

FAX- MBL 1

**MacMillan Bloedel Limited**

925 West Georgia Street
Vancouver, BC V6C 3L2

Fax Message

To: Michael Murphy
Organization: BC Ministry of Aboriginal Affairs
Phone:
Fax: 356-6662

From: Linda Coady
Company: MacMillan Bloedel Ltd.
Phone: 661-8169
Fax: 661-8507

Date: Jan. 18, 1996

Number of Pages: 1

Michael,

Attached as far as we got last fall with our revamped JV proposal to the Ahousaht and Tla-o-qui-aht. As I mentioned to you on the phone, the Ahousaht seemed genuinely interested (have for at least a year now), but the TFN apparently couldn't see anything in it for them, at least not in the short term, plus I got the protocols wrong and addressed the proposal to Chief George, which put everyone's noses seriously out of joint.

Nevertheless, Bill Cafferata and I had dinner with a group from the TFN and AFN here in Vancouver just before Xmas. We again expressed a desire to try to work something out and a willingness to look at expanding the proposal to possibly include elements of our Kennedy Lake operation, if that is what it took. After further discussions within the company and with government on this, I faxed FNs earlier this week and requested a meeting with them on Jan. 29th. I have not heard back yet, but am hoping this will go forward.

Contd...

I think Gerard Janssen's suggestion earlier this week that the company and gov't take the bull by the horns here and set up a deal whereby the IMA provides FNs with the capital necessary to buy out Jack McKay is an excellent idea.

Phil Halkett and Roger Stanyer have heard me ad nauseam on this stuff -- but the point is that incrementally, gov't and industry are both probably throwing millions at Clayoquot and getting nowhere. In my view, Gerard's approach probably represents the best opportunity to change that -- i.e. we'll throw millions at it but get somewhere (see attached cartoon).

Were FNs to buy out McKay, I envision a JV being formed based on the following services:

1. **Forest management & silviculture -- assessment and consulting** -- (i.e. TEK; the JV could be retained by other MB operations for this purpose).
2. **Value Added manufacturing** (a small mill, probably near the airport -- note: this needs to be carefully assessed and planned for so that it work with existing operations such as MB's Somass mill in Alberni and Bert Mack's mill in Ucluelet).
3. **Logging** -- on Flores and whatever areas in MB's tenure at that end of Clayoquot (previously allocated to McKay) that would be available under terms of Sci Panel implementation -- with some Small Business wood thrown in for good measure.

MB has much in the way of our traditional knowledge (i.e. manufacturing, marketing, distribution, technical services, infrastructure) that it could bring to the party to ensure that the JV is successful, and hence any funds advanced by government to FNs to make the McKay purchase would represent a sound investment. So probably would Interfor, if they were also interested.

We could set it up in our little Info. centre on the harbour in Tofino and give ourselves a long term goal of integrating it as much as possible -- and the union will let us -- with our Kennedy Lake operation.

As you can tell, I really think we should forget the Coop Forest stuff and go in this direction. It stands the best chance of any idea I have heard of actually getting the natives into the driver's seat at that end of Clayoquot

cert'd...
2

and up and logging. And it would be my hope that such a deal could be negotiated as an Informal sub-section to the current IMA.

I think the big international enviro forum Globe /96 is being held this March in Vancouver. All the parties involved could have a joint press conference and announce it then in conjunction with the signing of a new Clayoquot IMA.

Anyhow, you get my drift.

Attached some notes of a meeting our customer Pacific Bell had with environmental activists just before Xmas. As you can see from this, I am exceedingly cynical of Valerie Langer's suggestion that it is only the undeveloped watersheds in Clayoquot they are concerned about. Indeed, as you can see from this, the issue now extends well beyond Clayoquot to the coastal forest industry as a whole. That is why, in my view, it is so exceedingly important that we do the right thing on the ground in Clayoquot.

Regards, Linda.

Pages 4 through 6 redacted for the following reasons:

Not Responsive

RO 2 - 39 - 45
AO 5 - 43 - 49
AO 3 - 37 - 42
AO

INTEROFFICE MEMORANDUM

Date: 13-Dec-1994 12:06pm PST
From: MARYANNE MALKEWICH of AAF
MMALKEWICH
Dept: Ministry of Aboriginal Affairs
Tel No: 953-4836

TO: Christine Lattey of AAF (CLATTEY)

CC: Nancy Moniz of AAF (NMONIZ)

Subject: AHOUSAHT LAND/UNITED CHURCH

I received a call from Nancy at the Ministers' office regarding a call she received from:

s.22

I called to let him know you would be returning his call sometime tomorrow. Nancy indicated he was calling about land that use to belong to the United Church that was sold in the 50's and now belongs to M & B?

She thought he mentioned something about Arnie Hayashi also but perhaps just incorrect spelling.

I'll let you know further if he returns the call but could you please call tomorrow (remember they're 3 hours ahead).

Thanks,
M.A.

Mary Anne
This is not the correct
phone number. Could you
please call Nancy or
otherwise get the
right number.

Proposal - ARR

MacMillan Bloedel Limited



925 West Georgia Street
Vancouver, B.C. Canada V6C 3L2
Telex No. 0451471
Telephone: (604) 661-8000

For personal contact dial: 661-8169

FAX (604) 661-8507

December 16, 1994

Chief Earl George
Chief Councillor Louis Frank
Ahousaht First Nations
General Delivery
Ahousaht, B. C.
VOR 1A0

MINISTRY OF ABORIGINAL AFFAIRS
SPECIAL PROJECTS
DEPUTY MINISTERS' OFFICE

DEC 22 1994
CS94-00029

Dear Chiefs,

I am sorry we have not yet been able to arrange a time for MacMillan Bloedel to meet with the Ahousaht Elders and Council to discuss our proposal regarding DL 363 and a joint venture company on Flores Island. Enclosed are copies of our proposal for review by your community.

As you know, it has been MB's position from the outset that we would cooperate with the Ahousaht regarding resolution of their historical grievance concerning DL 363. The attached proposal combines our effort to do so with our desire to establish a joint venture company between MB and the Ahousaht First Nations on Flores Island. The proposal would see both portions of DL 363 owned by the proposed joint venture company.

While we recognize this in no way resolves the Ahousaht's historical grievance concerning the United Church's transaction of the lot, it would give First Nations more control over, as well as use of, until such time as the issue of compensation or expropriation can be resolved. The attached proposal also attempts to respond in more detail to questions and concerns raised last fall by Miss Ann Atleo on behalf of the Ahousaht Band Council regarding the operation of a proposed sawmill by joint venture company on DL 363.

cont'd..

Chief Earl George
Chief Councillor Louis Frank
Page 2

I know the last couple of weeks have been very busy for the Ahousaht people but hope it will be possible to get together sometime early in the new year regarding this matter. To this end, I would like to suggest that we arrange to meet on Thursday, Jan. 12th at 10:00 AM in Ahousaht. At that time, I hope we at MB would be able to secure the Ahousaht's response to the proposal in general and following points in particular:

1. Are you interested in establishing a joint venture company with MacMillan Bloedel on Flores Island?
2. Do you agree with the "Next Steps" outlined in on pages 12 & 13 of our proposal?

It has been our experience that successful partnerships require openness and honesty. For this reason, we have attempted to be very up front in the attached document about MB's objectives and motivations.

In that vein, I wish to make it clear that but for the possibility of entering into a joint venture with the Ahousaht, MB would have absolutely no interest whatsoever in purchasing the portion of DL 363 currently held by Mr. Dale. I also wish to make it clear that, while at this time it is not necessary from our perspective that the Ahousaht indicate a formal commitment to the proposed joint venture, it is not possible or practical to do any further work on this project in the absence of a sign from First Nations that you are now prepared to go further down this road.

On the basis of that sign -- and as a gesture of our desire to make new approaches work in Clayoquot -- we are prepared to immediately begin negotiations with Mr. Dale concerning sale of the property in question, and to begin consultations with the Ahousaht and other interested parties concerning development options and on 363 the possible structuring and operation of a joint venture company on Flores.

While we by no means have all the answers, I think we at MB have a far better appreciation now than we did several months ago of the concerns of First Nations in Clayoquot and the need to embrace more ecologically sensitive forestry and logging practices in the Sound. We have learned much from our discussions with First Nations during the past year and are prepared to put our resources and energy behind this proposal as a way of demonstrating that aboriginal/non-aboriginal partnerships can succeed in the coastal forest industry, and that small site forestry and manufacturing operations in Clayoquot Sound can be both ecologically sustainable and economically viable.

cont'd...

Chief Earl George
Chief Councillor Louis Frank
Page 3

We look forward to talking to you further about it and hope there will be an opportunity in 1995 to translate what we have learned into progress on-the-ground.

Regards and best wishes for the Holiday Season.

Yours sincerely,

A handwritten signature in cursive script that reads "Linda Coady".

Linda Coady
Vice President, Environmental Affairs

Encl.

cc: Nelson Keitlah, NTC
Cliff Atleo, NTC
Bill Cafferata, MB

bcc:

Christine Lattey, Ministry of Aboriginal Affairs
Bob Friesen, Ministry of Forests (Victoria)
Paul Pashnik, Ministry of Forests (Port Alberni)
Ross MacMillan, Central Regional Board

MacMillan Bloedel

S. J. Coleman
J. F. Connor
N. Dirom
W. D. Fitzgerald
G. W. Griffiths
J. L. Howard
C. D. Neeser
G. Sartisohn
R. D. Tuckey



925 West Georgia Street
Vancouver, B.C. Canada V6C 3L2
Telex No. 0451471
Telephone: (604) 661-8000

For personal contact dial:

June 6, 1995 *282-20/CLAY/KCR*
Ref: 48400-01/AHOU1

Mr. Cliff Atleo
Central Region
Nuu-chah-nulth Tribal Council
P.O. Box 1383
Port Alberni, B.C.
V9Y 7M2

JUN 09 1995

MINISTRY OF ABORIGINAL AFFAIRS

Dear Cliff:

As agreed, here are my thoughts on how MB and the Ahousaht could get started on a Joint Venture Company (JVC).

This proposal follows the general form of the MB proposal dated December, 1994, and discussed with the Ahousaht January 19, 1995.

An exception is the earlier reference to DL 363. Although MB continues to actively pursue purchase of the Jack Dale portion of DL 363 as a first step to resolve this issue, it was agreed last January that DL 363 need not be tied to the proposal for a JVC.

MacMillan Bloedel Ltd. and the Ahousaht First Nation have been discussing the possibility of a Joint Venture Company to operate in the co-operative forest created with the signing of the Clayoquot Sound Interim Measures Agreement.

Both parties have expressed serious interest in the formation of a JVC, and MacMillan Bloedel has been requested to describe a potential JVC operation for its consideration by the Ahousaht.

MB feels that the Joint Venture Company should represent a sound business for both parties, one that minimizes risk, and offers opportunities for expansion.

Therefore, we propose that the Joint Venture Company begins as a logging operation working on Flores Island.

The operation would be equipped and staffed for the harvest of approximately forty thousand (40,000) cubic metres per year. MB proposes that twenty thousand (20,000) cubic metres of this harvest be assigned to the JVC from MacMillan's TFL 44. We recommend that this assignment be for an initial period of five years, with provision for renewal. The remaining twenty thousand (20,000) cubic metres would come from the government's unallocated small business program in Clayoquot Sound.

It is anticipated that logging on Flores Island will be planned to meet the spirit and intent of the recommendations made by the Clayoquot Sound Scientific Panel. This will mean a requirement for both long-line and ground-based yarding systems, and the ability to train workers in their use.

MB recommends that the firm of Jack McKay Ltd. be contracted to provide equipment, expertise, and training to the JVC. McKay is an established logging contractor for MB at its Cypre operation, has a good record as an efficient operator, and can work efficiently between Flores Island and its own contract operation at Cypre River. McKay also has a long-line machine, excavators suitable for ground-based harvesting where it is desirable, a barge capable of efficiently moving equipment and supplies between Cypre and Flores Island, numerous other items of machinery and material, and an administrative infrastructure.

Using McKay as a contractor to the JVC will greatly reduce the capital required to start the enterprise, and provide the experience and flexibility needed to assist the attainment of both training and production goals.

The logging operation, including the administration of the McKay contract, would be the responsibility of the JVC Manager.

It is proposed that, given agreement to form a JVC, approval be sought to start logging on the north end of Flores Island, where timber is already roaded, log dump established, and there do not appear to be any environmental or cultural concerns that could not be satisfied by operating in accordance with the recommendations of the Clayoquot Sound Scientific Panel.

Revenue would be earned through the sale of logs at open market prices, with MB having the first right to buy any or all of the logs produced by the JVC. Profits, or losses, from the business of the JVC would be shared by its partners in proportion to their ownership.


Services to JVC, such as silviculture, water taxis and security, could also be provided by the Ahousaht First Nations on a contractual basis. This would probably give the Ahousaht an opportunity to expand these businesses, and to have the flexibility to serve non-forest industry businesses such as fish farming and tourism.

Additional expansion in the forest industry is also possible, for example, a small sawmill producing specialty products. It is MB's experience that this type of business tends to be a higher risk, therefore, we feel that the JVC should not contemplate entering this business before it has established a successful logging operation.

It is my understanding that the Ahousaht Chiefs will consider this outline. If they are in favour of proceeding, I recommend that MB and the Ahousaht meet with Davis and Company to begin drafting a formal agreement.

I will be away from Vancouver until June 15. During that time Stan Coleman will act as Chief Forester, and will be available to answer questions that you may have.

Yours truly,


for W.N. Cafferata
Vice President, Chief Forester

950605b

cc: R.D. Tuckey
J.F. Connor
S.J. Coleman
Y.L. Coady
Christine Lattey - Ministry of Aboriginal Affairs
Bob Friesen - Ministry of Forests

MacMillan Bloedel & Ahousaht First Nations

Proposal for the establishment of a
Joint Venture Company
on
Flores Island

December, 1994

STATEMENT OF INTENT

MacMillan Bloedel is interested in establishing a joint venture company on Flores Island with the Ahousaht First Nations.

The joint venture company would operate a sawmill, and conduct forestry and logging operations on Flores Island. The mill would produce solid wood products for sale in markets in the US, Pacific Rim and Europe. All operations would be conducted according to the highest environmental standards based on the recommendations of the Scientific Panel for Clayoquot Sound, the approval of the Central Regional Board, the terms of the Interim Measures Agreement and the requirements of the new BC Forest Practices Code.

MacMillan Bloedel is prepared to take the following steps in order to establish such a company:

- 1. Buy-out the Jack Dale portion of DL 363 and contribute it and MacMillan Bloedel's portion of DL 363 to the joint venture company. (Note: This means fee simple ownership of DL 363 would be held by the joint venture company.)*
- 2. Ask the provincial government to identify appropriate method for the joint venture company to acquire MB's current tenure on Flores for an initial period of 5 years.*
- 3. Contribute its share of the capital and expertise necessary to convert the remains of the Dale sawmill into a contemporary operation, and establish silviculture and logging operations on DL 363 and other parts of Flores in accordance with the above mentioned agreements and requirements.*

Joint Venture Partnerships Commitments & Responsibilities

MacMillan Bloedel currently participates in a number of joint venture partnerships involving the manufacturing and distribution of a range of forest products including particleboard, cement board, oriented strandboard, laminated beams, moldings, pre-fabricated building materials and other specialty wood products.

Based on this experience, we have come to regard joint ventures as a good idea in instances where two parties share compatible though not necessarily identical interests in a particular activity. As a general rule of thumb, we have found joint venture partnerships to be viable and successful under the following conditions:

- 1. Both parties can agree on basic objectives, and are willing to devote the necessary resources and commit to the shared work required to making the joint venture successful.*
- 2. Both parties are open and frank with each other -- there are no hidden agendas or unrealistic expectations.*
- 3. Both parties are willing to attach a high priority to working at the partnership and achieving the level of ongoing communications and understanding necessary for it to grow.*

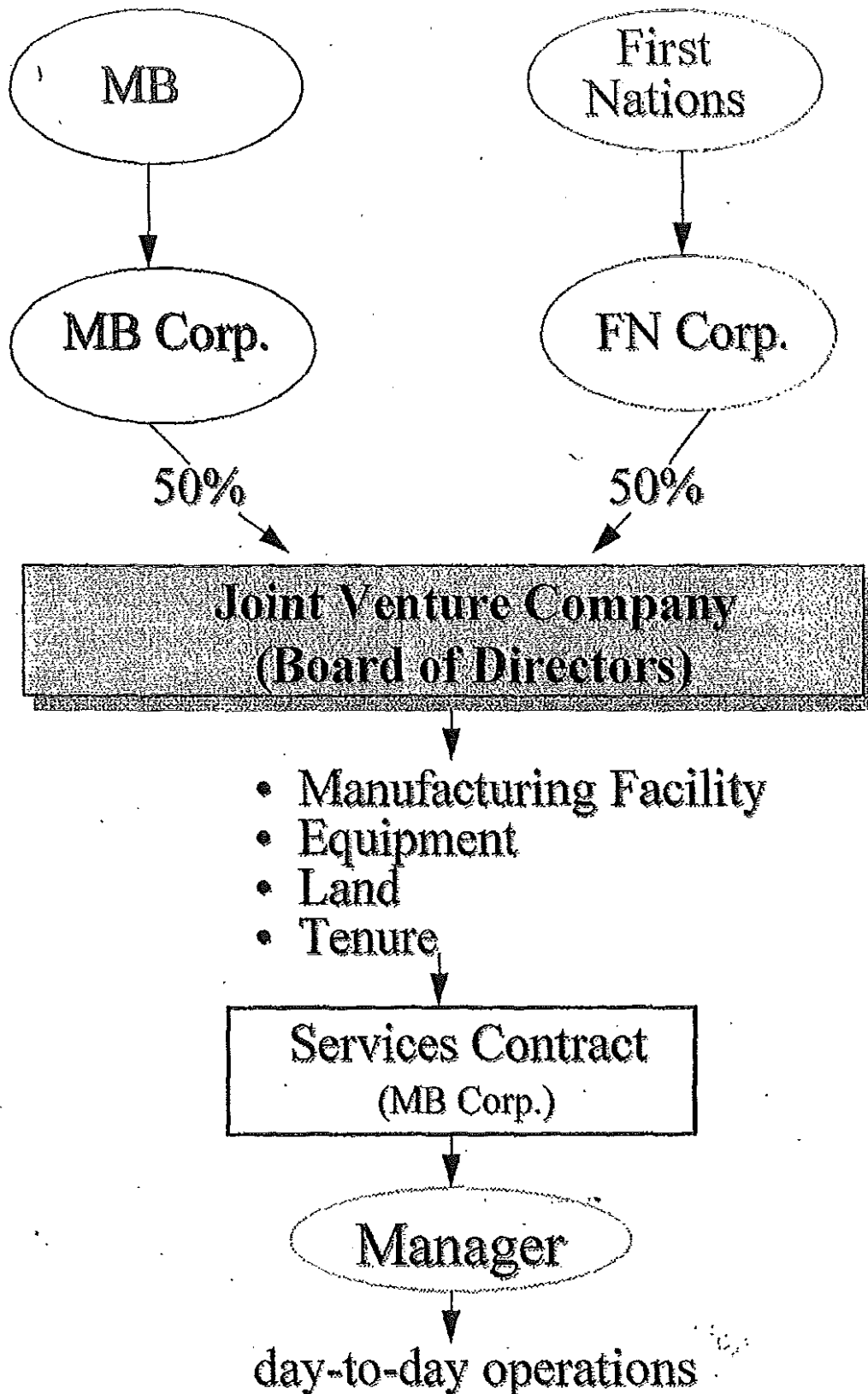
ABORIGINAL / NON-ABORIGINAL JOINT VENTURES

- Joint business ventures between First Nations and private companies are becoming increasingly common in western Canada. Successful aboriginal/non-aboriginal joint venture projects in British Columbia during the past few years have involved residential building developments, marinas, golf courses and natural resource development.
- In preparation for this proposal we at MB reviewed a number of successful joint ventures between native bands and resource companies in BC, Alberta and Yukon. Such ventures can vary considerably in size and structure, but successful ones tend to be characterized by common elements that we have attempted to incorporate into this proposal.

GENERAL PROCESS

1. The most important challenge in setting up a successful joint venture company is the achievement of what both partners feel is a fair balance between their respective interests, contributions and objectives.
2. Usually, the process required to define that balance goes something like this:
 - Both partners contribute land, capital, or other assets/benefits to the joint venture company.
 - The contribution of each partner is valued and collectively constitutes the joint venture company's equity.
 - Shares in the joint venture company are allocated to each partner on the basis of the value of their respective contributions.
3. **MB Contribution:** In the case of a joint venture company on Flores Island, MacMillan Bloedel's contribution would include a consolidated DL 363 and the company's current forest tenure on Flores.
4. **First Nations Contribution:** First Nations' contribution would include capital for investment in plant and equipment, and provision to the joint venture company of access to or use of traditional territories on Flores.

JV MODEL



NOTES ON STRUCTURE

- MacMillan Bloedel Corporation and First Nations Corporation would enter into a master joint venture agreement which would set out the relationship between MB and First Nations.
- The Joint Venture Agreement would deal with such matters as:
 - relative contributions of MB and First Nations to the joint venture;
 - capital accounts and revenue sharing participation;
 - responsibility for financing, operational management;
 - definition of processes for dispute resolution, sale of products produced by the joint venture, contracting and employment of personnel, insurance and indemnities, title to joint venture assets, and various other matters;
 - fair compensation for MB investment in DL 363 should treaty negotiations or resolution of the Ahousaht's historical grievance regarding the United Church's wrongful transaction of the lot eventually result in expropriation;
 - provision for either partner to buy the other out at some point in the future.
- Day-to-day management of the joint venture would be contracted by the joint venture Board to MB under a "services agreement".

**WHY IS MacMILLAN BLOEDEL INTERESTED
IN A JOINT VENTURE PARTNERSHIP WITH
THE AHOUSAHT?**

- security and availability of fibre supply*
- security of markets
- a partnership with First Nations would assist the company with the transition in forest practices required by new social and ecological requirements
- a partnership with First Nations would help demonstrate MB's commitment to new approaches to management of natural resources and the company's relationship with First Nations in Clayoquot Sound

* *MacMillan Bloedel would seek to include in the joint venture agreement a provision that would see fibre not utilized in the Flores mill offered for sale to other MB operations at market price before it is offered to third parties -- i.e., a right of "first refusal" option.*

WHAT IS MacMILLAN BLOEDEL WILLING TO CONTRIBUTE TO A JOINT VENTURE COMPANY?

- current tenure on Flores Island (for initial period of 5 years).
- both portions of DL 363 (through purchase of Jack Dale portion of the lot)
- demonstrated management, technical and marketing expertise
- capital & access to financing
- public demonstration of MB goodwill and support for more direct First Nations involvement in economic development in Clayoquot Sound

MacMILLAN BLOEDEL'S UNDERSTANDING OF FIRST NATIONS OBJECTIVES

Through our discussions with First Nations in Clayoquot Sound during the past several months it is our understanding that aboriginal interest in a joint venture with MacMillan Bloedel on Flores Island would be motivated by First Nations interest in the following objectives and requirements:

- sensitivity to environmental issues and assurance that economic development in Clayoquot Sound will operate in a manner consistent with maintenance of ecological diversity and the principles of sustainable development
- a more direct share in the economic benefits generated by forest resource development in Clayoquot Sound
- assurance that the joint venture development will not compromise treaty negotiations and First Nations rights
- assurance that projects undertaken by the joint venture will provide First Nations participants with equity interest and more direct economic benefits from activities flowing from use of forest resource
- assurance that the joint venture will provide opportunities for education, training and direct employment of First Nations
- access for any First Nations businesses to participate in "spin-off" or third party contracts or activities stemming from joint venture projects
- use of DL 363 and access to benefits flowing from development of DL 363 during the interim period between now and the outcome of treaty negotiations, or resolution with senior levels of government of the Ahousaht's historical grievance regarding transaction of the property

POSSIBLE FIRST NATIONS CONTRIBUTION TO JOINT VENTURE

1. Stability of Land Tenure

- minimize uncertainty stemming from land claim and treaty negotiations on the joint venture

2. Partnership

- a partnership between MB and First Nations would provide MB with social and political benefits that would assist in the resolution of outstanding environmental issues in Clayoquot Sound and be an asset in the marketing of products produced from fibre harvested there

3. Financing

- First Nations often have access to various forms of government financing options that a private company like MB does not, as the treaty negotiations progress, First Nations will be beneficiaries of significant financial transfers -- some of which they will be looking to invest

4. Tax Benefits

- First Nations often have access to tax exemptions other groups do not that often provide unique opportunities for tax effective planning for the joint venture

PROPOSED NEXT STEPS

1. If Ahousaht First Nations indicate genuine interest in this proposal, MB will begin negotiations with Jack Dale regarding purchase of his portion of DL 363. (*Jan. '95*)
2. Further discussions between First Nations and MB regarding expectations of the joint venture and understanding of each other's contributions and objectives (*Feb. - March '95*):
 - presentation by First Nations to MB decision makers on treaty negotiations and ecological issues
 - visit by First Nations of MB facilities or resources that could help support joint venture (i.e. Research & Development Lab in Burnaby, Woodlands Services in Nanaimo, Solid Wood Marketing division in Vancouver)
3. Establishment of a sub-group to investigate and make specific recommendations concerning (*Feb. - May '95*):
 - development of small site sawmill on DL 363
 - establishment of harvesting and silviculture operations on DL 363
 - other development options for DL 363, i.e. recreation and eco-tourism, agriculture, housing etc.
 - tenure arrangements

Proposed Next Steps (cont'd)

4. Convening of a special workshop involving MB, First Nations, MOF and others as appropriate, regarding small site sawmills (*April - May '95*):

- case studies -- mills that have worked, mills that haven't
- product lines and fibre requirements
- infrastructure requirements
- capital costs
- operating plans
- employment & training
- marketing and sales

(Note: workshop program should also include tours to operations considered relevant)

5. Signing of a "Letter of Intent" outlining basic principles and understanding of what is going to happen with joint venture regarding (*June '95*):

- contribution of property and interests
- capitalization
- split in equity
- shareholder agreement

6. Signing of a Master Agreement between MB and the Ahousaht legally establishing a joint venture company on Flores Island (*September '95*).



MacMillan Bloedel Limited

925 West Georgia Street
Vancouver, BC V6C 3L2

Cc: IMB
RDT
CDN
WNC
JFC
5-1-95

Fax Message

To: Chief Earl George
Chief Councillor Louis Frank,
Chief Treat Negotiator Cliff Atleo
Nelson Keitlah

Chief Councillor Francis Frank,
Fax Numbers: (604) 724-1269 (Chief George's office) ...
(604) 670-9696 (Ahousaht Band Council)
(604) 723-1393 (Cliff Atleo's office)
(604) 723-0483 (Nuu-Chah-Nulth Tribal
Council)
(604) 725-4233 (Tla-o-qui-aht Band
Council)

From: Linda Coady
Company: MacMillan Bloedel
Phone: 661-8169
Fax: 661-8507

Number of Pages: 6
Date: October 30, 1995

Re: Proposed Joint Venture Company

cont'd

MacMillan Bloedel Limit

925 West Georgia Street
Vancouver, B.C. Canada V6C 3L2
Telex No. 0451471
Telephone: (604) 661-8000

For personal contact dial: 661-8169

FAX (604) 661-8507

October 27, 1995

Earl Maquinna George
Hereditary Chief, Ahousaht First Nations
2425 Hilton Avenue
Port Alberni, B.C.
V9Y 2Z8

Dear Chief George:

Re: Joint Venture Proposal between MacMillan Bloedel and First Nations

Thank you for your fax of September 29, 1995 directed to Luisa Ciarniello.

We are pleased you are interested in proceeding with further negotiations in connection with a Joint Venture between MacMillan Bloedel and First Nations in Clayoquot Sound. We agree that our representatives should meet for the purpose of these discussions, and propose November 6, 1995 as a possible date.

We wish to invite First Nations representatives to our Head Office in Vancouver for this meeting. However, if that is not convenient, we will come to a location of your choice on Vancouver Island.

In the meantime, and in preparation for our discussion, we thought it would be useful to more formally set out in writing our understanding of the essential principles and components of the proposed Joint Venture. Our intention is that this outline will form the basis for negotiations, which we hope will lead to the conclusion of a definitive written agreement between the parties concerning our joint enterprise.

/2

Earl Maquinna George

Page 2

October 27, 1995

The essential components and principles of the Joint Venture would be as follows:

1. **Parties** – the parties to the Joint Venture would be the Ahousaht First Nation and the Tla-o-qui-aht First Nation (the "First Nations") and MacMillan Bloedel Limited ("MB").
2. **Purposes** – the purposes of the Joint Venture are:
 - (a) to conduct forestry and logging operations on Flores Island, and to sell logs at open market prices (with MB to have right of first refusal); and
 - (b) to evaluate the potential for operation of a sawmill for production of solid wood products for sale in the U.S., Pacific Rim and European markets; and
 - (c) to further develop forest-related operating and management expertise among First Nations.

All operations are to be conducted according to the highest environmental standards, based on the recommendations of the Scientific Panel for Clayoquot Sound, the approval of the Central Region Board and the terms of the Interim Measures Agreement for Clayoquot Sound signed March 17/95 by Central Region Chiefs and the province of British Columbia.

3. **Scope** – the scope of the operations of the Joint Venture would include the Cooperative Forest as defined by the Interim Measures Agreement.

The operation would be equipped and staffed for the harvest of approximately forty thousand (40,000) cubic metres per year, twenty thousand (20,000) cubic metres from TFL 44 held by MB and the balance from the government's unallocated Small Business Program in Clayoquot Sound.

4. **Structure** – There would be three principal agreements which would be entered into in order to implement the purposes of the Joint Venture – a master Joint Venture Agreement, a Services Agreement and a Logging Contract.
 - (a) **Joint Venture Agreement ("JVA")**
This would be the master document governing the relationship between the parties, and would be entered into either directly between the parties or by corporations formed by each of them. The major items covered by the JVA would be:

/3

Earl Maquinna George

Page 3

October 27, 1995

(a) **Joint Venture Agreement ("JVA") *cont'd.***

- Participation in capital accounts and revenue sharing
- Management of the Joint Venture
- Dispute Resolution

Pursuant to the JVA the parties would form a Joint Venture Corporation ("JVC"), the share capital of which would be owned equally by the parties, subject to minor variations or may be necessary as may be necessary or advisable to accomplish financial or taxation objectives.

(b) **Services Agreement**

The JVC would enter into a Services Agreement with MB or one of its subsidiaries or divisions pursuant to which MB would provide specified services to the Joint Venture.

(c) **Logging Contract**

The JVC would enter into a Logging Contracts. The Contracts would be designed to encourage the creation of business and/or training opportunities for First Nations in harvesting, silviculture and the full range of support services including transportation, security and Geographic Information Systems.

5. **Contributions – the respective contributions of the parties to the Joint Venture would be as follows:**

- (a) **MB** – MB would assign, for an initial term of five (5) years, twenty thousand (20,000) cubic metres of harvest from TFL 44, (the remaining twenty thousand (20,000) cubic metres to come from the government's unallocated Small Business Program in Clayoquot Sound).
- (b) **First Nations** – First Nations would make available to the Joint Venture areas in the Cooperative Forest available for commercial forestry and logging.

MB would also contribute management, technical and marketing expertise, capital and access to financing. First Nations would also contribute access to various forms of expertise, financing and to tax exemptions which may be uniquely available to the First Nations.

Earl Maquinna George
Page 4
October 27, 1995

6. **Duration** – The Joint Venture Agreement would provide that the Joint Venture would remain in existence until the completion of the "Purposes" set forth in paragraph 3 above, subject to earlier termination by the parties.
7. **Effective Date** – In order to provide incentive to the parties to move forward with the negotiations leading to the signing of the JVA, it is proposed that the parties target January 1, 1996 as the effective date from which the JVA will come into full force and effect.

The foregoing sets forth a brief summation of the essential components of the proposed Joint Venture.

More detailed discussion and communication has been previously held between the parties, including the Proposal for the establishment of a Joint Venture Company involving MB and the Ahousaht First Nation, prepared by MB dated December 1994. A supplement to this proposal expanding the JVC to include possible participation by the Tla-oqui-aht First Nation was circulated October 5, 1995.

It is understood that this Joint Venture Agreement would be entered into within the context of other initiatives involving MB and First Nations including the disposition of DL 363, establishment of a value added internship for First Nations, and the possible relocation of a shake and shingle mill to an area adjacent to the Cooperative Forest.

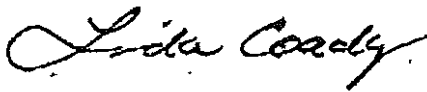
The next step in proceeding with this proposal would be to confirm the meeting which you suggest in your September 29 fax and we have proposed be held November 6. At that meeting, we can discuss and attempt to secure agreement on all major issues, with a view to signing a letter of intent and instructing our respective legal advisors to commence preparation of the Joint Venture Agreement. Please note that the proposed letter of intent would be an expression of the desire of all parties to negotiate in good faith, but that nothing will be legal and binding on either of the parties until the a formal Joint Venture Agreement is concluded and signed.

We look forward to receipt of your acknowledgment of the foregoing, as requested, as soon as possible.

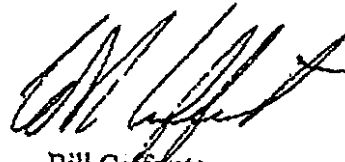
Earl Maquinna George
Page 5
October 27, 1995

If you have any comments or questions, please do not hesitate to call.

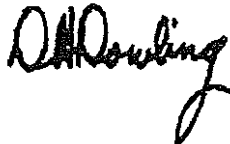
Best regards,



Y. Linda Coady
Vice President, Environmental Affairs



Bill Cafferata
Chief Forester & Vice President



Don Dowling
Manager, Kennedy/ Estevan Division

YLC:lsc

cc: R.D. Tuckey
C.D. Neeser
J.C. Connor

leitchfg@doe.ylc

Revised

Note: Draft for Discussion Purposes Only

**Further Thoughts on a Joint Venture Company between MacMillan
Bloedel and First Nations in Clayoquot**

September 28, 1995

**Submitted to the Ahousaht First Nation & the Tla-o-qui-aht First Nation
by Bill Cafferata, Linda Coady & Don Dowling**

MacMillan Bloedel Ltd. has made a proposal to the Ahousaht First Nation for a Joint Venture Company (JVC) to operate in the co-operative forest created with the signing of the Clayoquot Sound Interim Measures Agreement. More recently, MacMillan Bloedel and the Tla-o-qui-aht have also discussed the possibility of establishing a joint venture company.

Following is a discussion on how a joint venture company involving MacMillan Bloedel, the Ahousaht and the Tla-o-qui-aht might be configured, and is supplemental to our original proposal of December 1994, which contains more detail on the possible organizational structure of the JVC.

Cooperative Forest on Flores

It has been proposed that the Joint Venture Company (JVC) encompass forestry and logging operations on Flores Island.

The original notion involved utilizing the MB and former Jack Dale portions of DL 363 on Flores. However, both MB and the Ahousaht agreed in January/95 that DL 363 need not be tied to the proposal for a JVC. The current status of DL 363 is addressed separately page 4 of this document.

- 2 -

The JVC operation would be equipped and staffed for the harvest of approximately forty thousand (40,000) cubic metres per year. MB proposes that twenty thousand (20,000) cubic metres of this harvest be assigned to the JVC from MacMillan's TFL 44. We recommend that this assignment be for an initial period of five years, with provision for renewal. The remaining twenty thousand (20,000) cubic metres would come from the government's unallocated small business program in Clayoquot Sound.

Logging on Flores Island will be planned to meet the recommendations made by the Clayoquot Sound Scientific Panel. This will mean a requirement for both long-line and ground-based yarding systems, and the ability to train workers in their use.

MB recommends that the firm of Jack McKay Ltd. be contracted to provide equipment, expertise, and training to the JVC. McKay is an established logging contractor for MB at its Cypre operation and has a good record as an efficient operator. McKay also has a long-line machine, excavators suitable for ground-based harvesting where it is desirable, a barge capable of efficiently moving equipment and supplies, numerous other items of machinery and material, and an administrative infrastructure.

Using McKay as a contractor to the JVC will greatly reduce the capital required to start the enterprise, and provide the experience and flexibility needed to assist the attainment of both training and production goals.

The logging operation, including the administration of the McKay contract, would be the responsibility of the JVC Manager. Special training opportunities in production, supervision, and administrative positions could be funded by FRBC, and provided through a combination of on-the-job coaching, attendance at schools such as BCIT and by working as an "intern" at other MB operations.

It is proposed that, given agreement to form a JVC, approval be sought to start logging on the north end of Flores Island, where timber is already roaded, a log dump established, and there do not appear to be any environmental or cultural concerns that could not be satisfied by operating in accordance with the recommendations of the Clayoquot Sound Scientific Panel.

- 3 -

Revenue would be earned through the sale of logs at open market prices, with MB having the first right to buy any or all of the logs produced by the JVC. Profits, or losses, from the business of the JVC would be shared by its partners in proportion to their ownership.

Services to the JVC, such as silviculture, water taxis, security, and Geographic Information Systems could also be provided by the Nuu-chah-nulth on a contractual basis. This would give First Nations an opportunity to expand these businesses, and to have the flexibility to serve non-forest industry businesses such as fish farming and tourism.

Cooperative Forest in Clayoquot River

In addition to forestry and logging operations in the Ahousaht traditional territory in the cooperative forest on Flores Island, the JVC could also encompass forestry and logging operations in Tla-o-qui-aht traditional territory in the cooperative forest in the Clayoquot River.

Under the current collective agreement between MacMillan Bloedel and the IWA, MB is obliged to retain the IWA crew at our Kennedy Lake Division for any logging involving the company in this area. However, this requirement could still be met by having the MB crew log under contract to the proposed JVC.

Such a configuration has not, to our knowledge, been tried before in BC, and would obviously require the cooperation of the IWA. But we believe that the means could be found to produce benefits for all parties, and that such an approach would represent an innovative way around current constraints in Clayoquot River.

As on Flores Island, the Clayoquot River operation would be conducted in accordance with Scientific Panel recommendations, MB would have first right of refusal on the logs and training for First Nations in production, administration and supervision would be a component of the operation.

- 4 -

Value Added Possibilities

Expansion of the JVC into value added manufacturing may be practical. As this would be a higher risk operation from an economic perspective it is necessary to carefully consider options. Continuity of supply to MB's existing operations would be an important consideration in planning for this facility, as would the location of the proposed mill and the type of products it would produce.

We therefore suggest that, as a first step in this area, the parties to the JVC retain a consultant with demonstrated expertise in value added manufacturing to evaluate the potential. Input from labour and the local community should also be sought.

In addition, the possibility of a mutually beneficial relationship between the Toquaht mill outside of Ucluelet and a potential JVC mill should also be examined. MB is currently working with the Toquaht Band to acquire material for its manufacturing operation and assist with product marketing.

An opportunity may also exist for obtaining economic benefits from non-timber resources such as vegetation for the floral business. As this aspect of forest use has been proposed by environmental groups, they may wish to co-operate in developing a proposal for its implementation.

Value Added Internship

If a joint venture company involving MB and First Nations in Clayoquot Sound did proceed, MB would establish an Internship in value added manufacturing and marketing for two First Nations students with our company. MB is the provincial leader in value added manufacturing of solid wood products and is therefore in a position to provide a valuable and indepth learning experience in this area. The Internship could run for two years, at which time employment prospects managing a manufacturing operation in Clayoquot Sound would hopefully be available.

- 5 -

Other Manufacturing Opportunities

An even more immediate possibility regarding the establishment of a manufacturing operation in Clayoquot could see the relocation of the shake and shingle mill currently situated in Cypre to an area in Tla-o-qui-aht traditional territory, provided a good site could be identified and wood supply secured.

If the mill were accessible to highway transportation, it could possibly be expanded, and the existing crew could train a First Nations crew to run an additional machine and fill vacancies.

DL 363

In July 1995, MacMillan Bloedel purchased the former Jack Dale portion of DL 363 and entered into a Management Services Contract with the Ahousaht Band Council for maintenance and clean-up of the lot. With the support of the provincial government, MB and the Ahousaht now intend to make a joint representation to the federal government regarding the historical wrongful transaction of the lot and to seek its return to the Ahousaht First Nation.

Further Comments

Through our discussions with First Nations since the signing of the Interim Measures Agreement for Clayoquot Sound in 1994 we have become acutely aware of the strong desire of First Nations for employment opportunities and the opportunity to share in the economic benefits that flow from resource development on their traditional lands.

We believe this is a just request and that its achievement is essential to the continuation of resource development in Clayoquot. At the same time we must honour our commitments to current employees, and we do not have the legal authority to enter into financial relationships with First Nations involving payments for resource compensation or royalties. Moreover, such arrangements would, in our view, undermine the treaty negotiation process currently underway.

- 6 -

Despite those constraints we believe it is possible to develop joint activities that will enable First Nations to advance their economic objectives. Since the Interim Measures Agreement (IMA) was signed, MB has employed First Nations in Clayoquot for silvicultural, environmental and cultural assessment work. Together with the Ahousaht Forestry crew, we have submitted a project to FRBC for additional silviculture projects. And we have frequently discussed with the CRB the need to create First Nations employment in relation to new harvesting approvals.

While we feel some progress has been made, opportunities have clearly been limited and the pace is slower than we would like. We believe that a more comprehensive approach, as embodied by the proposed JVC, would provide the framework necessary to move forward more aggressively and create longer-term sustainable jobs as opposed to short-term, project-specific work.

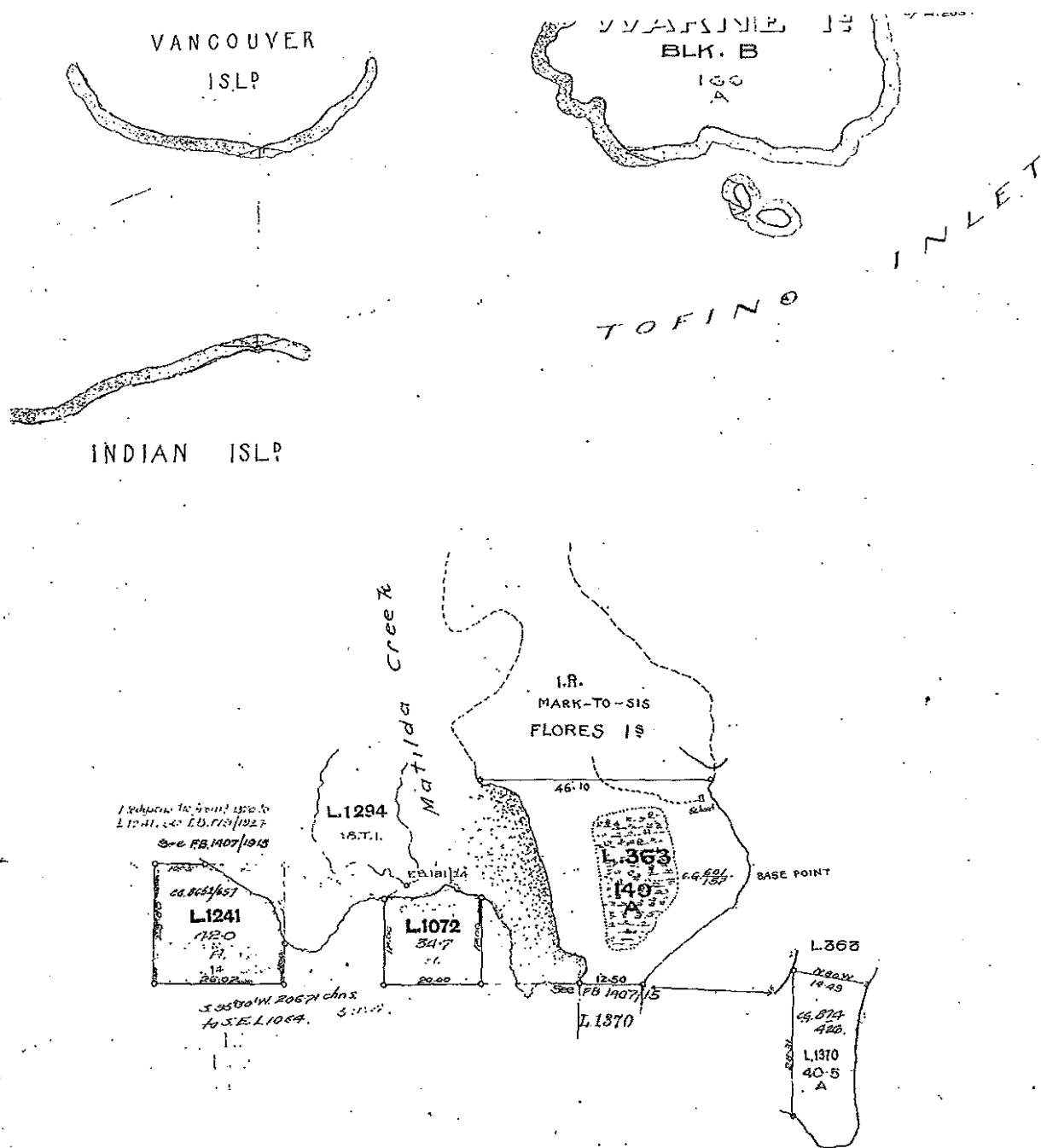
MB has publicly supported the extension of the Interim Measures Agreement for Clayoquot Sound and the resolution of land claims through the treaty negotiation process. In our view, a joint venture proposal such as is outlined here would assist in achieving extension of the IMA and would help to dispel some misconceptions in the broader community regarding treaty objectives. We believe a JVC between our company and First Nations would lead to a measurable improvement in the social and economic well-being of both the native and non-native communities in Clayoquot.

We also believe that the best way to create the economic independence sought by First Nations is through the establishment of working partnerships with companies like ours that can lead to economically viable ventures capable of generating economic prosperity and social benefits on their own merits.

Depending on the objectives of the parties involved, a JVC between MB and the Ahousaht and Tla-o-qui-aht could be configured in a number of different ways. This proposal represents one. We are open to discussing others.

On behalf of MB, we would like to thank the First Nations of the Central Region of the Nuuchah-Nulth Tribal Council for their efforts to promote environmental reform in Clayoquot Sound in a manner that will reduce tensions between environmental activists and our company.

YLC4. JV



CUT SHEET of
14 TRI
official plan

MacMillan Bloedel Limited

INTER-OFFICE MEMO

TO [W.N. Cafferata]

FROM [A.C. Hill] AT [Timberlands & Properties] DATE [September 30, 1994]

SUBJECT [Jack Dale's Property on Flores Island] COPIES TO [J.L. Howard
Y.L. Coady]

Attached is my appraisal (2 copies) and Roy Davies' report.

A couple of thoughts to consider:

- Jack's property looks like a commune with the 2 houses, 3 cabins, barn, gardens, sawmill etc. It would appeal to such communal type buyers as hippies and environmentalists if Jack puts it up for sale to the general public. We would not want it to go that route so all the more incentive for us to purchase it.
- Jack says he has a written contract for the timber on our portion of D.L. 363 which he values at \$300,000 extra. This should be discussed with Kennedy Estevan Division.

A.C. Hill
A.C. Hill

STRICTLY CONFIDENTIAL

Roy Davies
Sawmill Supervisor
MacMillan Bloedel Limited
Island Phoenix Division
722-4109 - 722-4191
Home Phone: 753-1618 (Voice Mail okay)

September 26, 1994

RE: TRIP TO SEE JACK DALE'S SAWMILL IN AHOuset - NORTH OF TOFINO

Flew to Ahouset via Tofino Air at 9:00 a.m. on Thursday September 21, 1994.

Jack Dale met the plane and took Albert Hill (from Head Office) and myself to the mill site.

The mill site consists of several cabins and a large guest house or main living quarters. Jack has 40 acres for sale with beach frontage and a fringe of timber left on the south side. For the main part, the property is all cleared.

This property is black loam.

s.22

The property is trenched through the middle as well as across the back at the timber line. Jack stated that the property was a lake years ago, very boggy - wet soil.

The property is

The property has power to all buildings and a 3 phase system in place to run the sawmill. The sawmill building seems to be well constructed with a tin roof in fairly good repair. However, it was not raining when we visited. The building would need a cement floor at some point in time.

Equipment in the sawmill building consisted of the following:

- 3 phase power.
- Mighty Mite dimensional mill, electric and hydraulic. Valued at \$12,000 to \$15,000. To replace at today's price is \$50,000 plus.
- 966 log loader (old).
- A small chop saw for trimming lumber.
- A very large diesel powered, solid rubber tire fork lift, used to do water logs and feed kilns. Parts are still available from Texada Mines as this is where Jack obtained the relic 4 wheel drive.
- One small kiln to process 5 to 6 thousand F.B.M. Jack said it still works?

Newly constructed kiln building with re-enforced concrete floor. Some insulation in walls but not sheeted with vapor barrier or plywood. Approximate size 30' x 45' x 8'. Framed in hole for Urakan heat pump/dehumidifier. Jack has the unit but it will cost extra to buy it as it is stored in Chemainus or somewhere near by. The Volume that the kiln shed is capable of drying is 30,000 F.B.M. in a ten day period for hemlock and less for red cedar.

STRICTLY CONFIDENTIAL

Page 2

A kiln is the only way to run this mill site.

1) Chemical application of lumber on a water soaked bog is out of the question. M.B. does not need any more lime- light. One chemical spill would do just that.

2) Kiln dried hemlock in a finished product is allowed into the UK market, chemical treated wood is not.

Night lights are needed to enable crews to work safely at night. Day lights are needed as well as this area receives 230 inches of rain each year.

For logs that the mill would cut, I would suggest a high grade log such as hemlock and red cedar. These are the main species in the area. There is some spruce but not enough to run the mill. With the consumption of high grade hemlock and the availability of a kiln, a finished product of R-list graded door stock components cut, dried, and marketed to the UK would be one way to go to obtain the value added in a finished hemlock product. The same would apply to red cedar.

To crew the mill, no more than three people needed to run this operation.

- 1) Heavy machine operator, 966 and the forklift.
- 2) Sawyer - Mighty Mite and other duties.
- 3) Trim saw operator, builder of finished packages to be kiln dried

All employees should be trained in all three positions.

Native Labour - this may be possible but you would have to train your own young work force and that may be the biggest challenge. However, if there are some young fellas/gals who want to be trained then this is the way to go.

The length of time the mill would operate would be September to June with July and August down as the Natives are fishing and the person running the mill will need two months off to recharge his batteries.

The access of loading a log barge in these area is not good so some research is required as to how to get the logs to market. There is a way but it means handling the logs twice instead of once. They can be loaded on a smaller log barge and towed to an area suitable for the larger log barge to load.

Getting rid of waste material - at the time when Jack shut down the mill he had a permit to burn the waste. This may not apply if MacMillan Bloedel owns the mill site. Some discussion with the Forestry on this regard is a must before purchasing this property. Burning waste has to cease by 1995. No more bee hive burners are allowed in the new forestry. Jack does not have a bee hive burner, just a point of great interest. There is power to run a mobile chipper, but that is getting away from the problem and there is no way to get rid of the chips

STRICTLY CONFIDENTIAL

Page 3

Jack talked at great length and one item that requires further research is the deal Jack and M&B and the forestry have regarding Jack's claims that he has the right to log the timber in question adjoining his property. He claims he has this right since M&B logged timber on another Island that Jack had the timber sale for and that he traded for this right. This is well worth checking into before an offer is made on the property.

Jack was able to de water logs on his beach front but this may not be the case if M&B tries to de water logs. This would be another item to check out.

If the mill was to remain cutting similar stock as it has been cutting, then it could operate with 3 employees, however, if the intent is for a retreat for customers to view native people working in a sawmill/environmental joint venture, this would be great.

The property would also make an excellent fishing lodge as they claim there is great fishing near by.

General Observation of the mill site:

- * Bare bones and very labour intensive.
 - * Price offered has to include all existing buildings and should be fully noted in package price. Please ensure this happens as Mr. Dale has other ideas and extra costs to be added, i.e. he stated he wanted an extra \$30,000. for his new kiln drying shed
 - * A word of caution which may ensure a smooth transaction would be to have Jack and s.22 stay on as caretakers and the use of Jack's knowledge would be a great asset in establishing good relations with the Native folks next door. Jack's parting words gave me the impression that s.22
 - * The mill would require some upgrading and someone with more expertise than myself should assess this. Maybe an engineer to check building structure and a letter to W.C.B. with regard as to what can and can't be done. The minute a large company such as MacMillan Bloedel buys a site the rules all change. My point is more research should be done.
- Forestry
 - W.C.B.
 - Native involvement (Crew)
 - Log Supply and Quality
 - Marketing
 - Great fish camp possibilities

Sincerely

Roy Davies



TO

W.N. Cafferata

FROM

A.C. Hill

AT

Timberlands & Properties

DATE

September 29, 1994

SUBJECT

APPRAISAL OF JACK DALE'S PROPERTY
ON FLORES ISLAND

COPIES
TO

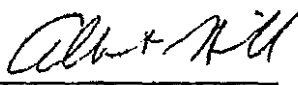
J.L. Howard
Y.L. Coady

As per your request I have appraised Jack Dale's property on Flores Island.

I have personally inspected the property and have made whatever other investigation I deemed necessary in order to establish a realistic estimate of value.

Roy Davies of our Island Phoenix mill accompanied me to see the sawmill and will be providing a separate report on the viability of this aspect of Jack Dale's operation.

To the best of my knowledge and belief the value of the property, as described with buildings and equipment listed in the attached appraisal, as of September 22, 1994 is \$550,000.


A.C. Hill

PROPERTY TO BE APPRAISED

Legal Description

That part of Lot 363, Clayoquot District, etc.
(See attached title search for complete legal and map showing location and configuration).

Location

On the southeast side of Flores Island about 12 miles from Tofino off the west coast of Vancouver Island.

Purpose of Appraisal

To indicate an opinion of market value of the subject property as described above as of September 22, 1994.

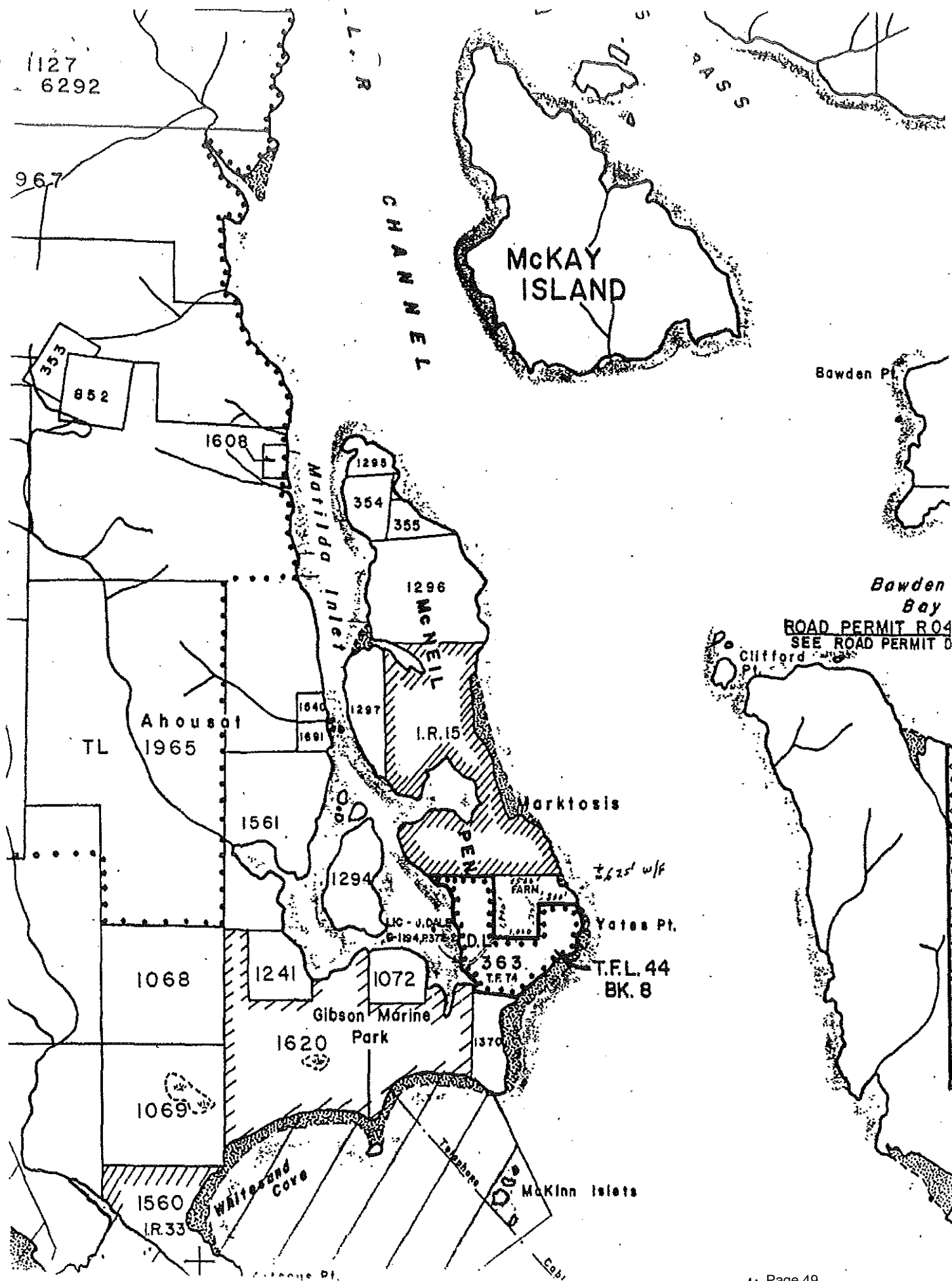
Definition

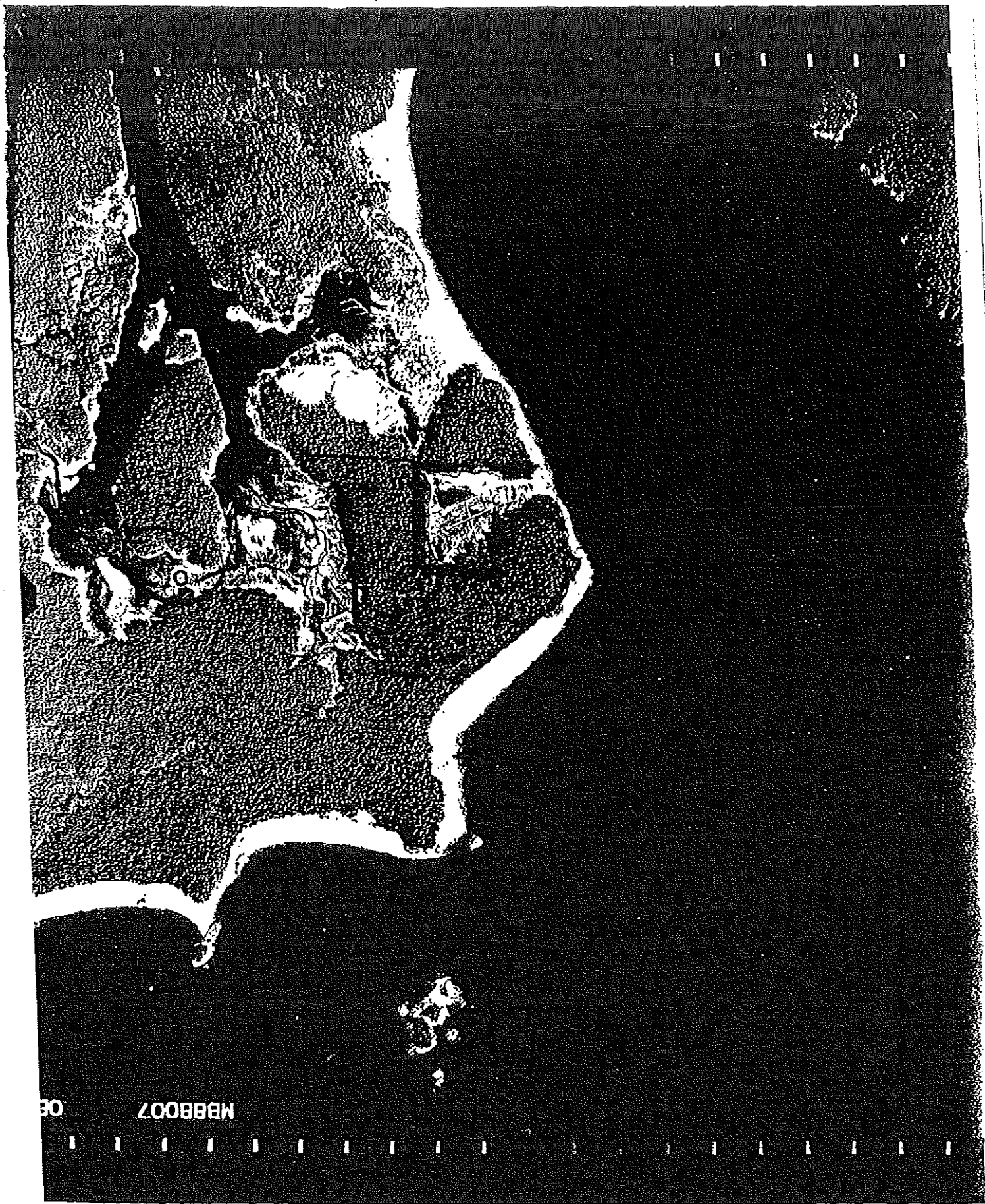
"The probable price at which a property would sell for at the date of appraisal, allowing for a reasonable time to find a purchaser."

Source - Real Estate Appraising in Canada

Page 48 redacted for the following reason:

s.3





MBB007 08

ASSUMPTIONS AND LIMITATIONS

1. The title is assumed to be good. Any liens or encumbrances have been disregarded and the property appraised as though free and clear.
2. Information supplied to me by others has been investigated and to the best of my knowledge, is deemed to be accurate.
3. The legal description supplied is deemed correct.
4. I have no interest, present or contemplated in the subject property.
5. No responsibility is assumed for matters which are legal in nature.
6. The conclusions arrived at are related solely to the subject property and the principles therein, would not necessarily apply to any other property.
7. Further assumptions or limiting conditions as may be set out in this report.

SUMMARY OF SALIENT FACTS

1. SIZE OF LAND
40.00 Acres (16.188 ha)
2. ASSESSMENTS (Values as of July 1, 1993)
\$222,500 (See attached for breakdown)
(Not Actual Market Value)
3. ROLL NUMBER
05-70-770-03407.000
4. CURRENT TAXES (1994)
\$2,559.67
5. ZONING
7 acres is zoned M1 - Industrial Park the rest is unzoned
(see attached)
6. LEGAL DESCRIPTION
That part of Lot 363, Clayoquot District as described
under Parcel Identifier 009-398-619.
7. CERTIFICATE OF TITLE NUMBER
C66481
8. REGISTERED OWNER
John George Harold Dale
9. ESTIMATED VALUE
\$550,000
10. DATE OF APPRAISAL
September 22, 1994

Not Responsive

I 01

BRITISH COLUMBIA ASSESSMENT AUTHORITY
1994 AUTHENTICATED ROLL COPY

District Lot 363, Clayoquot Land District, IMAT
PART AS DESCRIBED IN CERTIFICATE OF TITLE 261725-1
PID # 009-398-619

AREA: 05 70 770 ACRES
ASSESSMENT ROLL NUMBER: 03407,000
EOTF: 00

JOHN G H DALE
AHOUSAT B C
BULK MAR
VOR 1A0

| ACTUAL VALUE | | DESCRIPTION | ASSESSED VALUES | |
|--------------|-------------------|-----------------------------|-----------------|-------------------|
| | | | GENERAL | SCHOOL/INDUS |
| 6 9 0 | 18,900 8,100 | LAND | 18,900 8,100 | 18,900 4,050 |
| 6 1 | 81,700 113,800 | BUILDINGS | 71,700 | 71,700 113,000 |
| | | NET | 98,700 | 207,650 |
| | | EXEMPT | 123,800 | 14,850 |
| | | TOTAL | 222,500 | 222,500 |
| | | NOT ACTUAL/MARKET VALUE—SEE | INFO PAGE | |

| REG DIST | LAND | DEFERRED AREA | WATER DIST | HC | DEFERRED AREA | PREVIOUS ROLL VALUE | | | | | |
|-------------|-------|---------------|------------|-----------------|---------------|---------------------|-------------------|-----|--------|-------|---------|
| 01 | C A | | | | | \$141,000 | | | | | |
| CON | INDUS | SHED | SPEC SHED | TEN | STOCK | BUFF | ALN | SPC | MAN CL | L USE | ACT USE |
| | | | | 01 | | | | 92 | 9000 | 12 | 180 |
| DIME/RODING | | LANDS FILE | | DOCUMENT NUMBER | | REDA | PROPERTY LOCATION | | | | |
| 3140.00 | | | | C66481 | | 250 | | | | | |

I 02

Not Responsive

REGIONAL DISTRICT OF ALBERNI-CLAYOQUOT

BY-LAW NO. 426

OFFICIAL ZONING ATLAS AMENDMENT NO. 229

A By-law of the Regional District of Alberni-Clayoquot to amend By-law No. 15, being the "Regional District of Alberni-Clayoquot Zoning By-law No. 15, 1971".

WHEREAS the "Municipal Act" authorizes the Regional Board to amend a zoning By-law after referral to the Technical Planning Committee and after a Public hearing and upon the affirmative vote of the Directors, in accordance with Section 787 (2) of the "Municipal Act".

AND WHEREAS an application has been received to rezone a property;

AND WHEREAS the Board of Directors of the Regional District of Alberni-Clayoquot in open meeting assembled, enacts the following amendment to the Official Zoning Atlas forming part of the "Regional District of Alberni-Clayoquot Zoning By-law No. 15, 1971".

1. TITLE

This By-law may be cited as the Regional District of Alberni-Clayoquot Zoning Amendment By-law No. 426, 1983

2. By-law No. 15, of the Regional District of Alberni-Clayoquot amended by rezoning:

That part of District Lot 363 as described in Certificate of Title 261725 I, Clayoquot District

3. This By-law shall come into force and take effect upon the adoption thereof

| | | | |
|-------------------------|-------------|-------|------|
| Read a first time this | 27th day of | April | 1983 |
| Read a second time this | 25th day of | May | 1983 |
| Read a third time this | 25th day of | May | 1983 |

I hereby certify the foregoing to be a true and correct copy of By-law No. 426 cited as Official Zoning Atlas Amendment No. 229, as read a third time by the Regional Board on the 25th day of May, 1983

Secretary-Treasurer

Approved by the Minister of Municipal Affairs

this 30th day of June, 1983

Reconsidered and adopted this 27th day of July, 1983

Chairman

Secretary-Treasurer

APPROVED pursuant to the provisions of section

814 of the "Municipal Act" this

30th day of June 1983

Minister of Municipal Affairs

APPROVAL No. 830668



ADDENDUM TO SCHEDULE "A" TO BY-LAW NO. 426

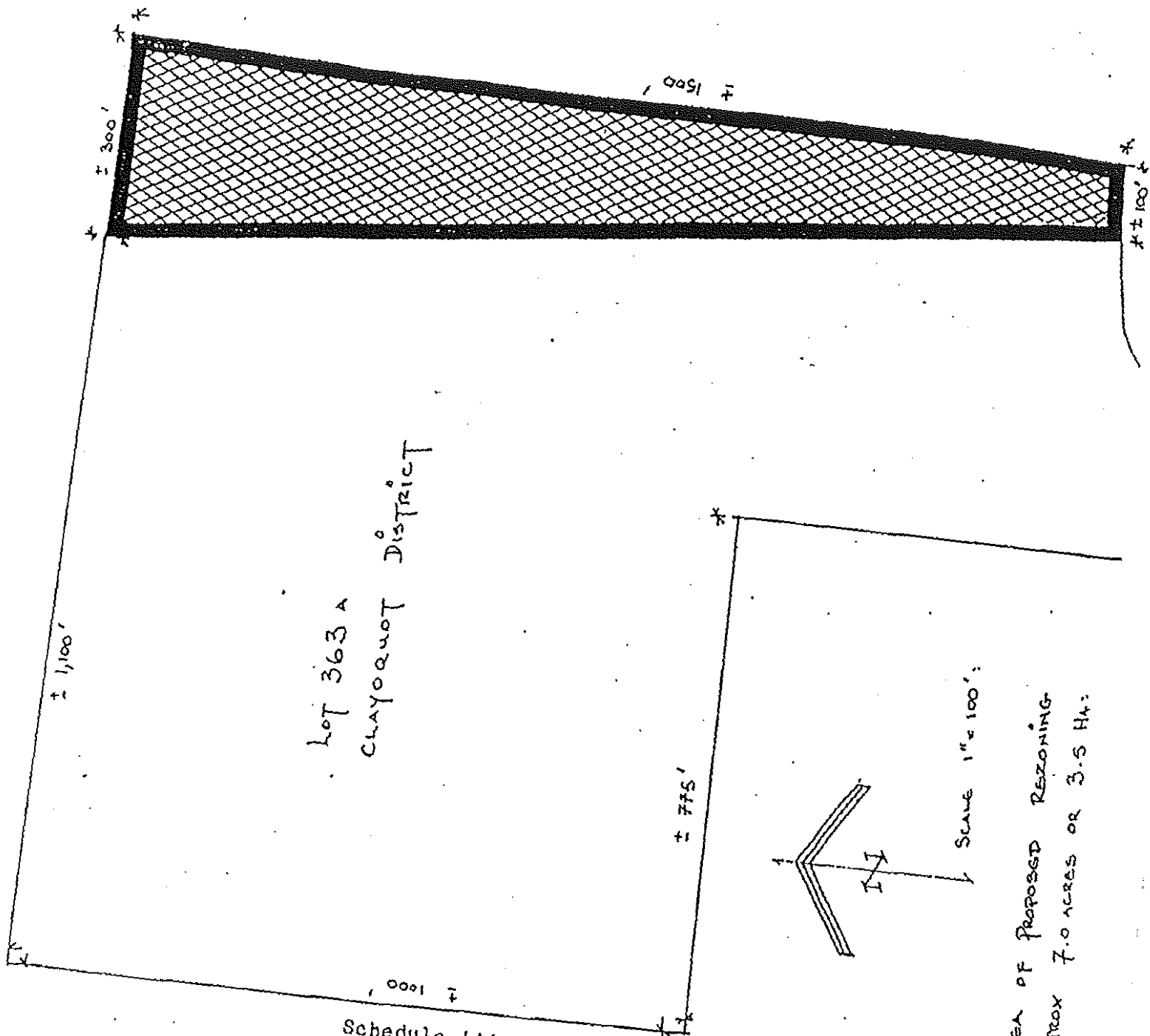
Area of Proposed Zoning ☒

Present Zoning: UNZONED.

Proposed Zoning: INDUSTRIAL PARK [M1] District

Chairman: Perry Barr

Secretary-Treasurer: [Signature]



Area of Proposed Rezoning
Approx 7.0 acres or 3.5 Ha.

Proposed Zone Boundary

Present Zoning :

Proposed Zoning :

'UNZONED'



INDUSTRIAL PARK [M1] DISTRICT

131 INDUSTRIAL PARK DISTRICT (M 1)

This District provides for the accommodation of light manufacturing, warehousing and wholesaling functions under development standards and conditions designed to minimise conflicts with surrounding uses.

131.1 Uses Permitted:

- (1) The following Manufacturing Industries:
 - (a) Food and Beverage Industries, excluding the Fish Products Industry and Meat and Poultry Products Industries.
 - (b) Knitting Mills, Textile, Leather, Rubber and Plastic Products, Tobacco Products, and Clothing Industries.
 - (c) Coffin and Casket Industry, Wooden Box Factories, and those Miscellaneous Wood Industries concerned with manufacturing or finishing from prepared lumber.
 - (d) Furniture and Fixture Industries.
 - (e) Printing, Publishing and Allied Industries, excepting enterprises engaged in Publishing Only.
 - (f) Machinery, Electrical Products, Transportation Equipment and Metal Fabricating Industries, excepting Boiler and Plate works and the Fabricated Structural Metal Industry.
 - (g) Glass and Glass Products Manufacturers.
 - (h) Miscellaneous Manufacturing Industries.
- (2) Offices, storage buildings, and workshops for the following enterprises within the Construction Industry:
 - (a) Building Construction
 - (b) Septic tank construction (on site).
 - (c) Special-Trade Contractors excepting Demolition, excavating, House Moving Contractors.
- (3) Wholesale Trade, excluding Wholesalers of Lumber and Building Materials, Wholesalers of

Scrap and Waste Materials.

- (4) Other Storage and Warehousing, excluding open storage as a principal use.
- (5) Electric Power, Gas, Water Utilities, and government agencies, work yards.
- (6) Cartage, Delivery and Express Facilities.
- (7) Retailers of Automotive Products, excluding sale of gasoline but including an automobile or boat sales or rental lot.
- (8) Engineering and Scientific Service laboratories.
- (9) Laundries, Cleaners and Pressers (except Self-service).
- (10) The following Miscellaneous Services:
 - (a) Blacksmithing and Welding Shops
 - (b) Services to Buildings and Dwellings
 - (c) Machinery and Equipment Rental.
- (11) Accessory buildings and uses, including display, storage, and retail sales of goods produced on the premises.

131.2 Conditions of Use:

- (1) All permitted uses shall be housed completely within an enclosed building, except for permitted outdoor display, rental, sales or storage yards, parking and loading facilities.
- (2) Nothing shall be done which is or will become an annoyance or nuisance to the surrounding areas by reason of unsightliness, the emission of odours, liquid effluents, dust, fumes, smoke, vibration, noise or glare; nor shall anything be done which creates or causes a health, fire or explosion hazard, electrical interference or undue traffic congestion.
- (3) Any part of a lot used or intended to be used as an outside storage area shall be enclosed by screening on any side not facing directly upon the principal building on the lot, and no material shall be piled to extend above such screening. Required front screening shall be so situated as to conform with the front yard setback provisions.
- (4) All those portions of a required front yard not used for permitted parking or display areas shall be fully and suitably landscaped and properly maintained.

DESCRIPTION OF THE SUBJECT PROPERTY

The subject property is an irregular shaped parcel of 40 acres fronting on the ocean. It is situated on the S.E. corner of Flores Island overlooking Millar Channel, off the Tofino area of Vancouver Island. There is about 625 feet of oceanfront of which about 300 feet is beautiful sandy beach.

The land is flat and mostly cleared to the farm field stage. It appears to have a high water table and is crossed by several drainage ditches. The annual rainfall is said to be 231 inches per year.

There are numerous buildings on the site as it was used as a farm and as a sawmill operation. There are two houses and three cabins, a barn, a garage, a sawmill building and a dry kiln building. All buildings are of a homebuilt variety in various stages of completion and in various stages of repair.

Hydro is available including 3 phase for the sawmill. Telephone is also in place. There are 2 good wells on the property, and two septic fields. A gravel road connects the property to the Indian village which is next door to the north. Float plane and water taxi transportation are available from the village.



Dale property in foreground, Ahousat in background



Dale property - Sawmill buildings on left



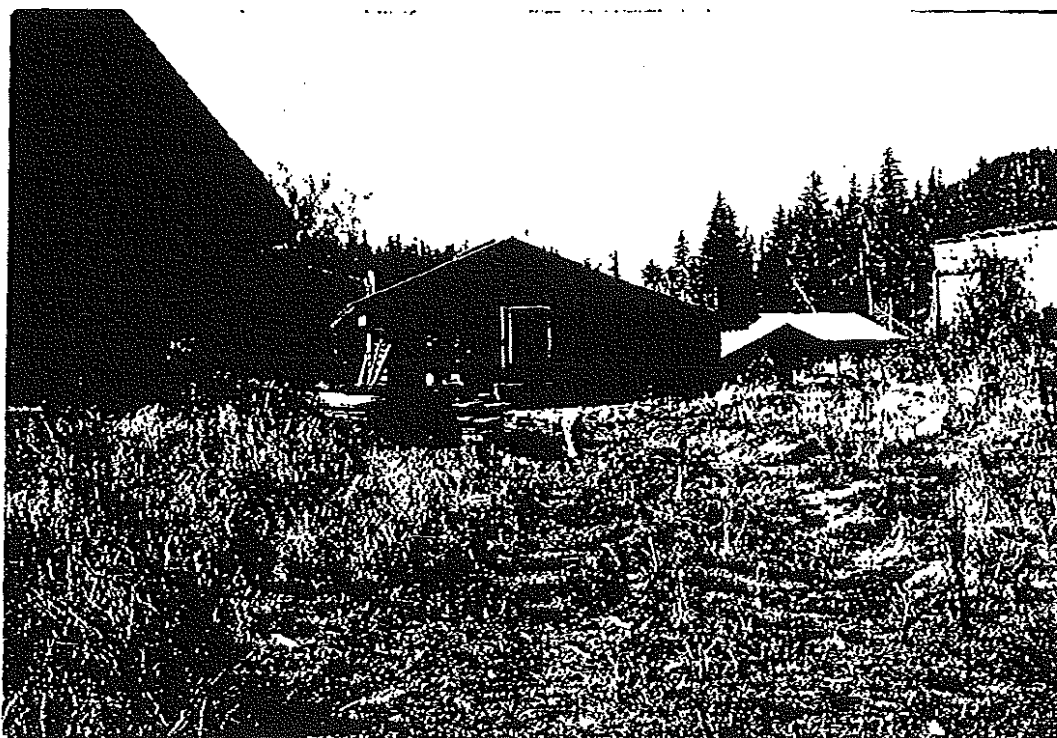
On the beach looking at old house on left,
cabins in centre and on right.



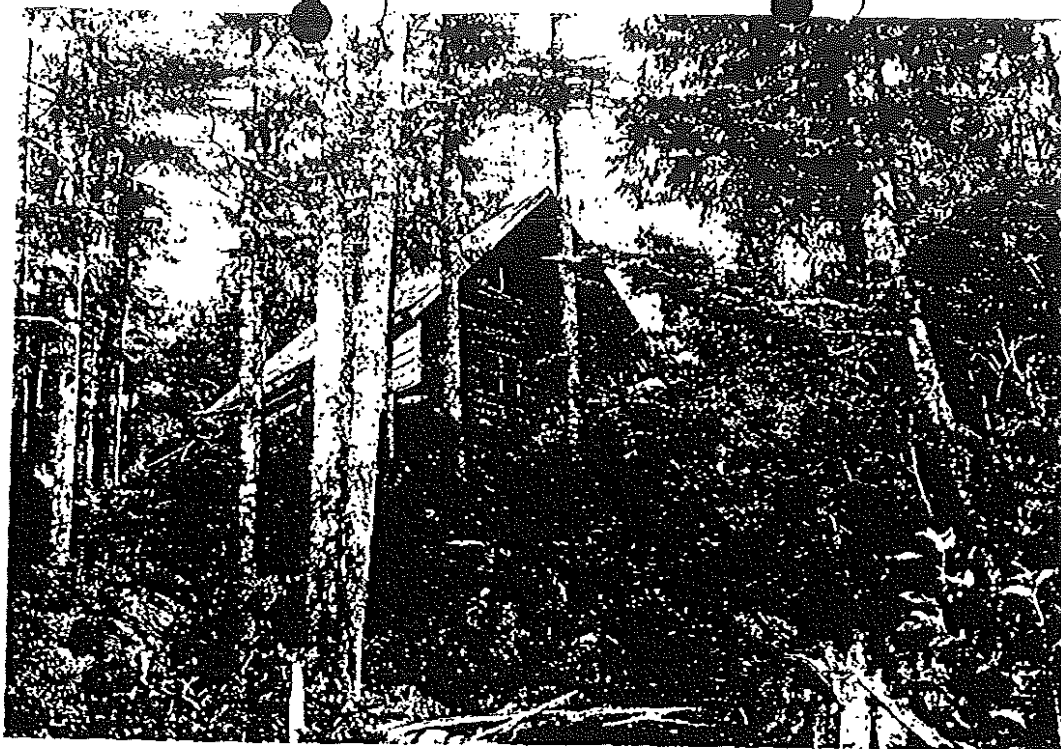
On beach looking outwards and to the northeast.



Old house looking up from beach



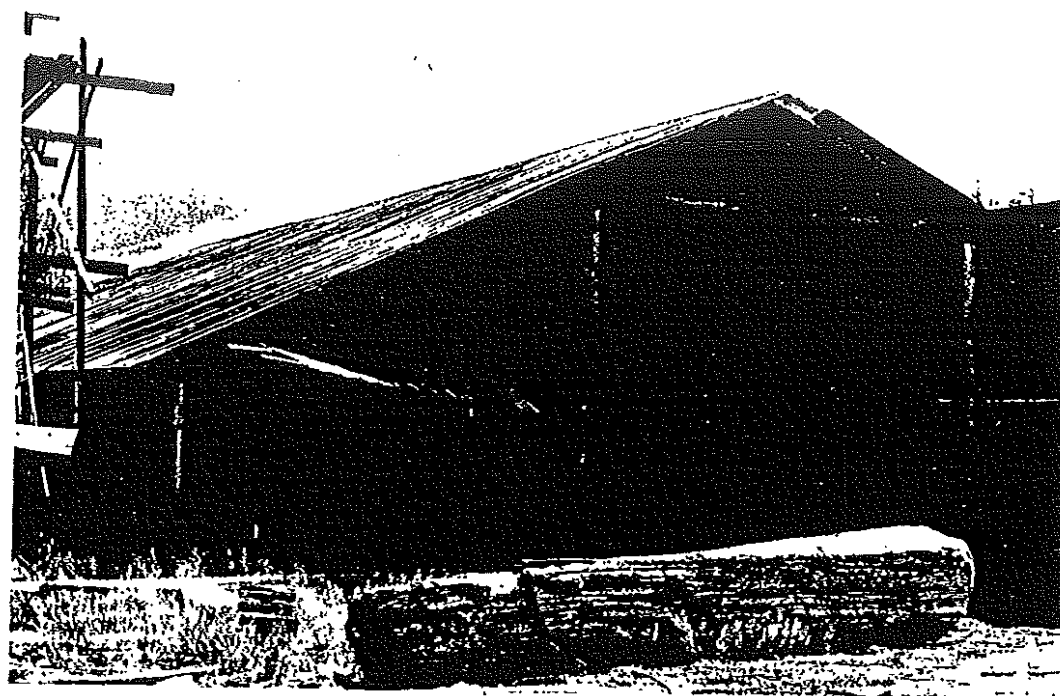
New house under construction in center



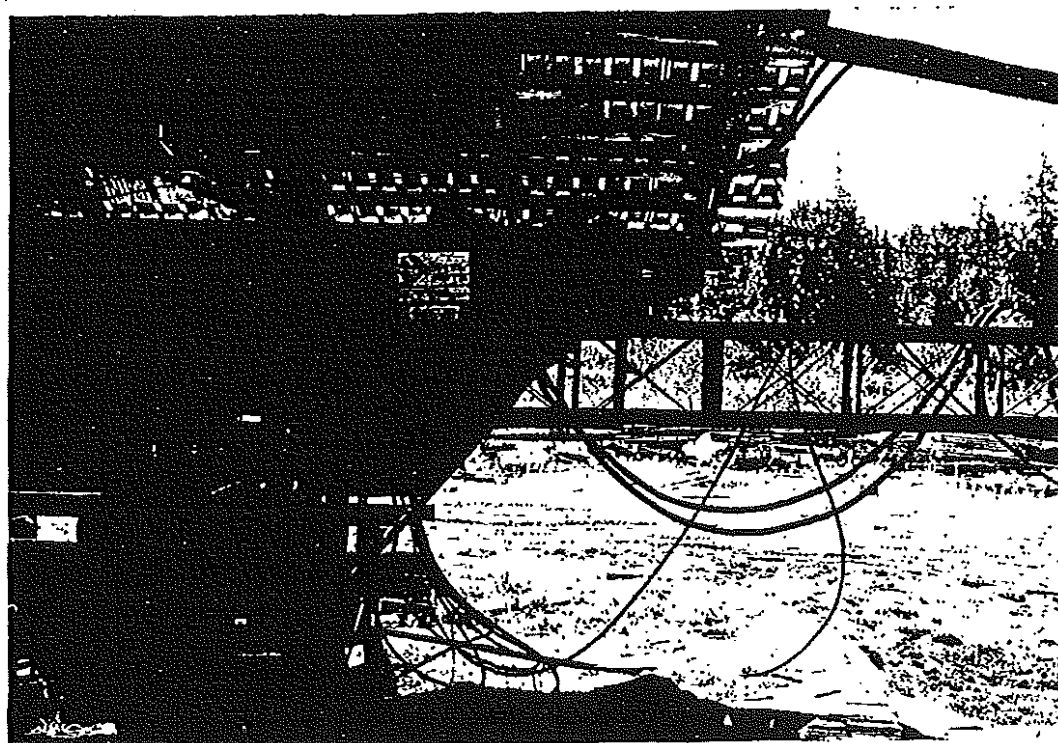
Cabin on bluff on south side of property



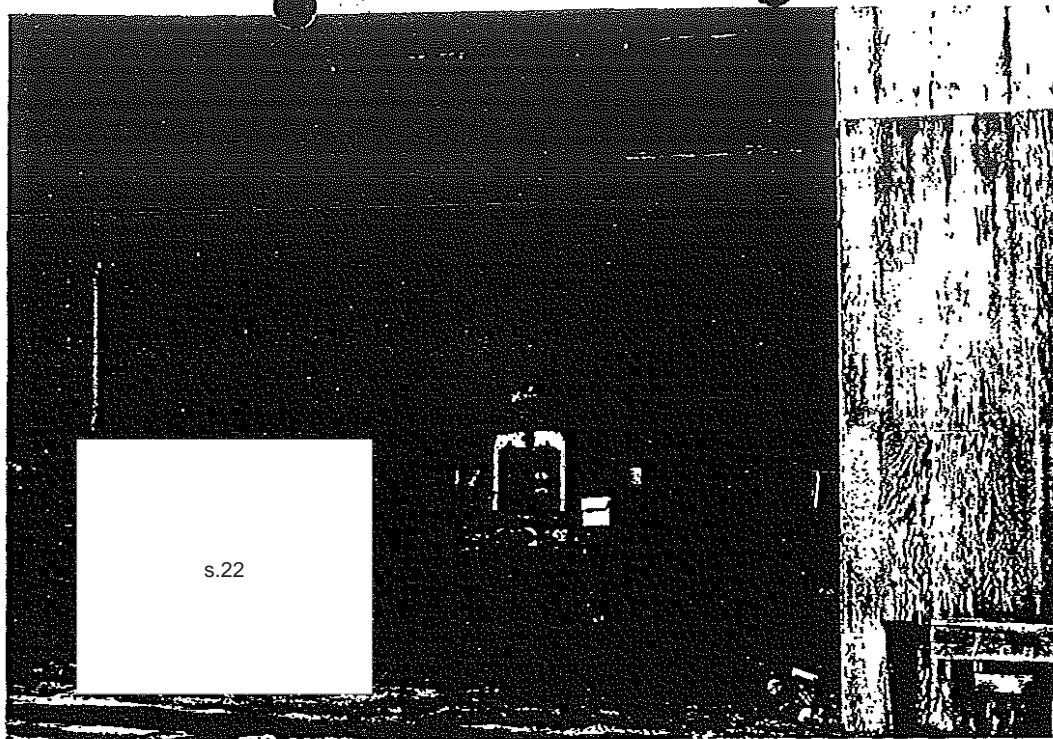
.. Another cabin, partly finished



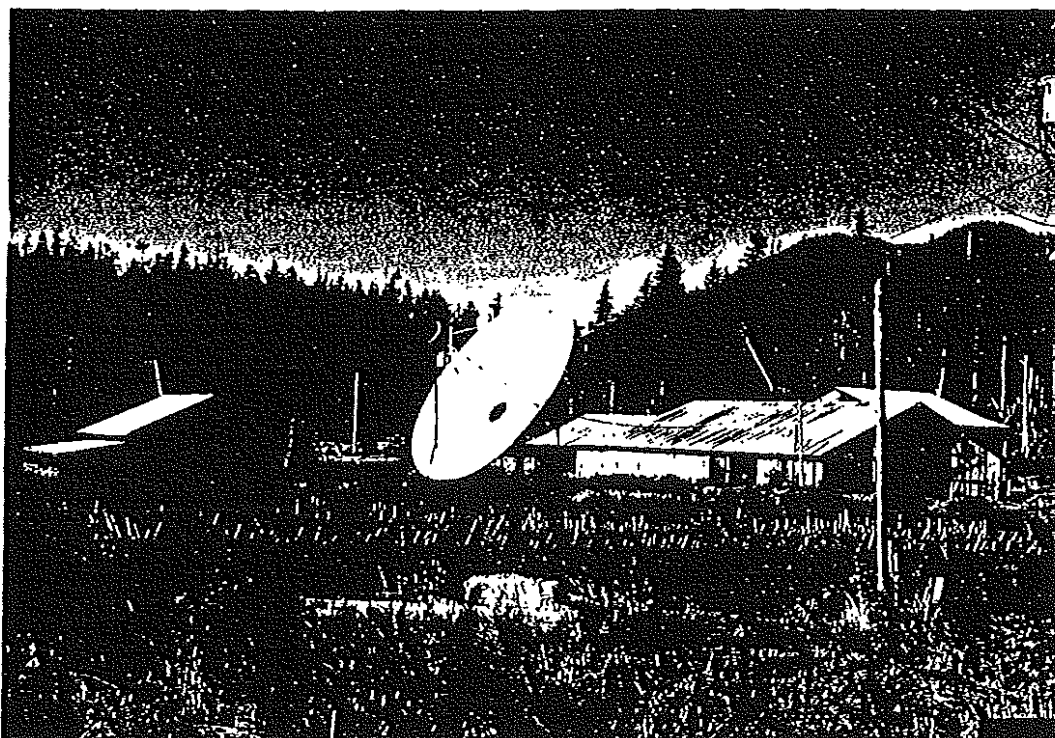
Sawmill building and lumber storage



---Mighty Mite Sawmill



Dry kiln building, insulated
Jack Dale and Roy Davies



Barn on left, sawmill and kiln building on right
Garden area just past t.v. dish



Steel clad garage rented to B.C. Hydro
at westerly (back) end of property



Looking into MB's property at
westerly (back) end of Dale's property

HIGHEST AND BEST USE

This property could be put to several uses including reactivating the sawmill operation, hobby farming, as a homesite, as a resort, or possible subdivision into two or more pieces.

Evaluation

As this is a unique property not only in its location, being in the Clayoquot Sound area of the West Coast but also in the improvements that have been done to the property over the years. It is a very hard property to put a value on as no comparable type properties exist that have sold in recent times, if ever.

There have been some sales of vacant waterfront properties on the West Coast. These have been used to establish a base land value to which land value enhancing improvements such as land clearing, hydro etc. have been added.

The estimated value of the buildings and machinery is then added to the land value to come up with a final price.

1. BARE LAND VALUES

West Coast Waterfront Sales

| <u>SALE NO.</u> | <u>LOCATION</u> | <u>LEGAL</u> | <u>SIZE (ac.)</u> | <u>DATE</u> | <u>PRICE</u> | <u>\$/Acre</u> |
|-----------------|---------------------------------|------------------------------|------------------------------|-----------------|-------------------|-----------------|
| 1) | Toquart Bay | D.L. 55 5,000' w/f | 103 ac. | Nov/93 | \$250,000 | \$2,427 |
| 2) | Vargas Island | L.6, D.L. 1016 Plan 20252 | 75 ac. 700' w/f | Apr/93 | 148,000 | 1,973 |
| 3) | Stewardson Inlet | D.L. 316 | 134 ac. | listing 1994 | asking 350,000 | asking 2,612 |
| 4) | Cypress Bay | L.2, D.L. 1632 | 10 ac. | June/94 | 42,500 | 4,250 |
| 5) | Queen Cove at Port Eliza | D.L. 212 | 126 ac. | June/94 | 255,000 | 2,024 |
| 6) | S. end of Nootka Island | D.L. 262 | 60 ac. | Feb/94 | 100,000 | 1,667 |
| 7) | Mitchell Bay on Malcolm Island | D.L. 15 | 351 ac. w/f on 2 sides | Sept/93 | 700,000 | 1,996 |
| 8) | Alder Island, N. of Van. Island | D.L. 1447 | 100 ac. | Dec/93 | 300,000 | 3,000 |

Average \$2,494/ac
Say \$2,500 per acre

Adjusted Land Values:

Sales of unimproved isolated waterfront parcels of larger size sell for about \$2,500 per acre as shown in the previous analysis.

The Dale property is much superior to these as it has been cleared, has hydro, telephone, wells, septic and partial road access.

| | | |
|------------------------------------|---|------------------|
| Bare lands 40 acres at 2,500/ac. | = | \$100,000 |
| Add - land clearing at \$1,000/ac. | = | 40,000 |
| - hydro service | = | 40,000 |
| - well water service | = | 10,000 |
| - gravel road to Ahousat | = | 20,000 |
| TOTAL: | | <u>\$210,000</u> |

2. BUILDING VALUES

| <u>Building</u> | <u>Approx. Size</u> | <u>Estimated Value</u> |
|--|---|---------------------------|
| Main house (old) 2 storey - 4 bedroom 2½ bath | 40' x 30' 2,400 sq.ft. | \$50,000 |
| New house Rancher - 2 bedroom 1 bath (unfinished) | 30' x 30' 900 sq.ft. | 50,000 |
| Cabins (3) | 20' x 20' 400 sq.ft. each | 30,000 (\$10,000 each) |
| Chicken house (barn) | 30' x 25' 750 sq.ft. | 10,000 |
| Garage Rent brings in \$300/month from B.C. Hydro | | 20,000 |
| Sawmill Building | 80' x 64' x 20' high 5,000 sq.ft. | 50,000 |
| Kiln building | 38' x 36' x 24' high 1,400 sq.ft. | 50,000 |
| Total Building Value | | <u>\$260,000</u> |

3. EQUIPMENT VALUES

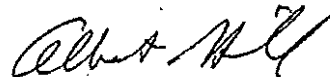
Note: Not all equipment presently on site is included in this evaluation, only the 3 items listed below.

| <u>Equipment</u> | <u>Estimated Value</u> |
|--------------------------------------|------------------------|
| Cat 966C Loader | \$25,000 |
| Mighty Mite Sawmill Model G-812 H | 25,000 |
| Sawmill Electric Switch Gear | 30,000 |
| Total Equipment Value | <u>\$80,000</u> |

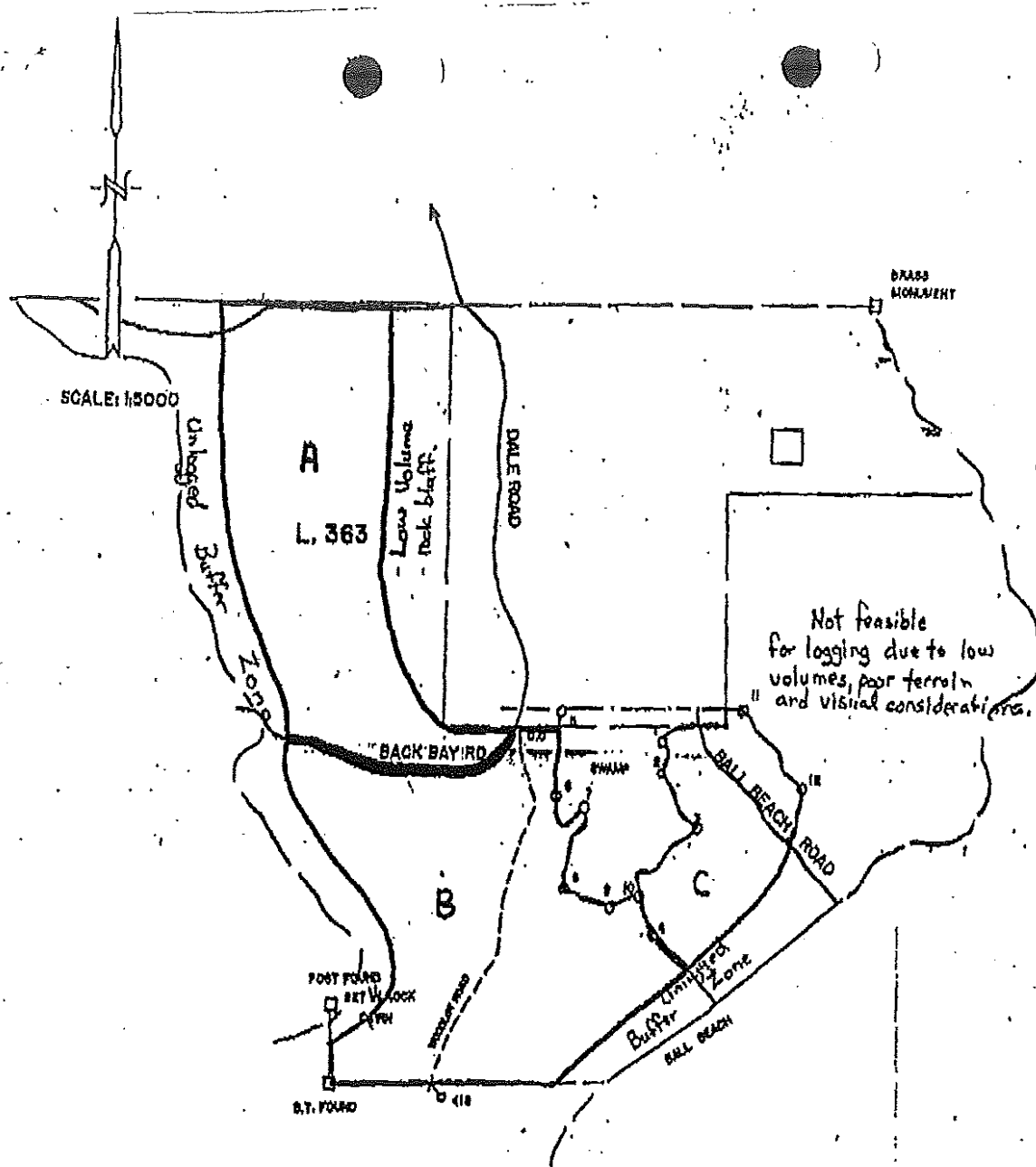
4. CALCULATION OF FINAL VALUE

| | |
|-----------|---------------|
| Land | \$ 210,000 |
| Buildings | 260,000 |
| Equipment | <u>80,000</u> |
| Total | \$ 550,000 |

The estimated value in total is \$550,000 as of September 22, 1994.



A.C. Hill, R.I.(B.C.), C.R.A.
Appraiser



Block A : 8.4 ha Cedar 60%
 Hemlock 30% } 3,400 m³
 Balsam 10%
 Yarding System : cable

Block B : 9.2 ha Cedar 60%
 Hemlock 30% } 4,100 m³
 Balsam 10%

Block C : 2.7 ha Cedar 60%
 Hemlock 30% } 1,500 m³
 Balsam 10%
 Yarding System : skidder, cable.

1 page

MEMORANDUM

To: Christine Lattey
Director, Special Projects
Ministry of Aboriginal Affairs

From: Arnie Hayashi

Date: July 20, 1994.

Re: Ahousat First Nation and Lot 363

Further to our brief discussion of July 14, 1994, I would like to update you on what is currently transpiring regarding the above noted issue.

As you are aware, I spent July 13, 1994 with the small group of Ahousats in accordance with the Chief and Councils' direction. I had asked previously that the Band identify a committee to work with me on generating some possible approaches to resolving the title to Lot 363.

The group I met with included : Chief Louis Frank
 Councillor Greg Louie
 Councillor Anne Atleo
 Corby George
 Edwin Frank
 James Swan
 Band Manager John Bucy

I gave a general overview of what I had been doing, what the positions of Jack Dale and MacMillan Bloedel were and the possibilities I saw as being present to bringing this issue to a resolve.

As previous, the group made it clear that they would not support an approach that involved the Band expending any monies. They expressed a willingness to work on any other approach that might lead to their achieving title to the Jack Dale Land as well as the M & B portion of Lot 363.

The discussion focused most prominently on the option of M & B buying out Jack Dale's interests and what the Band might find as acceptable in having a business relationship with M & B after the land is purchased and title is assured for Ahousat.

There was questions on how to protect the aboriginal rights of the Band from being affected by any arrangement concerning Lot 363. There was also concern expressed that a business relationship with MacMillan Bloedel would be difficult to manage given the disparity in size and wealth between the two groups.

I explained that there could be two levels of protection available to the Band in entering into a joint venture. First, If the company was incorporated with a 50/50 split on authority in making decisions for the company, virtually no action could be taken by the joint venture company without the consent of the Band. Second, should any difficulty arise where the Ahousat felt the company was going to proceed on an activity it was opposed to, it could approach the Central Board under the I.M.A. to not approve the planned activity. Given the Boards' structure, its' decision would likely favour the Band.

*Fi
Coop
Reg
under
chiefs*

We also covered the possible advantages which might be possible in having a business relationship with M & B. There could be venture financing, feasibility assessment assistance, marketing expertise in house, training and of course the securing of Lot 363 for expansion of the community.

The group was willing to entertain the option of incorporating a joint venture to investigate common venture opportunities on an opportunity by opportunity basis. They were prepared to put this option before Council and the membership and attempt to achieve their consent.

The group felt that it was necessary to have express provisions in any such agreement to :

- * protect the aboriginal rights of Ahousat from being affected by the agreement,
- * preserve any rights associated with Lot 363 having been reserve land should that be proven in future,
- * have at least a 50/50 split on authority within the company; the Band would prefer 51%,
- * allow for the Band to be able to buy out M & B at a future date
- * cover a feasibility study of the Jack Dale sawmill operation
- * capitalization of the mill under the Joint venture subject to feasibility assessment
- * training for Band Members in mill operations, business administration etc.
- * provide for necessary land use planning budget

In terms of who would eventually be responsible to pay back M & B for buying out Jack Dale, the group accepted the deferral this item to allow either negotiation, litigation or the treaty commission to resolve the issue.

The subject of arriving at a real value for Mr. Dale's property and improvements was also considered. I suggested that it would be necessary to have an appraisal done and that it may be possible to have M&B do this as they too would not be interested in paying more than the assets are worth and they have a property division which could perform this function.

Regarding the MacMillan Bloedel portion of Lot 363, the group discussed the idea of a possible exchange of cutting rights that the company currently owns for harvesting rights somewhere else, on Flores Island. This would maximize the amount of land the Band would be able to annex to their principal village site. M&B has previously suggested that they are not so much concerned with title to their land interests of 363 but are interested in maintaining their harvesting interests there. I suggested that Ahousat should put the idea of an exchange before the Regional Chiefs to see if this option has any chance of support from there.

We also discussed the same type of an approach to getting title to the Jack Dale interests with either the province or the federal government replacing MacMillan Bloedel as the interim purchaser. In this instance there wouldn't be the need for a joint venture company being created. I told the group that while these were options, both would be a very difficult to achieve. Aboriginal Affairs does not have the authority to buy lands in the interest of First Nations and would have to go through a process internally to change its policy before it could. It is unlikely that the provincial government would make such a policy shift in light of the fact that there are many other third party situations of this kind in existence and they would be setting a very costly precedent by making the policy change.

The federal government does have a policy which contemplates additions to reserve. However, the process that the Band would have to go through would likely take over two years to get through and there are a number of conditions that the Band would have to agree to before the federal government would agree such as relieving the federal gov't. of the requirement to pay for capital infrastructure (ie. water and sewer, roads, lot development etc.) I suggested that it may be better to pursue the MacMillan Bloedel option and ask the provinces assistance in making arrangements with the federal government to waive the conditions on having the land turned into reserve land after the Band had title.

I agreed to put together a summary of our discussions which depicts the three options supported by the reasoning for seeing the MacMillan Bloedel option as the most achievable. I am currently doing this and will fax it to them for their editing and their permission to circulate it in an effort to begin negotiations between MacMillan Bloedel and Ahousat in more detail.

I spoke to Linda Coady regarding my discussions with the Ahousats and she seemed pleased with the Band being interested in discussing their previously made offer. I reviewed the points mentioned earlier in this memo and she didn't have any difficulty with them. She said that she didn't see the giving of title to the Band as being too difficult although M & B would likely prefer to give title to the joint venture.

We spoke of the need to go ahead with an appraisal of Jack's property and assets and she said that the property division of M & B could do this work if you had no difficulty with it. She said that

she would take the conditions of the Band to her superiors for their consideration and thought that entering into direct discussions with the Band would likely be the next step. I told her of my obligation to prepare a summary for the Band and the need for me to get their permission to bring it to that stage and she agreed to wait on that being completed.

I don't feel that there is any need to wait on going ahead with the property appraisal. It would show the Band that we are seriously looking at the situation and that M & B are serious about the interim buy out.

If you agree, I will let the Band and Jack Dale know that we are moving on the appraisal.

There are a few items which the Band continues to raise such as the belief that Lot 363 was previously reserve land and the belief that there is some liability on the part of the federal government for not having followed through on the effort in the seventies to add Lot 363 to the reserve. I suggested to them that these items need to be confirmed by further investigation by the Band and encouraged them to pursue attaining proof of reserve status and to following up with D.I.A. on why the earlier initiative to annex these lands was not followed up on. I agree with the Band that to have this information would greatly assist in resolving these issues through negotiation or litigation to determine who in the end should pay MacMillan Bloedel back. The Band reps agreed to follow up on these matters. I suggested that they might approach the Regional Chiefs for financing to further investigate these issues and to ensure that this work have some continuity they might ask for financial support for a paid position to take responsibility for assisting the Band through this process of resolving Lot 363, as Anne Atleo will be leaving very shortly to take up an articling position away from the community.

Also I encouraged them to seek out feedback from some other First Nations who have already done joint ventures with forestry companies in the northern interior, so they might have the benefit of their experience in dealing with large corporate entities.

In summary then, I believe that we should proceed with the appraisal and with your permission, I will let M & B know that they can proceed with it. I will also let Jack Dale know what is happening and tell him that if is going to get an appraisal done independently that he should give some thought to moving on it.

I will complete and fax the summary I spoke of earlier to the Band and try to move things along to a meeting between the Band and M & B. Given the way things have slowly progressed till now, it is likely that you will be back from holidays before such a meeting is held.

Have a good time hiking and back packing in the interior.

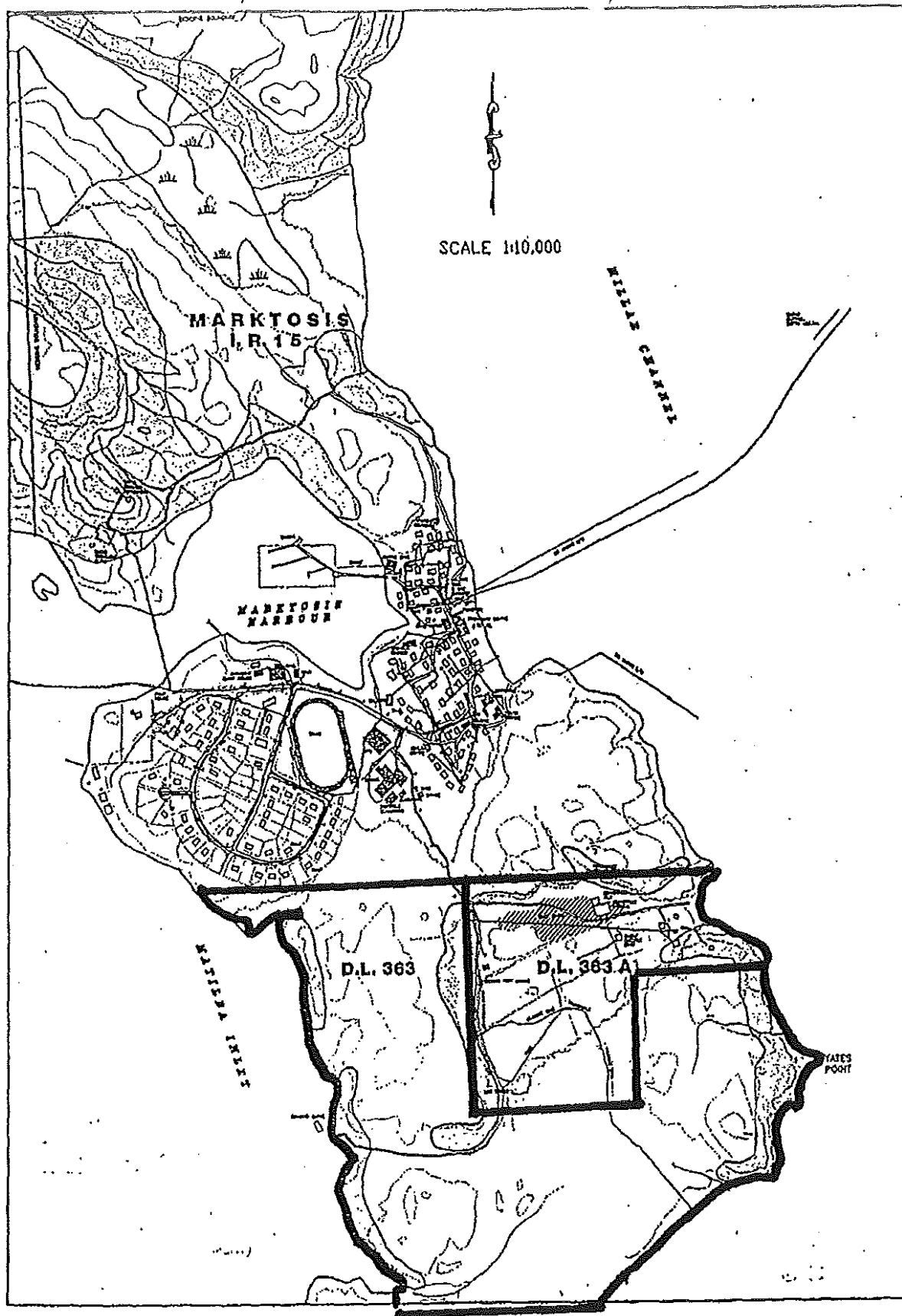
Dyck, Heinz AAF:EX

From: Dyck, Heinz AAF:EX
Sent: Friday, November 26, 1999 5:33 PM
To: Anderson, Jim D ELP:EX
Cc: Proverbs, Trevor AAF:EX; Panter, Catherine AAF:EX
Subject: Addition to IR - Ahousaht First Nation

Jim,

s.16

Heinz Dyck
Negotiator
Vancouver Island Team
Ministry of Aboriginal Affairs
T. 6-2395
F. 7-0887



Ahousaht Land Selection - July 29, 1999.

Agenda.

HAHOULTHEE

1. Update on Lot 363.
2. Information on Leases and other alienations affecting Ahousaht lands.
3. Joint Management through NTC, B.C. and Federal Government of Ahousaht Lands.
4. Review of meeting held with Shawn, Cliff, Heinz and Trevor.
5. Housing
6. Shore Zone Leases.
7. Shore Zone management
8. C.P's. for veterans.
9. Land Selection
10. Other issues

**GARY CARROTHERS
CONSULTING**

Suite 208, 2750 Quadra Street
Victoria, B.C.
V8T 4E8



Phone: (250) 388-6919
Fax: (250) 381-6919
garyc@pacificcoast.net
www.pacificcoast.net/~garyc

File: 074

Date: November 19, 1999

Ministry of Environment, Lands and Parks
Crown Lands Branch
4th Floor North
2975 Jutland Road
P.O. Box 9349, Stn Prov Govt
Victoria, B.C.
V8W 9M1



Via Fax #356-1916 & Mail

Attention: Al DeLisle, 356-7786
Land Negotiator

Re: **Proposal for Addition-to-Reserve**
Ahousaht First Nation

Pursuant to the Department of Indian and Northern Development (DIAND) policy we write to inform the ministry that the Ahousaht First Nation has applied to the federal government for granting of reserve status to the following two parcels of Flores Island land (total area is 56.7 ha):

District Lot 363, Alberni/Clayoquot Land District
District Lot 363-A Clayoquot Land District

The parcels in question are outlined on the attached plan. The land is currently owned by Macmillan Bloedel Limited.

We would appreciate receiving any comments regarding this proposal at your soonest opportunity. Our feasibility study for the reserve addition will be forwarded to DIAND at the end of November. If possible, it would be helpful to include the ministry confirmation of this letter and any of their comments with the package. If you have any questions or suggestions regarding this letter, please do not hesitate to contact the undersigned.

Yours truly,
Gary Carrothers Consulting

Gary K. Carrothers, P.Eng
GKC/gkc

cc. Geoff Lyons (via e-mail)

Leslie Christians (via e-mail)

Attachments: Key Plan
Site Plan

C:\Active Projects\074 Ahousaht New Reserve\WP & SS Files\letter-moelp.wpd

Civil Engineering Services



Nuu-chah-nulth Tribal Council

AHOUSAHT
DITIDAHT
EHATTESAHT
HESQUIAHT
KA'YU:K'THVCHE:K'TLES7ETH'

MOWACHAHT/MUCHALAHT
NUCHATLAHT
HUPAÇASATH
HUU-AY-AHT

TLA-O-QUI-AHT
TOQUAHT
TSESHAHT
UCHUCKLESAHT
UCLUELET

P O BOX 1383
PORT ALBERNI, B.C.
V9Y 7M2

TELEPHONE: (250) 724-575
FAX: (250) 723-046

June 15, 1999

To: Chief and Council
Ahousaht First Nation

From: Office Manager, Treaty Process

NOTES OF YOUR LAND SELECTION SESSION ON APRIL 27, 1999

Attached are the notes that I took during your session.

Cc: Denny Grisdale
Nelson Keitlah
Victor Pearson
Shawn Atleo
Cliff Atleo

Attachment



AHOUSAHT FIRST NATION
LAND SELECTION
February 1, 1999

April 27, 1999 - 9:00 a.m. - 12:00 p.m.
 - 1:00 p.m. - 3:00 p.m.

Action/agenda items arising from February 1, 1999 meeting:

1. Ahousaht/BC will update status regarding meetings on Lot 363.
2. The three parties will undertake a detailed review of leases and other alienations now affect Ahousaht Reserves - update (?)
3. VCP will schedule a discussion on joint management on the forthcoming agenda for the planning table.
4. Ahousaht will consider a BC suggestion that there be meetings with Cliff, Heinz and Rex to discuss land issues. Could be discussed.
5. The Ahousaht's concern regarding housing issues will be reviewed in April.

Next meeting: July 1999 at Tin Wis.

Ahousaht Land Selection

April 27, 1999

| | | | |
|-------------|----------------------|------------------|---------------|
| Attendance: | Earl Maquinna George | Josephine George | Edgar Charlie |
| | Shawn Atleo | Lewis George | James Swan |
| | Cosmos Frank | Louie Frank | Stanley Sam |
| | Heinz Dyck | Rex Grant | Moses Martin |
| | Grace George | Victor Pearson | |

D. Grisdale made a gift presentation to Earl Maquinna George acknowledging him for his achievement. The gift was a book on Coast Guards.

Further acknowledgments by other parties in attendance.

Introductions:

Gail Gus who will be taking notes for the duration of the land selection process for the NCN First Nations this week.

Shawn Atleo who will be sitting at table in the absence of Cliff Atleo.

Action/agenda items:

1. Stanley Sam to take lead with presentation with Louie Frank to translate.
2.
 - a) Review of what has been accomplished to date
 - b) Review of what expectations are
 - c) Review and feedback by Provincial and Federal governments

Stanley Sam performed a war chant (hiisuuqt) before making the presentation on behalf of Ahousaht First Nation in the NCN dialect.

Louie Frank's translation of Stanley Sam's presentation:

Hiisuuqt, the land was conquered through war. Watersheds are important for salmon spawning. Areas of watersheds were given to certain Chiefs. Veterans were given land from Federal Government. We can identify clearly lands that were won. Chant that was done today was done when going to war. Ahousaht has a major river at Cypre. How politics plays an important role in history. Marriage, boundaries were very important. Could 't go into another Chief's territory to catch a fish. Haayupanuulth married an Ahousaht Princess, she couldn't take the usage of Ahousaht land. A separation of marriage happened due to that. Gathering of Ahousaht Chief's, no we will go to war with ?Ahousaht for rivers. Willing to go to war for a river. 2 girls were given so as not to start a war. One chief felt slighted and went and killed a ?Ahousaht in turn the Chief was killed and entrails were scattered on the beach. Lengths of our ways to go so far to kill

for a river. Importance, boundaries, back to Hesquiaht Point, we sacrificed to get where we are at today. Know who river used to be owned before the war. Our Chiefs gave permission to Church to build on land to educate, lot 363, now it is used as real estate.

We need to hear:

- how did the government get jurisdiction?
- requirements on acquiring land
- was an agreement made with NCN or Ahousaht
- want something on paper

Stanley Sam explained the differences mended with tribes we went to war with.

Cannot proceed further until a working foundation is established, how much are you willing to accept? Not how much you are willing to give what we know we own. Has to be some very basic acknowledgments before we move on.

Shawn Atleo: Important to understand the reason why: Challenging to listen to our history. Where does our history come from? Our Elders. Treaty is a dual purpose. Our history was taken away and is now being given back. Informs us on who we are. Incredible history that we review. There has been a steady flow of information, recommend a review by all.

- How can we progress?
- Where are we at?
- We are taught repetitively for accuracy
- We are working with Tla-o-qui-aht and Hesquiaht First Nations on boundary issues.
- We cannot move forward without knowing where we came from as said by our elders.
- Commend Heinz Dyck on his commitment to the process.
- Are we going to take the hard way or the harder way?
- Are there any misunderstandings?

Rex Grant: I was instructed not to get into aboriginal title. I am here to deal and identify treaty lands.

Shawn Atleo: Direction that your governments are providing with regards to lands?

- Where do you feel we are going next?
- How can we accomplish joint management?
- In negotiations we assume that we both bring something to the table.
- We do what we can for our people.
- We agree to disagree.
- I agree with Heinz that some issues are near impossible.
- Where are we at from government's perspective?
- What is realistic?
- We need something to show on.
- Where does authority come from at table?

Stanley Sam: Our land, titles, ownership, no paper between government and First Nations. We know our history on entitlement. Maamalthnii had no title to land. We spilled blood for our entitlement to a land. How do you title it? I have a paper for ownership over a house, car. How was our land entitled to you the government? What is war to you? My great-great grandfather was a warrior. We have a big lump of history behind our entitlement.

Denny Grisdale: How can we as a table move forward? What have we accomplished? Where are we at?

Rex Grant: We are thinking of a Nuu-chah-nulth Treaty.

- Treaty lands.
- Issues off of treaty lands will be done at TSC level.
- Focus in on part of treaty, on what part Ahousaht will own in Nuu-chah-nulth Treaty.

Shawn Atleo: Analyze what exactly are the core issues. Agreement that there are differences in approach. What are common issues? Identify what we cannot agree on. Discussion on what is going to be treaty land.

Lunch Break 11:50 - 13:30

Lot 363 - Residential School

Shawn Atleo: Process is in place to make property into reserve land. Anything that government can do to move process along. M&B willing. 363-A & 363 included. A lot of discussion on lot 363 so far. Assistance from government's offered would be appreciated. Assistance with expanding Ahousaht reserve, Maaqtusiis.

Louie Frank: No question that it will be part of reserve but with special status. A meeting is planned with John Watson of DIAND on how it will be transferred.

James Swan: I am the hereditary chief of Manhousaht (gave his history, where he comes from).

Lot 363-A, Ahousaht needs doors unlocked for lot 363 & 363-A in becoming a reality to become a part of Maaqtusiis reserve.

s.16

Shawn Atleo: Issue with location. Need a mechanism to transfer as a gift. Facilitate in getting information to contribute to this process, ie: original markings, information.

Rex Grant: Our indication was that it was formally reserve land.

s.16

Rex Grant: If it was never a reserve then it is wasting our time to go there with cost.

Louie Frank: Our understanding that it is best to do away from Treaty Process. We are only presenting to you as report right now.

Earl George: When it became fee simple land government sold for \$40.00 to the Church before it had been exchanged. Bought by Women's Missionary Society tied to the United Church, burned down and then sold land for \$3,000.00. School became Ahousaht Residential School. M&B bought \$.5m.

s.16

Rex Grant: When is meeting with John Watson?

ITEM #2 - Leases/other alienation's now affecting Ahousaht.

Shawn Atleo: We prefer to talk about housing instead.

ITEM #5 - Housing issues

Cosmos Frank: Concerns within our community.

- levels of government we have to deal with
- since 1940 there have been many changes, we are not allowed to cut trees to build a house. It took away the initiative for our people to build.
- People, Haisla to be given a right to cut down a tree down to build a house.
- We were forced into programs that doesn't even begin to solve the problem.
- Over 50% of our people moved away from Ahousaht because of housing situation.
- How can we begin to solve the problems of our people?
- Asking 2 levels of government to help us with problem.
- Provincial government has right to tell me not to cut a tree, not the Federal government.
- We want to bring our dignity to our people again. We do not want to become a part of your programs.

Denny Grisdale: December of 1998, Rex Grant was to meet with Darrell, it was decided that it will be at a side table.

Rex Grant: Speaking from experience on the inside there is nothing anywhere, not until we get this treaty settled. Then it will be put into your hands.

s.16

Louie Frank: Not simple to just go in and act on opportunity. Scientific Panel, watershed studies alongside park.

Compensation for houses that were burned. (7 total). Federal Government came in and claimed and moved onto other side of point where our people didn't want because of lack of water. Federal government needs to consider.

Rex Grant: We hope that the cash portion of treaty can address these problems.

Denny Grisdale: This is not the only table that brings this forward.

James Swan: All the political and personal feelings going through conditions, lumber quality. Land we live in, boundary can't be moved because of bordering

on fee simple or parks. Problems due to being cramped together. CMHC requires policy to build a house, have to hire contractors. Housing issue is now, we are losing people to suicide. We need to talk to people who can do something. Our community needs 160 houses built.

Shawn Atleo: Propose that this discussion continue with idea of a smaller group. Rex says there is no help. Quicker if we get policy at First Nation's level. Continue to look for any innovative ideas.

Are there any other barriers to look at? Costs, stumpage, contracts. Ahousaht's responsibility internally? Tackle from a different angle. Deal with issues immediate (ideas to keep topic alive). Have we covered all basis? Review again like #4 issue. Factors brought together. Smaller, informal process.

Denny Grisdale: Thought it was going to NCN planning for overview.

Shawn Atleo: No recollection of it coming up, would be beneficial to continue dialogue.

Rex Grant: Proposal - Show us a map as far as residential needs being met. Federal government talking about releasing funds when close to AIP agreement or upon agreement. Agreement in that way can be possible.

Denny Grisdale: Stage implementation was discussed at a fisheries meeting.

Edgar Charlie: Post-treaty, we are looking at. What we need is housing right now. The government owes us at least a catch-up. Elder's home, disability are for consideration for post-treaty. What Cosmos talks about is now. To clarify that we are talking about now. Post-treaty is our business. Rectify mistake done by DIA. We deal with 4 houses a year. 3 or 4 families in a house today. We have 36 registered lands. Develop a mechanism to deal with now.

Adjournment @ 1500 hrs.

Denny Grisdale's notes/action items are attached.

AHOUSAHT FIRST NATION
LAND SELECTION

April 27, 1999

April 27, 1999 - 9:00 a.m. - 12:00 p.m.
 - 1:30 p.m. - 3:00 p.m.

Agenda Item #1

Lot 363 & 363A:

Ahousaht will continue discussions (negotiations) away from the Treaty Table. Will provide periodic updates. Heinz suggested United Church may be interested in the sale.

Agenda Item #2

- Leases/other alienations now affecting Ahousaht. Dan provide information at TSC meeting.

Agenda Item #4

- BC/Canada will provide Ahousaht First Nation with ideas that can be done in informal manner.
- BC/Canada will provide identification of land for purposes of how the treaty land will work.

Agenda Item #5

- Housing issues were raised (very emotional)
- Rex indicated nothing can be done (has done internal discussions)
- Smaller group to develop strategies for housing resolutions,
 - Look for innovative ways
 - Identify residential area possibilities

**AHOUSAHT FIRST NATION
LAND SELECTION
April 27, 1999**

April 27, 1999 - 9:00 a.m. - 12:00 p.m.
 - 1:30 p.m. - 3:00 p.m.

Agenda Item #1

Lot 363 & 363A:

Ahousaht will continue discussions (negotiations) away from the Treaty Table. Will provide periodic updates. Heinz suggested United Church may be interested in the sale.

Agenda Item #2

- Leases/other alienations now affecting Ahousaht. Dan provide information at TSC meeting.

Agenda Item #4

- BC/Canada will provide Ahousaht First Nation with ideas that can be done in informal manner.
- BC/Canada will provide identification of land for purposes of how the treaty land will work.

Agenda Item #5

- Housing issues were raised (very emotional)
- Rex indicated nothing can be done (has done internal discussions)
- Smaller group to develop strategies for housing resolutions,
 - Look for innovative ways
 - Identify residential area possibilities

Ahousat
Land Selection

January 27/99

Items / Issues from previous sessions.

September 25, 1998.

- Consensus: (Housing Issue)

A working group will be established to "scope out" the housing issue.

Meeting to take place between DIA, Ahousat and (possibly) N.T.C. B.C. will be involved at a Technical level.

- Lot 363

Ahousat will continue to discuss with United Church. A report will be brought back to a future meeting.

December 18, 1998.

- Issues for January:

- * Housing lands

- * Ahousat (may) specify what is required for their treaty lands.

- * Response to the Ahousat proposal on joint management.

- Ownership:

- * Ahousat have never said "we want it all". They wish to control

A.L.S. (Cont'd)

-2-

their future and that this can be accomplished through a sharing

process.

* Treaty lands can be identified through a process of reviewing and then responding to the proposal put forward. This is the prerequisite requirement.

Ahousat Land Selection - For Discussion only. - September 23, 1998.

1. Continuation of Kelthsmahit presentation - presentation of document.
2. Presentation of Ooinmitis/Quatswiaht/Paneelth
3. Follow up with Flores Island issues:
 - a. housing
 - b. lot 363
 - c. land base
 - d. fee simple areas
 - e. infrastructure needs - sewer system - water - electricity - transportation
4. Work Plan
5. Other issues.

1. Kelthsmahat document - presented by Clifford Atleo and supported by Hanuquii (Edgar Charlie).
2. Presentation on Ooinmitis/Quatswiaht/Paneelth - John Charlie

The history of Ooinmitis, Quatswiaht and Paneelth are such that they were always one with Kelthsmahat, much like Kelthsmahat was one with Ahousat. We shall give you an introduction to the history of this, including the chieftainships, one of, who is present today, Ron George.

3. Flores Island issues:

a. Housing - as expressed in December of 1997, this issue is of great concern to Ahousat. due to the population of our tribe, our growth impact is much greater. The longer this housing issue remains outstanding, the greater the problem becomes.

Our Tribe is committed to do all that it is capable of to try and alleviate this problem. This is demonstrated by our commitment to prepare a further 63 lots at a cost of approx. \$2.4 million. This will occur despite the shortage of resources to provide the homes at this time.

Financial resources for this site preparation comes from Indian Affairs.

Our needs extend beyond housing needs at home. Due to current levels of financial resources for housing, our tribe cannot consider assistance to members who are not at home. We would like to explore with the two other governments the option of some interim measure to address these problems.

We had raised the option of utilizing a woodlot license owned by our tribe to see if some of that could be put toward the required lumber to our housing needs. This has not been fully explored. Another option is also yet to be explored with the Central Region Tribes, and that is the utilization of forest resources within the region for Regional housing needs.

Either one of the above options would require the cooperation of the Federal Government and the Provincial Government.

It is known that currently the site preparation for housing, including water, sewer, and electricity amounts to around \$40,000 per site. The housing unit, including materials and labour cost around \$70-75,000/ unit. This makes a housing unit cost around \$110-\$115,000/unit. For meeting the needs of 200 homes, the cost would be \$22-23 million.

Ahousat Hawiith would like to know what the Federal Government and the Provincial Government could offer to begin alleviating this major problem. We will commit to determine what we can do.

b. Lot 363. Today, we have documentation from the Provincial Land Registry office, that clearly indicates that the United Church of Canada applying for registered ownership of lot 363, on March 19, 1953 and transferred the lot to a William Henderson Ross on March 21, 1953.

Our Hawiith will formally approach the United Church of Canada stating the responsibility of the church in transferring this property to Mr. Ross, beginning the transfers of this property to

individuals. The Church had no right to begin this because it was the Hawiñh of Ahousat who authorized the presence of the Church to use the property for education purposes. Once this had ceased, the property should have been returned to our Hawiñh.

What are the Federal Government and the Provincial Government prepared to do? The Hawiñh of Ahousat would like to see speedy resolve of this long outstanding issue.

c. Land Base. The Ahousat Hawiñh would like to see in these negotiations, a land base sufficient for current and future needs. Currently, we require housing area, infrastructure needs which come automatically with increased growth. We require increased land base for economic needs and burial sites.

d. Fee Simple areas. - There is few areas of fee simple lands. However, we would like to keep the option of purchase open for further consideration.

e. Infrastructure. As noted above, meeting the housing needs will automatically increase the need for various infrastructures, such as:

- Sewer system - water - electricity - transportation - social and health services

5. Other issues. Aquaculture - logging

6. Next meeting.

Dyck, Heinz AAF:EX

From: Dyck, Heinz AAF:EX
Sent: April 27, 1998 10:06
To: Vlerek, Lyle AAF:EX
Subject: Ahousaht land selection & Lot 363

Lyle,

Following our meeting re: Nuu-chah-nulth on Fri., I would like to suggest the following approach for that portion of Lot 363 owned by MacBlo (the other portion of Lot 363 is part of Gibson Marine Provincial Park), which is adjacent to IR #15 Marktosis:

- first, emphasize that BC will only pursue further discussions about Lot 363 if MacBlo is a willing seller (given the history of the property, it is highly likely that MacBlo is willing)
- Canada should be questioned as to why it is not pursuing an IR expansion for residential purposes, given that there is no more developable land on Marktosis
- suggest that Ahousaht consider approaching MacBlo with the following protocol:
 - that MacBlo agrees, in principle, that the portion of Lot 363 that it owns in fee simple should come under Ahousaht FN ownership, subject to successful negotiations for the property's fair market value
- with the MacBlo protocol in place, Canada and BC will agree, in principle, that the portion of Lot 363 that is owned by MacBlo in fee simple will form part of Ahousaht FN's Treaty Lands, subject to a full and complete review of the interests affecting the property (especially local government, in this case the Regional District)

What do you think of this approach?

What about the loss of tax revenue for the Regional District? In Saskatchewan, there is an agreement that the municipalities will receive a one-time payment from Canada of 22.5 times the value of the annual property tax levy for those fee simple lands that become IR land under the treaty entitlement process. Has something like this been talked about in the cost-sharing forum with the feds?

Thanks,

Heinz

92E030

Ahousaht (south Flores Island)

| PIN | LEGAL | AREA (ha.) | OWNCODE |
|-----------|---|------------|----------------------|
| 000185510 | DL 363 Clayoquot District | 56.656 | Mixed |
| 036827031 | THAT PART OF DL.363 BEING GIBSON MARINE PARK | | Crown Corporation |
| 036827161 | REM. OF DL.363 | | ? Crown Provincial ? |
| 000254740 | DL 1068 Clayoquot District <i>M+B portion estimated @ 71.5-2 m. 1996</i> | 64.750 | Crown Provincial |
| 000254870 | DL 1069 Clayoquot District | 64.345 | Crown Provincial |
| 000254900 | DL 1072 Clayoquot District | 14.043 | Crown Provincial |
| 000262260 | DL 1294 Clayoquot District | 23.674 | Crown Provincial |
| 000267000 | DL 1370 Clayoquot District | 16.390 | Crown Provincial |
| 000138900 | DL 1530 Clayoquot District | 0.089 | Crown Provincial |
| 000139100 | DL 1533 Clayoquot District | 0.121 | Crown Provincial |
| 000139360 | DL 1539 Clayoquot District | 1.886 | Crown Provincial |
| 000139490 | DL 1540 Clayoquot District | 3.237 | Crown Provincial |
| 000150560 | DL 1692 Clayoquot District | 1.918 | Crown Provincial |
| | TOTAL | 245.191 | |
| 000260150 | DL 1241 Clayoquot District | 16.997 | Gibson Marine Park |
| 000140640 | DL 1561 Clayoquot District | 62.322 | Private |
| 000145220 | DL 1620 Clayoquot District | 103.600 | Gibson Marine Park |
| 000150430 | DL 1691 Clayoquot District | 4.249 | Private |
| 015213730 | IR NO. 15 MARKTOSIS | 105.040 | |
| 015211590 | IR NO. 17 CHETARPE | 14.140 | |
| 015215550 | IR NO. 21 TEQUA | 2.424 | |
| 000149570 | IR NO. 32 BARTLETT ISLAND (DL 1681) | 69.606 | |
| 000140510 | IR NO. 33 KUTCIOUS POINT (DL 1560) | 39.740 | |
| | TOTAL | 230.950 | |



Ministry of
Environment,
Lands and Parks

Crown Land
Registry Services
Office of the
Surveyor General

FAX SHEET

Date: August 17, 1998

of pages (including this sheet) 6

To: Casey Larochelle - Fed.Treaty Nego. Fax #

From: Gerry Williams, Unit Head
Technical Services Unit

3400 Davidson Avenue

e-mail gwilliam@clrs.env.gov.bc.ca

Mailing Address

PO Box 9375 Stn prov Govt

Victoria BC V8W 9M5

Fax # (250) 387-1830

Phone # (250) 952-5025

Subject: Plan & Field Notes for D.L.363, Clayoquot District

Material contained in this fax transmission may be confidential, and should be delivered only to the addressee. If all pages are not received, please call (250) 952-5021.

Message

RECEIVED

AUG 17 1998

H. G. Joly de Lotbinière
Lieutenant-Governor.



228422-1

LAND ACT.

BRITISH COLUMBIA

No. 601

157

H. F. Gore
Deputy Commissioner of Lands and Works.

EDWARD VII., by the Grace of God, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, Defender of the Faith, &c., &c.

To all to whom these presents shall come, Greeting:

Know ye, that We do by these presents, for US, Our heirs and successors, in consideration of the sum of One hundred and forty Dollars to Us paid, give and grant unto the Board of Trustees of the Presbyterian Church in Canada

their heirs and assigns, All that parcel or lot of land situate in Mayapuk District, said to contain One hundred and forty acres, more or less, and more particularly described on the map or plan hereunto annexed and coloured red, and numbered Sixty three hundred and sixty two (63,620)

on the official plan or survey of the said Mayapuk District, in the Province of British Columbia, to have and to hold the said parcel or lot of land, and all and singular the premises hereby granted, with their appurtenances, unto the said the Board of Trustees of the Presbyterian Church in Canada

heirs and assigns, for ever.

PROVIDED, NEVERTHELESS, that it shall at all times be lawful for Us, Our heirs and successors, or for any person or persons acting in that behalf by Our or their authority, to resume any part of the said lands which it may be deemed necessary to resume for making roads, canals, bridges, towing-paths, or other works of public utility or convenience; so nevertheless that the lands so to be resumed shall not exceed one-twentieth part of the whole of the lands aforesaid, and that no such resumption shall be made of any lands on which any buildings may have been erected, or which may be in use as gardens or otherwise for the more convenient occupation of any such buildings.

PROVIDED, also, that it shall at all times be lawful for Us, Our heirs and successors, or for any person or persons acting under Our or their authority, to enter into and upon any part of the said lands, and to raise and get thereout any minerals, precious or base, including coal and petroleum, which may be thereupon or thereunder situated, and to use and enjoy any and every part of the same land, and of the easements and privileges thereto belonging, for the purpose of such raising and getting, and every other purpose connected therewith, paying in respect of such raising, getting and use, reasonable compensation.

PROVIDED, also, that it shall be lawful for any person duly authorised in that behalf by Us, Our heirs and successors, to take and occupy such water privileges, and to have and enjoy such rights of carrying water over, through or under any parts of the hereditaments hereby granted as may be reasonably required for mining or agricultural purposes in the vicinity of the said hereditaments, paying therefor a reasonable compensation to the aforesaid

The Board of Trustees of the Presbyterian Church in Canada

their heirs and assigns.

PROVIDED, also, that it shall be at all times lawful for any person duly authorised in that behalf by Us, Our heirs and successors, to take from or upon any part of the hereditaments hereby granted, without compensation, any gravel, sand, stone, lime, timber, or other material which may be required in the construction, maintenance or repair of any roads, ferries, bridges, or other public works.

PROVIDED, also, that in the event of any of the lands hereby granted being divided into town lots, one-fourth of all the blocks of lots, to be selected as provided in the "Land Act," shall be reconveyed to Us and Our successors.

PROVIDED, also, that all travelled streets, roads, trails and other highways existing over or through said lands at the date hereof shall be excepted from this grant.

In testimony whereof, We have caused these Our Letters to be made Patent, and the Great

Seal of Our Province of British Columbia to be hereunto affixed: Witness, His Honour

The Honourable Sir The Rt. Hon. Mr. J. H. Macdonald, Lieutenant-Governor of Our said

Province, at Our Government House, in Our City of Victoria, this *Eleventh*

day of *October*, in the year of Our Lord one thousand nine hundred

and *four*, and in the *fourth* year of Our Reign.

By Command.

Wm. J. Sullivan
Provincial Secretary.

British Columbia.

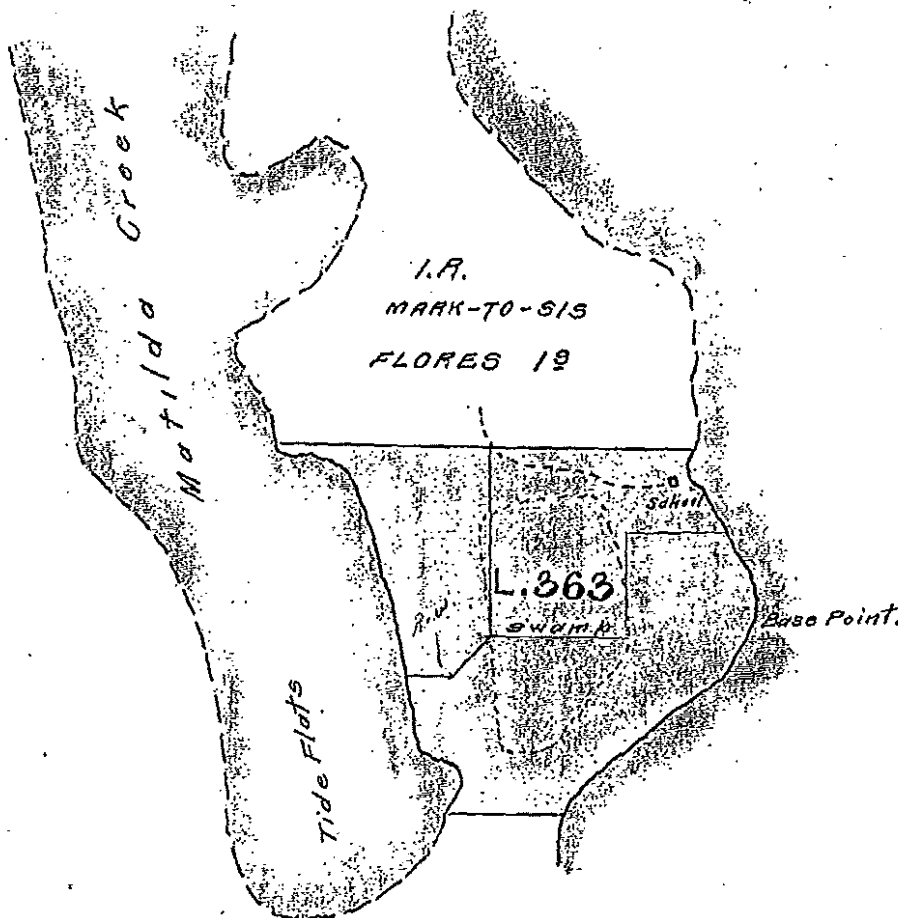


228422⁷
Re - Application
for Transm.
(C/G)

Crown Grant No. 601
157

CLAYOQUOT DISTRICT.

The Board of Trustees of the Presbyterian Church in Canada.
Scale, 20 Chains = One inch.



*Fell's
No. 228422*

P.H 3

Department No.

491
1904

District CLAYOQUOT

Purchase

LOT NUMBER.

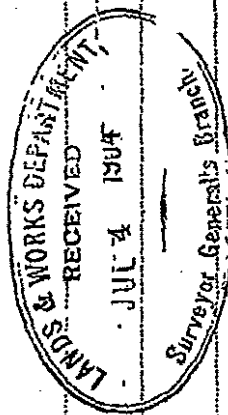
NAME.

L. 363

Cur. J. M. Durant

applied for By

J. C. Butchart



Surveyed by G. A. Smith, P.L.S.

Plotted 13th July, 1904

By whom J. C. Butchart

Survey Gazetted JUL 28 04

| Stations | | Bearing | | Distance | | Angle | | Easting | | Northing | |
|----------|--|-------------|--|----------|--|-------|--|---------|--|----------|--|
| Station | | Bearing | | Distance | | Angle | | Easting | | Northing | |
| 0-1 | | S 31° 30' E | | 9.20 | | - | | - | | - | |
| 1-2 | | S 23° 30' E | | 9.87 | | - | | - | | - | |
| 2-3 | | S 23° 30' W | | 9.00 | | - | | - | | - | |
| 3-4 | | S 50° 30' W | | 24.00 | | - | | - | | - | |
| 4-5 | | West | | 12.50 | | - | | - | | - | |
| 5-6 | | North | | 4.00 | | - | | - | | - | |
| 6-7 | | N 61° 30' W | | 5.80 | | - | | - | | - | |
| 7-8 | | N 14° W | | 30.00 | | - | | - | | - | |
| 8-9 | | N 54° W | | 8.20 | | - | | - | | - | |
| 9-0 | | East | | 46.10 | | - | | - | | - | |
| Total | | | | | | | | 40.70 | | 40.41 | |
| | | | | | | | | | | 53.61 | |

The above line was run the day of 189

The above line was run the day of 189

in - a study
and survey
Blum's

Howe:-

363 Clayport

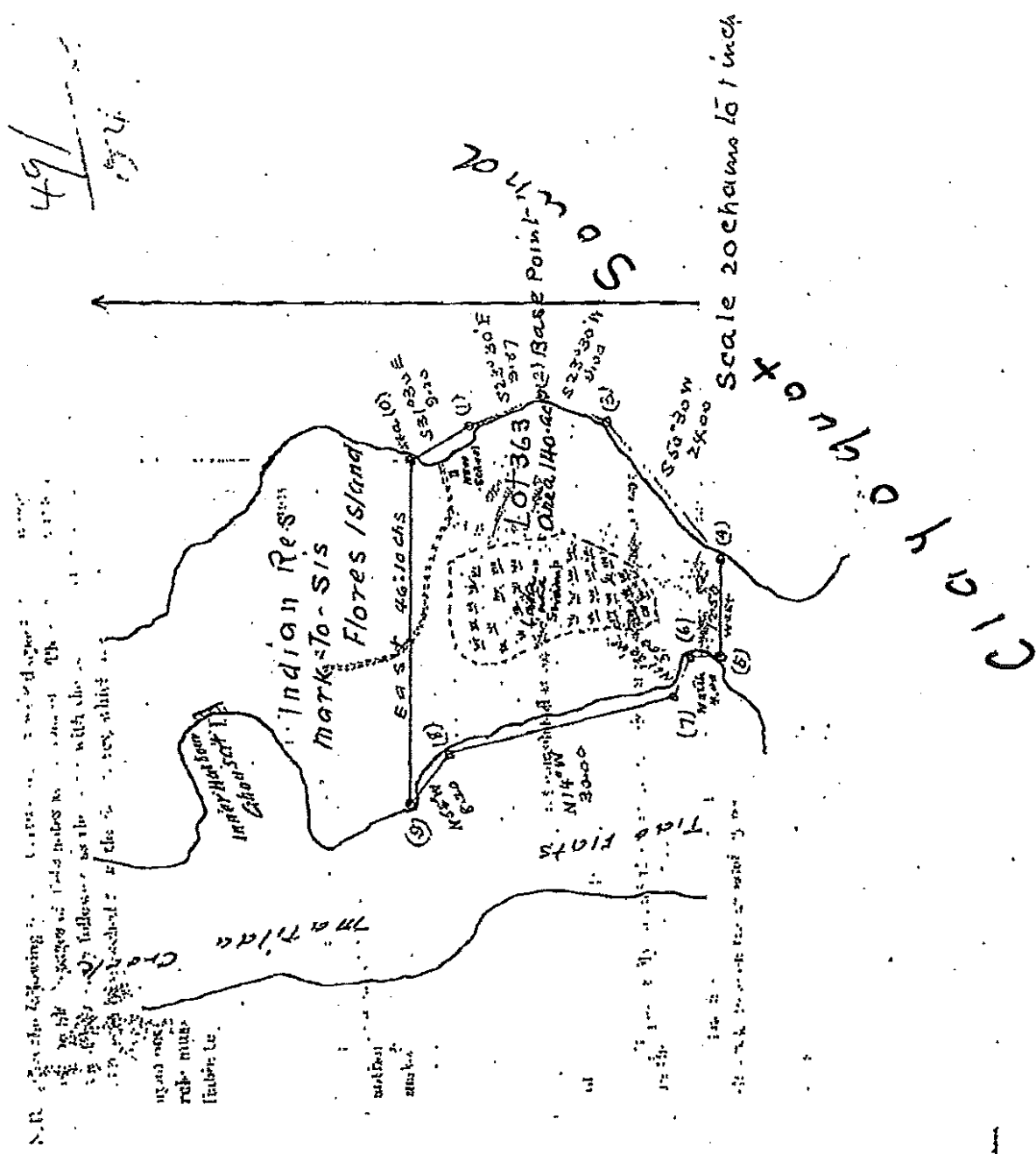
any on the

Completed
Specially law
on the date set
marked A
work area consist
Gentle by me
G. Smith

TO 93636911

FROM CL. REGISTRY-SURV GEN

1 of 189



No. 223472-1

Certificate of Indefeasible Title

Date of application for registration, the 21st day of March, at 11.00 a.m., 1901.

Register, Vol. 900

Whe is to certify that

WILLIAM HENDERSON ROSS,
Alberni, B.C.,

to absolutely and indefeasibly entitled in fee-simple, subject to such charges, liens, and interests as are notified by endorsement hereon, and subject to the conditions, exceptions, and reservations set out hereon, to that

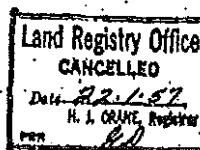
piece of land situate in the Alberni Assessment District
and Province of British Columbia, and more particularly known and described as:—

Lot

Three hundred and sixty-three (363)

District

Clayquot

[illegible]

In witness whereof I have hereunto set my hand and seal of office

at Victoria British Columbia

this 25th day of March

19.53

404701

51.4 *London*

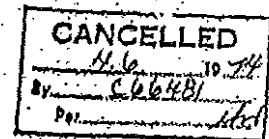
LAND REGISTRY ACT
(FORM P, SECTION 143) **ONE PAGE ONLY**
CERTIFICATE OF INDEFEASIBLE TITLE

Land Registry Office, **Victoria**, British Columbia.

While in so certifying that the undermentioned registered owner in fee-simple is absolutely and indefeasibly entitled in fee-simple, subject to such charges, liens, and interests as are notified by endorsement hereon, and subject to the conditions, exceptions, and reservations set out hereon, to the land situated in the Province of British Columbia, and more particularly described below.

Registered owner in fee-simple: Application for registration received. 24th October, 1973

CHARLOTTE ADELINE RAE-ARTHUR, Housewife,
Ahousat,
British Columbia



Description of land: (See back hereof for transfers (if any) of the land or a part thereof). (Alberni Assessment District)

That part of Lot 363, Clayoquot District, described as follows: Commence at the North East Corner of said Lot, thence Westerly along the Northern boundary of said Lot a Distance of 1500', thence Southerly at right angles a distance of 1400' thence Easterly at right angles a distance of 1000' thence Northerly at right angles a distance of 775' thence Easterly at right angles to intersect High Water Mark, thence Northerly along said High Water Mark to the point of commencement.

Hereto is annexed Easement 203306-G over 36' strip of Lot 363 Clayoquot District, see C/T 77937-N

CHARGES, LIENS, AND INTERESTS

| Nature of Charge, Number, Date and Time of Application | Registered Owner of Charge | Remarks |
|--|----------------------------|---------|
| | | |

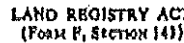
At witness whereof I have hereunto set my hand and the seal of my office, aforesaid, this
 73

24th day of

62-336

Residue

* This instrument affects all the land described herein, unless otherwise indicated in "Remarks" column. See footnotes for abbreviations, etc.



From Title No. 261725-I

LAND REGISTRY ACT
(FORM F, SECTION 14)

CERTIFICATE OF INDEFEASIBLE TITLE

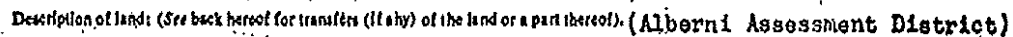
ONE PAGE ONLY

Land Registry Office, Victoria, British Columbia.

This is to certify that the undermentioned registered owner in fee-simple is absolutely and indefeasibly entitled in fee-simple, subject to such charges, liens, and interests as are notified by endorsement hereon, and subject to the conditions, exceptions, and reservations set out hereon, to the land situated in the Province of British Columbia, and more particularly described below.

Registered owner in fee simple: Application for registration received 21st September, 1973

CHARLOTTE ADELINE RAE-ARTHUR, Widow, Ahousat, B.C., Executrix of Will of William George Rae-Arthur, also known as George Rae-Arthur, Deceased, DD B90257.



That part of Lot 363, Clayoquot District, described as follows: Commencing at the North East Corner of said Lot, thence Westerly along the Northernly boundary of said Lot a Distance of 1500', thence Southerly at right angles a distance of 1400' thence Easterly at right angles a distance of 1000' thence Northerly at right angles a distance of 775' thence Easterly at right angles to intersect High Water Mark, thence Northerly along said High Water Mark to the point of commencement.

Hereto is annexed Easement 203306-G over 36' strip of Lot 363 Clayoquot District, see G/T 77937-N.

CHARGES, LIENS, AND INTERESTS

| Nature of Charge, Number, Date and Time of Application | Registered Owner of Charge | Remarks |
|--|----------------------------|---------|
| | | |

In witness whereof I have hereunto set my hand and the seal of my office aforesaid, this

September 12, 1973

30

Date: 94/08/16

Requestor: (PA90355)

TITLE: A. 1 PRINT - VICTORIA
MACMILLAN BLOEDEL LIMITED (VANCOUVER)
Title: C66481

Time: 15:33:12

Page: 001

SECTION 172(3)

VICTORIA

LAND TITLE OFFICE

TITLE NO: C66481

FROM TITLE NO: C236

APPLICATION FOR REGISTRATION RECEIVED ON: 04 JUNE, 1974
ENTERED: 05 JUNE, 1974

REGISTERED OWNER IN FEE SIMPLE:

JOHN GEORGE HAROLD DALE, ENGINEER
C/O WILLIAM BECKINGHAM
211 ARGYLE STREET
PORT ALBERNI, B.C.

DESCRIPTION OF LAND:
PORT ALBERNI ASSESSMENT AREA

PARCEL IDENTIFIER: 009-398-619

THAT PART OF LOT 363, CLAYOQUOT DISTRICT, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTH EAST CORNER OF SAID LOT, THENCE WESTERLY ALONG THE NORTHERLY BOUNDARY OF SAID LOT A DISTANCE OF 1500 FEET, THENCE SOUTHERLY AT RIGHT ANGLES A DISTANCE OF 1400 FEET THENCE EASTERLY AT RIGHT ANGLES A DISTANCE OF 1000 FEET THENCE NORTHERLY AT RIGHT ANGLES A DISTANCE OF 775 FEET THENCE EASTERLY AT RIGHT ANGLES TO INTERSECT HIGH WATER MARK, THENCE NORTHERLY ALONG SAID HIGH WATER MARK TO THE POINT OF COMMENCEMENT

LEGAL NOTATIONS:

CHARGES, LIENS AND INTERESTS:

NATURE OF CHARGE
CHARGE NUMBER

DATE AND TIME OF APPLICATION

STATUTORY RIGHT OF WAY

K74103

16/07/1981

11:13

REGISTERED OWNER OF CHARGE:

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

MORTGAGE

ED1796

08/01/1990

09:17

REGISTERED OWNER OF CHARGE:

THE ROYAL BANK OF CANADA

AGREEMENT

ED108171

15/10/1990

14:49

REGISTERED OWNER OF CHARGE:

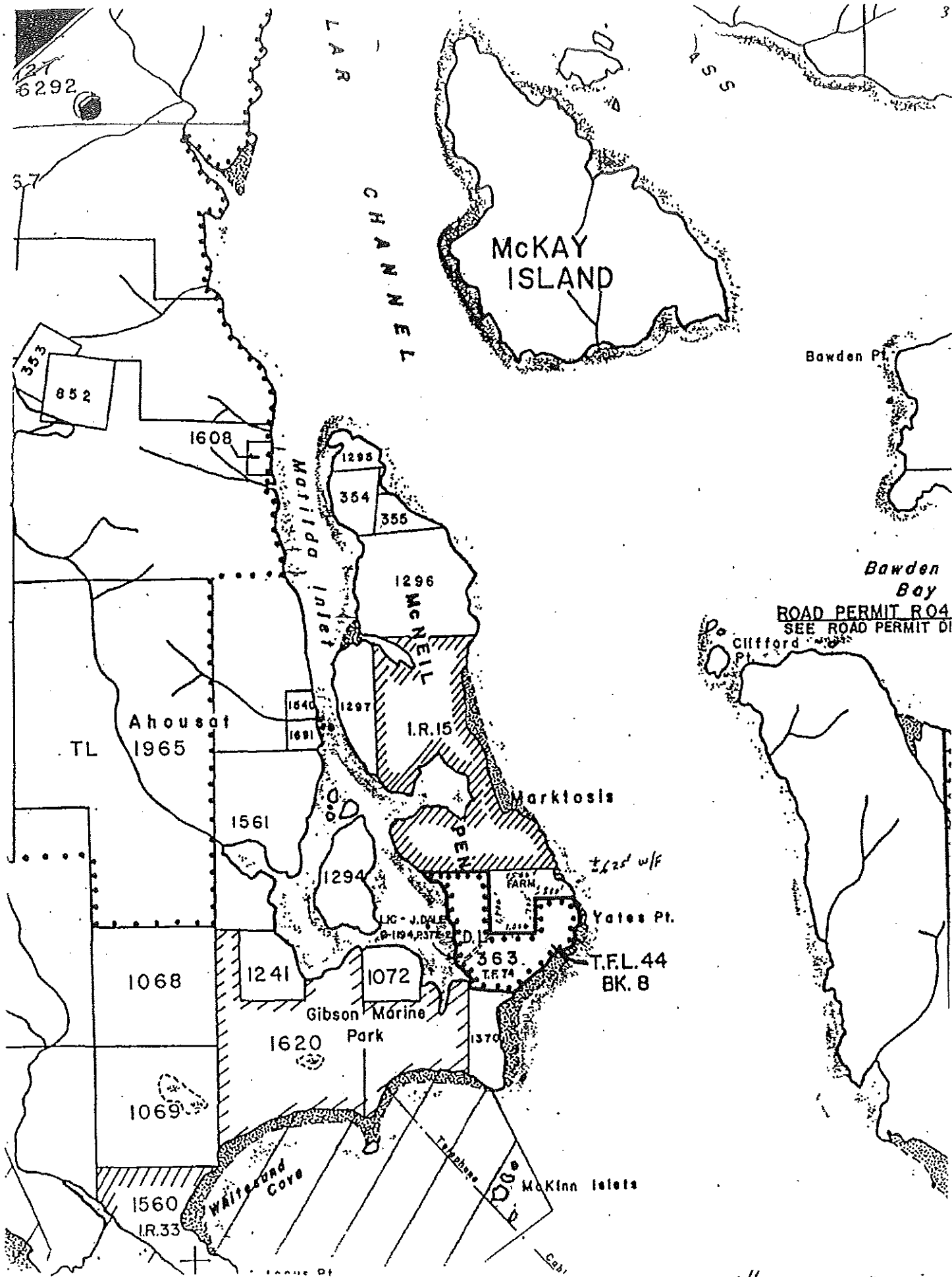
HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE BRITISH COLUMBIA

REMARKS: AS TO RESTRICTIONS ON DEALINGS SEE,
LAND TAX DEFERMENT ACT

"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 27, L.T.A."

DUPLICATE INDEFEASIBLE TITLE: NONE

CONTINUES ON PAGE 002



1" = 20 CHAINS