdback will be retained for 40 calendar days after completion, or earlier termination, of all Services and interest is not payable on the amount held back by the Company.

The Company is authorized, but not obliged, to apply the holdback funds as follows:

- a) firstly, to any unpaid government agencies or boards;
- b) secondly to the Contractor’s workers, direct subcontractors and suppliers, where required to do so by court order; and
- c) thirdly as security for the correction of any breach of a provision of the Agreement.

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6. Submission of Statement of Account

- 6.01 In order to obtain payment for any fees and, where applicable, expenses under the Agreement, you must submit to us a written Statement of Account in a form satisfactory to us upon completion of the services.
- 6.02 The Statement of Account(s) must show the following:
- (a) your legal name, address, the date and the period of time which the Statement of Account applies ("Billing Period"), the contract number, and a statement number for identification;
 - (b) the calculation of all fees claimed under this Agreement for the Billing Period, with hours, dates, rates, and name(s) of persons providing the Services, a description of specific services/works completed during the Billing Period, including a declaration that the Services have been completed;
 - (c) and where expenses are to be paid under this Agreement, a chronological listing, in reasonable detail and with dates, of all expenses claimed by you under this Agreement for the Billing Period with receipts or copies of receipts, where applicable, attached;
 - (d) if you are claiming reimbursement of any GST or other applicable taxes paid or payable by you in relation to those expenses, a description of any credits, rebates, refunds, or remissions you are entitled to from the relevant taxation authorities in relation to those taxes;
 - (e) the calculation of any applicable taxes payable by us in relation to the Services provided under this Agreement and for the Billing Period as a separate line item (excluding taxes paid directly by you to a supplier and which were included in the bid price);
 - (f) any other billing information reasonably requested by us.
- 5.03 Within thirty days of our receipt of your Statement of Account, or the date we authorize payment, whichever is the latter, we must pay you fees and, where applicable, expenses for those Services we determined were satisfactorily received during the Billing Period.

1. No Representations and Warranties: The Contractor hereby acknowledges and agrees with and absolutely releases the Company from any and all claims relating to the following:
- (a) before agreement by the parties of the Contract Rates and the commencement of any Contract Services in any Operating Area, the Contractor has examined the Operating Areas and has satisfied itself as to all conditions relating to such Operating Areas, and that it has entered into this Contract relying solely on the basis of its own information; and
 - (b) the Company has not made any representation or warranty as to whether the Contract Services can be performed by the Contractor at a profit or any particular profit, all of which matters have been fully investigated by the Contractor before execution of the Contract.
2. Payment Provisions: Payment Provisions: The Contract Rates will be payable as follows: invoices will be paid within 30 days of receipt of approved invoice.
3. Confidentiality: This Schedule B contains and constitutes Confidential Information for the purposes of §4.6 of Schedule A and this information will not be disclosed by the Contractor except as specifically provided therein.

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