

**PRSC LIMITED PARTNERSHIP**

**LIMITED PARTNERSHIP AGREEMENT**

THIS AGREEMENT made as of the 29<sup>th</sup> day of August, 2014

BETWEEN:

**SLIAMMON FIRST NATION**, a first nation and an Indian Band under the *Indian Act*, as represented by its Council, having a postal office address having an office at RR#2, 6686 Sliammon Rd, Powell River, British Columbia, V8A 0B8

("SFN")

OF THE FIRST PART

AND:

**TEES'KWAT LAND HOLDINGS LTD.**, a corporation incorporated under the laws of the Province of British Columbia, with its registered office at RR#2, 6686 Sliammon Road, Powell River, British Columbia, V8A 4Z3

("Tees' Kwat LP")

OF THE SECOND PART

AND:

**POWELL RIVER WATERFRONT DEVELOPMENT CORPORATION**, a corporation incorporated under the laws of the Province of British Columbia, with its registered office at #103 - 7020 Duncan Street, Powell River, British Columbia, V8A 1V9

("Powell River LP")

OF THE THIRD PART

(SFN, Tees' Kwat LP and Powell River LP are collectively called the "**Limited Partners**")

AND:

**PRSC LAND DEVELOPMENTS LTD.**, a company incorporated under the laws of the Province of British Columbia, with its registered office at 4448A Marine Avenue, Powell River, British Columbia, V8A 2K2

("Company")

OF THE FOURTH PART

**WHEREAS:**

- A. Catalyst LP, Tees' Kwat LP, Powell River LP and the General Partner previously agreed to form this Limited Partnership to acquire and develop certain lands pursuant to the Former Partnership Agreement;
- B. The Company is presently the registered owner of the Lands herein described on behalf of the Limited Partnership;
- C. Pursuant to the Share Transfer Agreement described herein, Catalyst LP has transferred its Limited Partner Units to Powell River LP and SFN in equal shares;
- D. In connection with the Share Transfer Agreement, Catalyst LP, the Partners and Sliammon Development Corporation ("SDC") also agreed that Catalyst LP would cease to be a Limited Partner and that the Former Partnership Agreement would be terminated and replaced by this Agreement effective upon Closing under the Share Transfer Agreement and execution of this Agreement by all parties to it;
- E. The General Partner has agreed to manage the Business of the Limited Partnership pursuant to the terms and conditions of this Agreement and the Shareholders/Unitholders Agreement; and
- F. The Limited Partners have agreed to make certain Contributions to the Limited Partnership, as contemplated herein, for the purpose of carrying on the Business of the Limited Partnership.

**NOW THEREFORE IN CONSIDERATION** of the premises and the terms and conditions hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties covenant and agree as follows:

**1. INTERPRETATION**

- 1.1 Definitions. For the purposes of this Agreement, the following terms shall have the following meanings:
  - (a) "**Affiliate**" of a Partner shall mean an affiliate of the Partner, as that term is defined in the *Business Corporations Act* (British Columbia);
  - (b) "**Available Net Cash Flow**" means in any fiscal year of the Limited Partnership, all cash flow including all net proceeds earned or received from operations of or investments by the Limited Partnership after payment of all current obligations of the Limited Partnership, including debt service payments, and after creation of such reasonable Reserves as the General Partner deems prudent for meeting the future obligations of the Limited Partnership;
  - (c) "**Business**" means the business of acquiring, developing, operating and selling the Lands;
  - (d) "**Capital**" at any time, means the aggregate of all amounts of cash, rights or property which have been contributed by the Limited Partners or the General Partner to the Limited Partnership at or prior to such time less the amount of cash,

rights or property which has then been returned to the Limited Partners or the General Partner, as the case may be. as a return of such contribution;

- (e) "**Catalyst LP**" means 0606890 B.C. Ltd., formerly a Limited Partner under the Former Partnership Agreement and which ceased to be a Limited Partner effective on the Closing under the Share Transfer Agreement;
- (f) "**Catalyst Mortgage**" means that certain mortgage that charged the Lands and secured the principal amount of \$4,500,000, plus accrued interest from time to time owed to Catalyst LP as contemplated in the Sale and Purchase Agreement and which was paid off in its entirety upon Closing under the Share Transfer Agreement;
- (g) "**Certificate**" means the certificate filed in respect of the Limited Partnership pursuant to the *Partnership Act*. as amended from time to time;
- (h) "**City Lands**" means those lands consisting of approximately 5.5 acres within the Excluded Lands outlined in red and identified in Schedule E for the exclusive use and occupancy of Powell River LP;
- (i) "**Closing**" means the date upon which, in accordance with the Share Transfer Agreement, Catalyst LP transferred all of its Limited Partner Units in the Limited Partnership to SFN and Powell River LP and all of its shares in the General Partner to SDC and Powell River LP;
- (j) "**Contributions**" means the subscriptions for Units pursuant to section 4.6 and 4.7 of this Agreement and the additional subscriptions, if any, made pursuant to section 4.8, and any and all other funds, rights and property contributed by the Limited Partners for the purpose of acquiring Units in the Limited Partnership;
- (k) "**Current Accounts**" means the accounts established pursuant to section 4.1;
- (l) "**Excluded Lands**" means the City Lands and Sliammon Lands identified in Schedule E to this Agreement for the exclusive occupation and use of the Limited Partners;
- (m) "**Fiscal Period**" means the fiscal period of the Limited Partnership determined as in accordance with section 2.4;
- (n) "**Former Partnership Agreement**" means the Limited Partnership Agreement between Catalyst LP, Tees' Kwat LP, Powell River LP and the Company dated June 8<sup>th</sup>, 2006 which was terminated and replaced by this Agreement upon Closing under the Share Transfer Agreement and execution of this Agreement by the Partners;
- (o) "**Gain**" or "**Loss**" means respectively, the amount of the gain or loss of the Limited Partnership from a sale of any property of the Limited Partnership after deducting all expenses of the Limited Partnership in connection with such sale;
- (p) "**General Partner**" means PRSC Land Developments Ltd., or any person who is admitted to the Limited Partnership as a successor general partner;

- (q) "**General Partner Interest**" means the partnership share or interest in the Limited Partnership of the General Partner, as set out in this Agreement, including rights to receive allocations or distributions of 0.001 % of the Net Income or Net Loss;
- (r) "**General Partner Unit**" means a Unit in the Limited Partnership held by the General Partner;
- (s) "**Generally Accepted Accounting Principles**" or "**GAAP**" means the generally accepted accounting principles from time to time recommended by the Canadian Institute of Chartered Accountants, or any successor institute, by the "CICA Handbook" applicable as of the date on which such calculation is made or required to be made in accordance with generally accepted accounting principles consistently applied. All accounting terms not otherwise defined in this Agreement shall have the meanings ascribed to them in accordance with GAAP, applied on a consistent basis with prior periods;
- (t) "**Lands**" means the lands described and set out in Schedule A attached hereto;
- (u) "**Limited Partner**" means each person who is admitted to the Limited Partnership as a Limited Partner and who is shown as a Limited Partner on the Register;
- (v) "**Limited Partner Interest**" means the aggregate partnership share or interest in the Limited Partnership of a Limited Partner;
- (w) "**Limited Partner Unit**" means a Unit in the Limited Partnership held by a Limited Partner;
- (x) "**Limited Partnership**" means the limited partnership formed pursuant to the filing of the Certificate and the terms of this Agreement;
- (y) "**Net Income**" or "**Net Loss**" in respect of any period, means, respectively, the net income or net loss of the Limited Partnership in respect of such period determined in accordance with GAAP;
- (z) "**Partner**" means the General Partner or any Limited Partner;
- (aa) "**Partnership Act**" means the *Partnership Act* (British Columbia) and the regulations made thereunder, as amended from time to time;
- (bb) "**Person**" means an individual, corporation, or other legal entity;
- (cc) "**Register**" means the register of Limited Partners maintained by the Registrar and Transfer Agent pursuant to section 3.7;
- (dd) "**Registrar and Transfer Agent**" means the General Partner or such other person for the time being appointed by the General Partner to act as registrar and transfer agent for the Limited Partnership;
- (ee) "**Reserves**" means funds set aside or amounts allocated to reserves maintained in amounts which in the opinion of the General Partner are reasonably anticipated to be required to pay any debt, expenditures, and other costs or expenses incurred or to be incurred by or on behalf of the Limited Partnership in connection with the Business or winding up of the Limited Partnership;

- (ff) "**Sale and Purchase Agreement**" means the sale and purchase agreement entered into by the Company on behalf of the Limited Partnership dated June 1<sup>st</sup>, 2006 with Catalyst Paper Corporation and Pacifica Poplars Ltd. and Catalyst LP for the purchase of certain lands described therein;
- (gg) "**SDC**" means Sliammon Development Corporation, a company incorporated under the laws of British Columbia (Incorporation No. BC0675277), having a place of business at 4760 Joyce Avenue, Powell River, British Columbia, V8A 3B6 and a party to the Share Transfer Agreement;
- (hh) "**Share Transfer Agreement**" means the agreement between the Partners, Catalyst Paper Corporation, Catalyst LP, the City and SDC dated August 29<sup>th</sup>, 2014 whereby the Catalyst Mortgage was paid in its entirety and Catalyst LP transferred all of its Limited Partner Units to the Limited Partners and all of its shares in the General Partner to Powell River LP and SDC;
- (ii) "**Sharing Ratio**" means the ratio of the total number of Limited Partner Units held by a Limited Partner divided by the aggregate number of Limited Partner Units outstanding;
- (jj) "**Subscription Price**" means \$1.00 per Unit or such other amount as may be determined from time to time by the Partners in accordance with this Agreement;
- (kk) "**Subscription**" means a Subscription Agreement in the form attached to this Limited Partnership Agreement as Schedule B, executed and delivered by or on behalf of a subscriber for Units;
- (ll) "**Shareholders/Unitholders Agreement**" means that shareholders/unitholders agreement between the Partners and the shareholders of the General Partner dated August 29<sup>th</sup>, 2014;
- (mm) "**Sliammon Lands**" means those lands consisting of approximately 5.5 acres within the Excluded Lands outlined in blue and identified in Schedule E for the exclusive use and occupancy of the SFN;
- (nn) "**Taxable Income**" or "**Tax Loss**", means in respect of any Fiscal Period, the amount of income or loss of the Limited Partnership for such period determined by the General Partner in accordance with the provisions of the *Income Tax Act* (Canada), and any applicable provincial legislation;
- (oo) "**Unit**" means a Unit in the Limited Partnership created pursuant to this Agreement; and
- (pp) "**Unit Certificate**" means the form of certificate substantially in the form of Schedule C hereto, issued by the General Partner upon acceptance of a subscription for Units, evidencing the number of Units owned by such subscriber.

1.2 Interpretation. For the purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) "this Agreement" means this Limited Partnership Agreement (including the Schedules attached hereto) as it may from time to time be supplemented or amended;

- (b) the headings are for convenience only and do not form a part of this Agreement nor are they intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;
- (c) any reference to a statute shall include and shall be deemed to be a reference to such statute and to the rules and regulations made in respect thereof or pursuant thereto, with all amendments made thereto and in force from time to time;
- (d) any reference to an entity shall include and shall be deemed to be a reference to any entity that is a successor to such entity; and
- (e) words importing the masculine gender include the feminine or neuter gender and words in the singular include the plural, and vice versa.

1.3 Governing Law. This agreement shall in all respects be governed by and be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

1.4 Illegality. If anyone or more of the provisions contained in this agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions shall not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

1.5 Gender. Whenever the singular or the masculine is used herein the same shall be deemed to include the plural or the feminine or the body politic or corporate where the context or the parties so require.

1.6 Headings. The headings of this agreement are inserted for convenience only and shall not affect the construction or interpretation hereof.

1.7 Clauses. Unless otherwise stated, a reference herein to a numbered or lettered clause or subclause refers to the clause or subclause of each Article bearing that number or letter in this Agreement.

1.8 Accounting Terms. All accounting terms not defined in this Agreement shall have those meanings generally ascribed to them in accordance with GAAP, applied consistently.

1.9 Canadian Funds. Any reference herein to any dollar amount, purchase amount or sum of money shall be a reference to a Canadian dollar amount or sum of money.

1.10 Schedules. The Schedules hereto form part of this Agreement and shall consist of:

Schedule A: Description of Lands

Schedule B: Subscription Form

Schedule C: Unit Certificate

Schedule D: Assignment of Units

Schedule E: Excluded Lands

**2. RELATIONSHIP BETWEEN PARTNERS**

- 2.1 Maintenance of Limited Partnership. The General Partner and the Limited Partners agree to maintain the Limited Partnership as a limited partnership under the *Partnership Act* and to carry on the Business under the name "PRSC Limited Partnership" and covenant to do all things and to execute and deliver all such documents, instruments and assurances as may be necessary to form, qualify, continue and keep in good standing the Limited Partnership as a limited partnership under applicable laws.
- 2.2 Business of Limited Partnership. The Limited Partnership will carry on the Business and any other business, which is complementary or incidental to or in furtherance of the Business.
- 2.3 Place of Business. The principal places of business of the Limited Partnership will be Powell River, British Columbia.
- 2.4 Fiscal Period. The fiscal period of the Limited Partnership will commence on the 1<sup>st</sup> day of April each year and will end on March 31<sup>st</sup> of the following year or such other calendar quarter determined by the General Partner (the "**Year End Date**") and subsequent fiscal periods will commence on the day thereafter and will end on the following Year End Date in each and every year until changed in accordance with this Agreement.
- 2.5 Status of General Partner. The General Partner represents, warrants to and covenants with each Limited Partner that it:
- (a) is a corporation incorporated and in good standing under the laws of the Province of British Columbia; and
  - (b) has the appropriate capacity and authority to act as the General Partner and to perform its obligations under this Agreement and that such obligations do not and will not conflict with or constitute a default under its memorandum and articles or any agreement by which it is bound.
- 2.6 Status of Limited Partner. Each Limited Partner represents and warrants to and covenants with each other Partner that it:
- (a) has the capacity and competence to enter into and be bound by this Agreement;
  - (b) will not assign or purport to assign any interest in the Limited Partnership other than in accordance with the terms of this Agreement or the Shareholders/Unitholders Agreement; and
  - (c) will, on request by the General Partner, immediately execute all certificates, declarations, instruments and documents necessary to comply with any law or

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regulation of any jurisdiction in Canada in regard to the formation, continuance and operation of the Limited Partnership.

- 2.7 Limitation on Authority of Limited Partners. No Limited Partner in its capacity as such will:
- (a) take part in the control or management of the Business;
  - (b) execute any document which binds or purports to bind the Limited Partnership or any other Partner as such;
  - (c) hold itself out as having the power or authority to bind the Limited Partnership or any other Partner as such;
  - (d) have any authority to undertake any obligation or responsibility on behalf of the Limited Partnership;
  - (e) bring any action for partition or sale or for distribution of any interest in any property of the Limited Partnership, whether real or personal, or register or file or permit to be or remain undischarged any lien against any property of the Limited Partnership or such Partner's interest in the Limited Partnership; or
  - (f) take any action which will or is likely to jeopardize or eliminate the status of the Limited Partnership as a limited partnership.
- 2.8 Unlimited Liability of General Partner. The General Partner will have unlimited liability for all of the debts, liabilities and obligations of the Limited Partnership to the extent required by the *Partnership Act* provided that neither the General Partner nor any of its officers, directors or employees shall be liable, responsible or accountable in damages or otherwise to the Limited Partnership or any Limited Partner for any action taken or failure to act on behalf of the Limited Partnership within the scope of the authority conferred on the General Partner and its officers, directors or employees by this Agreement or by law unless such action or omission was performed or omitted fraudulently or in bad faith or constituted wanton or wilful misconduct or gross negligence.
- 2.9 Limited Liability of Limited Partners. Subject to the provisions of the *Partnership Act*, the liability of each Limited Partner for the debts, liabilities and obligations of the Limited Partnership is limited to the amount of Capital contributed by it plus its proportionate share of undistributed income of the Limited Partnership. If any part of the Capital of a Limited Partner is returned to such Limited Partner, then such Limited Partner may be liable for the debts, liabilities, losses or obligations of the Limited Partnership to the extent of the amounts so returned.
- 2.10 Indemnity of Limited Partners. The General Partner shall indemnify and hold harmless each Limited Partner from any costs, damages, liabilities or expenses suffered or incurred by such Limited Partner as a result of the liability of such Limited Partner not being limited in the manner provided in section 2.9 unless the liability of such Limited Partner is not so limited as a result of, or arising out, of any act or omission of such Limited Partner.



- 2.11 Compliance with Laws. Each Limited Partner shall on request of the General Partner immediately execute the Certificate and all other certificates, documents, declarations and instruments considered by the General Partner to be necessary to comply with any applicable law or regulation of any jurisdiction in Canada or elsewhere, for the formation, continuation, operation, and good standing of the Limited Partnership.
- 2.12 Other Activities of the General Partner. The General Partner shall devote its best efforts exclusively to and for the benefit of the Limited Partnership.
- 2.13 Other Activities of the Limited Partners. A Limited Partner and its Affiliates may engage in businesses, ventures, investments, and activities which may be similar to or competitive with those in which the Limited Partnership is or might be engaged and neither the partnership nor any other Partner will have any right by virtue of this Agreement or the Limited Partnership relationship created hereby in or to such other businesses, ventures, investments, activities or to the income, proceeds or profits derived therefrom. No Limited Partner, nor any of its Affiliates, will be required to account to or to offer or make available to the Limited Partnership or to any other Partner any other business or investment opportunity which the Limited Partner or any of its Affiliates may acquire or be engaged in for its own account.
- 2.14 Without Prejudice. This agreement is without prejudice to SFN aboriginal rights or title and specifically to SFN's claims relating to Tees'kwat and the Powell River Region. Nothing in this Agreement is intended to abrogate, derogate from, suspend, or limit any aboriginal rights or title or to define or limit any position that SFN may take in any claim, legal proceeding or negotiation relating to its aboriginal rights or title.
- 2.15 Decisions of Powell River LP. For greater certainty, each of the parties hereto acknowledge that any decision made by Powell River LP hereunder is made in its own right and capacity and such decisions shall not be binding upon nor fetter the discretion of the City of Powell River to make its own independent decisions respecting any manner, including matters relating to the Lands and the Limited Partnership.
- 2.16 Agreement replaces Former Partnership Agreement. The Partners agree that this Agreement shall supersede the Former Partnership Agreement and the rights and obligations of the Partners shall be governed by this Agreement.

### 3. UNITS

- 3.1 Number of Units. Subject to the terms of this Agreement, the Limited Partnership is authorized to issue an unlimited number of Limited Partnership Units and an unlimited number of General Partnership Units.
- 3.2 Nature of Units. Except as otherwise expressly provided each issued and outstanding Limited Partner Unit shall be equal to each other with respect to all matters including the right to receive distributions from the Limited Partnership, and no Limited Partner Unit

shall have any preference or right in any circumstances over any other Limited Partner Unit. Each Limited Partner will be entitled to one vote for each Limited Partner Unit held by it in respect of all matters to be decided by the Limited Partners. Other than as described in this Agreement, each General Partner Unit shall rank equally with all other General Partner Units and shall entitle the holder thereof to the same rights and obligations as the holder of any other General Partner Unit.

- 3.3 No Fractional Units. A Unit may not be divided or split into fractions and the Limited Partnership may not accept any subscription for, record any assignment of, or otherwise recognize any interest in less than a whole Unit, except as necessary to effect a subdivision of Units.
- 3.4 Admission of Limited Partners. Subscribers for Limited Partner Units or assignees of Limited Partner Units shall become Limited Partners of the Limited Partnership upon acceptance of the subscription or assignment by the General Partner and upon registration as such in the Register by the Registrar and Transfer Agent.
- 3.5 Registered Holder of Limited Partner Units. No Limited Partner Unit may be subscribed for by or registered in the name of:
- (a) a person who is not an individual, corporation or other legal entity;
  - (b) a person who is a "non-Canadian" within the meaning of the *Investment Canada Act*;
  - (c) a person who is not a "resident" of Canada within the meaning of the *Income Tax Act (Canada)*;

unless any such requirement is otherwise waived by the General Partner and only one person shall be recorded on the Register and on the Unit Certificate in respect of each Limited Partner Unit.

- 3.6 Unit Certificate. Upon the acceptance by the General Partner of a subscription for Limited Partner Units and payment of the subscription price for such Limited Partner Units, the General Partner shall cause the subscriber to be entered on the Register as a Limited Partner. At least one officer or director of the General Partner shall sign every Unit Certificate representing Limited Partner Units.
- 3.7 Registrar and Transfer Agent. The General Partner or such other person as the General Partner may appoint from time to time shall be the Registrar and Transfer Agent who shall:
- (a) maintain a registered office for the Limited Partnership;
  - (b) maintain, at the registered office of the Limited Partnership, a register showing, in alphabetical order, a list of the full name and last known resident address of each Partner, and in the case of a Partner other than an individual, an address of the Partner in the Province of British Columbia, showing the number of Units or the percentage interest in the Limited Partnership held and indicating whether the Partner is the General Partner or a Limited Partner;

- (c) maintain such other records as may be required by law; and
- (d) make on behalf of the Limited Partnership all recordings or filings with any governmental authority that are required to be made by the Limited Partnership.

The General Partner shall be authorized to make such reasonable rules and regulations as it may, from time to time, consider necessary or desirable in connection with the Register, including the form and content of the Register, the times when the Register may be closed, establishment of record dates, the documentation required to record assignments of Units and other matters.

- 3.8 Lost Unit Certificates. Where a Limited Partner claims that a Unit Certificate has been defaced, lost, destroyed or wrongly taken, the General Partner shall cause a new Unit Certificate to be issued in substitution therefor if such Limited Partner files with the General Partner a form of proof of loss and, if required by the General Partner, an indemnity bond in a form and in an amount satisfactory to the General Partner and satisfies such other reasonable requirements and pays such reasonable costs as are imposed by the General Partner.
- 3.9 Inspection of Register. Any Limited Partner, or an agent of a Limited Partner duly authorized in writing, shall have the right to inspect and take extracts from the Register during normal business hours and, upon payment of a reasonable fee to the General Partner, to obtain a copy of the Register not more than ten (10) days after the date of filing of his written request therefor with the General Partner, subject to the terms of this Agreement.
- 3.10 General Partner May Hold Units. Subject to approval as provided in article 2.11 of the Shareholders/Unitholders Agreement, the General Partner may acquire or purchase Limited Partner Units by private contract and shall be entered on the Register as a Limited Partner in respect of the number of Limited Partner Units held by the General Partner from time to time.
- 3.11 Assignment of Limited Partner Units. Except as otherwise permitted by this Agreement or the Shareholders/Unitholders Agreement, no Limited Partner shall sell, transfer or assign the whole or any part of its interest in the Limited Partnership without the prior written consent of all other Limited Partners. In the event the sale, transfer, or assignment is permitted hereunder or thereunder, a Limited Partner Unit may be assigned by a Limited Partner or its agent duly authorized in writing to a Person who:
- (a) has delivered or caused to be delivered to the General Partner an assignment in the form attached to this Agreement as Schedule D duly completed and executed by the assigning Limited Partner;
  - (b) has agreed in writing to be bound by the terms of this Agreement and the Shareholders/Unitholders Agreement and to assume the obligations of the assigning Limited Partner under this Agreement;
  - (c) has delivered or caused to be delivered to the General Partner the assignor's Unit Certificate representing such Limited Partner Unit; and

- (d) has delivered or caused to be delivered to the General Partner such other documents, certificates, assurances and other instruments as the General Partner may reasonably require to effect the assignment.

#### 4. CAPITAL CONTRIBUTIONS AND ACCOUNTS

- 4.1 Limited Partners' Accounts. The General Partner will establish and maintain on the books of the Limited Partnership:
  - (a) a separate account for each Limited Partner to which shall be credited the amount of its share of Capital ("**Capital**"); and
  - (b) a separate account for the General Partner and each Limited Partner, to which Net Income and all other amounts to which partners are entitled (other than Capital) will be credited and to which Net Loss, Available Net Cash Flow and all other distributions to Limited Partners (other than distributions of Capital) will be charged (the "**Current Account**").
- 4.2 Capital Allocated to Limited Partner Units. Capital of the Limited Partners will be allocated among the Limited Partners in accordance with the amounts contributed by each Limited Partner.
- 4.3 No Right to Withdraw Amounts. No Partner will have any right to withdraw any amount or receive any distribution from the Limited Partnership except as expressly provided for in this Agreement.
- 4.4 No Interest Payable on Accounts. No Partner will have the right to receive interest on any credit balance of its Capital or Current Account.
- 4.5 Negative Balance of Capital or in Current Account. The interest of a Partner in the Limited Partnership will not terminate by reason of a negative balance in the Partner's Capital or Current Account.
- 4.6 Contributions by Limited Partners. The Limited Partners agree that as of Closing under the Share Transfer Agreement, they have contributed the following capital contributions in lands or cash as subscription proceeds for the subscription of Limited Partner Units in the Limited Partnership upon which the General Partner has issued, as evidence of the interests held by each of the Limited Partners the number of Limited Partner Units set out below beside their respective names under the column entitled "Limited Partner Units":

|                          | Percentage of<br>Limited<br>Partnership<br>Units | Capital<br>(Lands)<br>Subscription | Capital<br>(cash)<br>Subscription | Total Capital<br>Subscription | Limited<br>Partner<br>Units |
|--------------------------|--|------------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| Sliammon<br>First Nation | 16 2/3 %   | \$25,000                           | \$nil                             | \$25,000                      | 25,000                      |
| Tees' Kwat<br>LP         | 33 1/3 %   |                                    | \$50,000                          | \$50,000                      | 50,000                      |
| Powell River<br>LP       | 50%  | \$25,000                           | \$50,000                          | \$75,000                      | 75,000                      |
| <b>TOTAL</b>             | <b>100%</b>                                      | <b>\$50,000</b>                    | <b>\$100,000</b>                  | <b>\$150,000</b>              | <b>150,000</b>              |

4.7 Initial Contribution by General Partner. The Partners acknowledge and agree that contemporaneously with the delivery of the Former Partnership Agreement by the parties and in furtherance of the formation of the Limited Partnership, the General Partner contributed as Capital to the Limited Partnership, the sum of \$1.00 in consideration for the issuance to the General Partner of the General Partner Interest.

4.8 Subsequent Subscriptions. The Limited Partners may (but shall not be obligated to) subscribe for additional Limited Partner Units in the Limited Partnership at \$1.00 for each Limited Partner Unit, within forty-five (45) days of receiving a request from the General Partner for additional subscriptions based on each Limited Partners' proportionate ownership of Limited Partner Units in the Limited Partnership on the date of the request, provided that such additional subscriptions have been approved by the prior unanimous consent of the Limited Partners.

## 5. TERM

5.1 Term of Limited Partnership. The Limited Partnership shall terminate on the earlier of the date the Limited Partnership is dissolved in accordance with section 11.1 or the date on which the Limited Partnership is dissolved by operation of law or judicial decree.

## 6. DETERMINATION AND ALLOCATION OF INCOME AND LOSS

6.1 Allocation of Taxable Income and Tax Loss. Taxable Income and Tax Loss of the Limited Partnership for each Fiscal Period shall be allocated as follows: (i) 99.999% to the Limited Partners in accordance with their Sharing Ratio at the date of allocation and (ii) 0.001 % to the General Partner as holder of the General Partner Interest.

6.2 Computation of Taxable Income or Tax Loss. Notwithstanding the definition of Taxable Income or Tax Loss, for the purposes of recognition of income and loss for tax purposes, income shall be deferred for the maximum time and recognized in the minimum amount permissible at law, and in the case of a deduction from income, that deduction shall be taken at the earliest time and in the maximum amount permitted at law.

- 6.3 Allocation of Taxable Income and Tax Loss. For tax purposes, Taxable Income and Tax Loss shall be attributed to the Fiscal Period in which they were generated and shall be allocated to the Limited Partners on the same basis as Net Income and Net Loss is allocated under this section 6.
- 6.4 Allocations to Limited Partners. The amount of Net Income, Net Loss, Taxable Income, Tax Loss and Available Net Cash Flow for any Fiscal Period to be allocated and distributed to the Limited Partners holding Limited Partner Units will be allocated and distributed as at the end of such Fiscal Period to those recorded on the Register as Limited Partners at the end of such Fiscal Period, in accordance with the Sharing Ratio of each Limited Partner holding Limited Partner Units at that time.

## **7. AVAILABLE NET CASH FLOW**

- 7.1 Time and Manner of Distributions. Available Net Cash Flow, if any, shall be determined by the General Partner as of the last day of each Fiscal Period and shall, subject to this section 7.1, be distributed to the Limited Partners within ninety (90) days after the last day of such Fiscal Period. The General Partner may, in its discretion, make more frequent determinations and distributions, which distributions shall be deemed to be in respect of the Fiscal Period during which the distribution is made. For greater certainty, it is initially contemplated that on formation of the Limited Partnership until such time as otherwise determined by the unanimous consent of the Limited Partners, all excess cash will be retained by the Limited Partnership as Reserves and no distributions will be made to the Limited Partners.
- 7.2 Distributions of Available Net Cash Flow. Available Net Cash Flow shall be allocated and distributed to the Limited Partners in accordance with their Sharing Ratio.
- 7.3 Effect of Transfer. If, during the Fiscal Period, a Partner transfers a Unit other than by way of security, then the Partner is not entitled to and the General Partner shall not distribute to the Partner his share of the Available Net Cash Flow, and shall not allocate Net Income or Net Loss to the Partner's Capital Account as of the date of transfer, but shall allocate the Net Income or Net Loss to the Capital Account of the registered holder of the Unit as at the end of the Limited Partnership's Fiscal Period.

## **8. MANAGEMENT OF PARTNERSHIP**

- 8.1 General Powers and Duties of the General Partner. Subject to the Shareholders/Unitholders Agreement and section 8.7 of this Agreement, the General Partner is hereby granted discretionary power on behalf of the Limited Partnership to enter into agreements for the purpose of conducting the business of the Limited Partnership. No person dealing with the Limited Partnership is required to inquire into the authority of the General Partner to take any action or make any decision on behalf of and in the name of the Limited Partnership. The General Partner shall control and have responsibility for the operation of the Limited Partnership and do or cause to be done in a prudent and reasonable manner any and all acts necessary, appropriate or incidental to the activities of the Limited Partnership.

- 8.2 Specific Powers. Subject to the Shareholders/Unitholders Agreement and section 8.7 of this Agreement, without limiting the generality of the powers of the General Partner, it is acknowledged and agreed that the General Partner is authorized, at the appropriate time, on behalf of the Limited Partnership and without further authority from the Limited Partners, to:
- (a) proceed to plan and implement the development of the Lands;
  - (b) act in all matters respecting the development of the Lands including the planning, design and the construction of improvements, with full and complete authority to act on behalf of the Limited Partnership in relation to any matters or things in connection with, arising out of, or relative to the Business or its purposes and in relation to any matters or things involving the performance of any contracts for construction, including the procuring of any necessary governmental approvals, building, development or occupancy permits;
  - (c) supervise and manage work required and attend to any and all matters relating thereto, it being agreed that any construction supervision may be carried out as a cost of the Limited Partnership by a superintendent or consultant retained by the General Partner or by an employee of the General Partner;
  - (d) execute and deliver construction contracts, purchase orders, subcontracts and other agreements as it deems appropriate;
  - (e) employ, supervise and discharge and pay all consultants, engineers, surveyors, architects, lawyers, construction managers, contractors, subcontractors, employees or materialmen it deems prudent or necessary to be employed for the purpose of completing the Business or fulfilling the duties and obligations of the General Partner hereunder;
  - (f) contract for and supervise the making of all construction it considers necessary;
  - (g) contract for water, gas, electricity, sanitary sewers and other services and utilities;
  - (h) dedicate and set aside roads, or other portions of the Lands for municipal or other similar purposes;
  - (i) execute and deliver easements, rights of way, covenants, building schemes and other instruments and agreements, whether as charges or liens against the Lands or portions thereof or otherwise;
  - (j) maintain full books of account with correct entries of all receipts and expenditures respecting the Business, and give reasonable access for inspection thereof to the Limited Partners or their authorized representatives upon receiving reasonable prior notice;
  - (k) in its discretion require contractors or subcontractors to furnish bonds or sureties ensuring the performance of and payment by any of the contractors;

- (l) place and maintain general and/or public liability insurance, as prudent or considered necessary by the General Partner;
- (m) negotiate, arrange and obtain financing or refinancing for or in respect of the acquisition of the Lands and its development including construction financing and interim financing on such terms, conditions and security as may be commercially reasonable;
- (n) negotiate sales of the Lands on terms consistent with creating a profit;
- (o) undertake, execute and file, as the case may be, development and construction documents and to make such changes thereto as may be necessary to carry out and to complete the overall objectives set forth in this Agreement;
- (p) employ such persons, firms and corporations as the General Partner considers suitable for the purpose of providing property management and development services in respect of the Lands, all upon and subject to such terms and conditions as the General Partner considers appropriate in the circumstances;
- (q) arrange or establish a sales and marketing program including on-site sales office, display suites and sales personnel;
- (r) engage (if this is required in the opinion of the General Partner) a licensed real estate broker to act as the listing agent;
- (s) deal directly with all governments, administrative boards and agencies and officials with respect to the Lands as well as engineers, architects, lawyers, consultants, construction managers, contractors, leasing agents, appraisers, architects, surveyors and others necessary to complete the Business, it being understood that the General Partner shall have the sole direct contact with any such persons and all communications the Limited Partners may wish to make to any such persons shall be made through the General Partner;
- (t) pay from the revenues collected by the General Partner, from funds provided by the Limited Partners or from financing all amounts due to the Limited Partnership hereunder and all amounts required to be paid by the General Partner in the proper discharge of its duties including, without limitation, insurance, tax and mortgage payments;
- (u) establish and maintain a bank account for the Limited Partnership in the name of the General Partner;
- (v) distribute any receipts, Available Net Cash Flow, Net Income, Net Loss or other amounts required to be distributed in accordance with this Agreement;
- (w) make any and all applications, submissions or requests and institute any and all processes and procedures prudent or necessary, in the opinion of the General



Partner, to be made in connection with the development and stratification of the Lands and any and all parts, phases or aspects thereof;

- (x) conduct logging on the Lands as necessary and incidental to development of any portion of the Lands, or otherwise on terms consistent with creating a profit;
- (y) generally, to plan and implement the accomplishment of the purposes of this Agreement;
- (z) generally, subject to receiving directions from the Limited Partners from time to time if required by this Agreement, be responsible for the operations of the Business;
- (aa) amend the Certificate pursuant to the *Partnership Act* as and when required, including upon any change in Capital contributed or committed to be contributed by Limited Partners;
- (bb) secure repayment of money borrowed by the Limited Partnership or other indebtedness or liability of the Limited Partnership;
- (cc) execute and carry out all other agreements which require execution by or on behalf of the Limited Partnership;
- (dd) act on behalf of the Limited Partnership with respect to any and all actions and other proceedings brought by or against the Limited Partnership or in respect of its business;
- (ee) determine the amount and type of insurance coverage to be maintained in order to protect the assets of the Limited Partnership and the Limited Partnership from all usual perils;
- (ff) execute any and all other deeds, documents and instruments and do all acts as may be necessary or desirable to carry out the intent and purpose of this Agreement;
- (gg) borrow funds in the name of the Limited Partnership for the purpose of financing the business and operations of the Limited Partnership but not for any other purpose; and
- (hh) to invest funds not immediately required for the business of the Limited Partnership in short term investments.

8.3 Reimbursement of Expenses. The General Partner shall be reimbursed for all reasonable, direct, out-of-pocket disbursements incurred by the General Partner and its representatives in performing its duties hereunder out of Limited Partnership funds including, but not restricted to, reasonable costs and charges for travel, accommodation, courier, postage, telephone, bank, photocopying and printing charges. All such costs shall form part of the costs of the Limited Partnership and the Business.

- 8.4 Co-mingling of Funds. The funds and assets of the Limited Partnership shall not be co-mingled with the funds or assets of any other person, project or entity (including those of the General Partner).
- 8.5 Limitation of Liability of the General Partner. The General Partner is not personally liable for the return of any Capital contributed by a Limited Partner to the Limited Partnership.
- 8.6 Failure to Act within Scope of Authority. Notwithstanding anything else contained in this Agreement, neither the General Partner nor its officers, directors, shareholders, employees, or agents is liable, responsible for, or accountable in damages or otherwise to the Limited Partnership or a Limited Partner for an action taken or failure to act on behalf of the Limited Partnership within the scope of the authority conferred on the General Partner by this Agreement or by law unless the act or omission was performed or omitted fraudulently or in bad faith or constituted wanton or wilful misconduct or gross negligence.
- 8.7 Excluded Lands. Notwithstanding the authority granted the General Partner under this Agreement, the Partners acknowledge and agree that the General Partner's authority shall not extend to the Excluded Lands and the General Partner shall have no power to occupy, use, deal with, charge the Excluded Lands or otherwise exercise any of the powers granted to it with respect to the Lands unless it has first obtained, in the case of the City Lands, the written consent of Powell River LP, or, in the case of the Sliammon Lands, the written consent of the SFN and Tees' Kwat LP. The Partners further agree that:
- (a) in the case of the City Lands, Powell River LP shall have the right to exclusive use and occupation of the City Lands as if Powell River LP were the registered owner in fee simple of the City Lands, including the right, at its own expense, to subdivide the City Lands and transfer them to Powell River LP or another party in its absolute discretion in which case, the City Lands shall no longer be subject to this Agreement; and
  - (b) in the case of the Sliammon Lands, SFN or SDC shall have the right to exclusive use and occupation of the Sliammon Lands and the right, at their own expense, to subdivide the Sliammon Lands and transfer them to another party in their absolute discretion in which case, the Sliammon Lands shall no longer be subject to this Agreement.

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9. **PARTNERSHIP MEETINGS**

- 9.1 Meetings of Limited Partners and Quorum. Meetings of Limited Partners may be requisitioned by any Partner. Such meetings shall be held in Powell River, British Columbia or by telephone conference at such place and time determined by the person(s) requisitioning such meetings, provided that written notice of each meeting shall be given to each Limited Partner not less than seven (7) days prior to the meeting which written

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notice shall state, in reasonable detail, the purpose of such meeting. A quorum for a meeting of Limited Partners shall consist of two or more Limited Partners present in person or represented by proxyholder and owning or representing not less than 75% of all Units in the Limited Partnership and if such quorum is not present on the date for which the meeting is called within one hour after the time fixed for the holding of such meeting, the meeting shall be adjourned to a date not later than fourteen (14) days thereafter at which adjourned meeting one or more Limited Partners present in person or represented by proxyholder shall constitute a quorum. The General Partner or the parties giving notice of the original meeting shall forthwith give not less than seven (7) days advance notice of the place, date and time of the adjourned meeting. Any business may be transacted at the adjourned meeting which might properly have been transacted at the original meeting.

9.2 Approval of Limited Partners. Notwithstanding the powers of the General Partner, the following shall require approval by unanimous consent of the Limited Partners:

- (a) either or both the dismissal or replacement of the General Partner;
- (b) any change in section 8.7 of this Agreement; and
- (c) the termination of this Agreement pursuant to paragraph 11.1(a).

9.3 Limited Partner Covenants. The Limited Partners each agree to furnish the General Partner with all documents and records which may be required by the General Partner to carry out its duties hereunder.

## **10. CHANGE OR RESIGNATION OF GENERAL PARTNER**

10.1 Resignation. The General Partner may resign at any time by forwarding notice of such resignation no later than thirty (30) days prior to its effective date to each Partner at his address shown in the Register, provided however that the resignation of the General Partner will not take effect until the Limited Partners have appointed a new general partner pursuant to this Agreement.

10.2 Bankruptcy or Dissolution. The General Partner shall be deemed to resign as the General Partner in the event of the bankruptcy, dissolution, liquidation or winding-up of the General Partner (or the commencement of any act or proceeding in connection therewith which is not contested in good faith by the General Partner) or the appointment of a trustee, receiver or receiver-manager of the affairs of the General Partner or the dismissal or replacement of the General Partner pursuant to section 9.2 but such resignation shall not be effective until the Limited Partners have appointed a new General Partner. The General Partner, in the event of bankruptcy, dissolution, liquidation or winding-up must call a meeting of the Limited Partnership at which time a new General Partner will be appointed.

- 10.3 Transfer of Management. On the admission of a new General Partner to the Limited Partnership, the General Partner will do all things and take all steps necessary to transfer the administration, management, control and operation of the business of the Limited Partnership and the books, records and accounts of the Limited Partnership to the new General Partner and will execute and deliver all deeds, certificates, declarations and other documents necessary or desirable to effect such transfer.
- 10.4 New General Partner. A new General Partner shall become a party to this Agreement by signing a counterpart hereto and shall agree to be bound by all of the provisions hereof and to assume the obligations, duties and liabilities of the General Partner hereunder as and from the date the new General Partner becomes a party to this Agreement.
- 10.5 Continuity of Limited Partnership. In the event of the bankruptcy, insolvency, dissolution, liquidation, winding-up or resignation of the General Partner, the business of the Limited Partnership shall be continued by the successor general partner.

## 11. DISSOLUTION OF PARTNERSHIP

- 11.1 Events of Dissolution. The Limited Partnership shall be dissolved on the earliest of:
- (a) authorization of such dissolution by unanimous consent of the Limited Partners;  
or
  - (b) the General Partner declaring the Limited Partnership to be dissolved following at least two consecutive years in which the Limited Partnership is insolvent.
- 11.2 Events Not Causing Dissolution. The Limited Partnership shall not be dissolved or terminated by the death, incompetence, bankruptcy, insolvency, dissolution, liquidation, winding-up or receivership of or the admission or withdrawal of any Limited Partner or the General Partner or upon the transfer of any Unit.
- 11.3 Receiver. On the dissolution of the Limited Partnership, the General Partner shall act as the receiver (the "**Receiver**") of the Limited Partnership. If the General Partner shall be unable or unwilling to act as the Receiver, the Limited Partners may appoint another person to act as the Receiver. The Receiver shall wind up the affairs of the Limited Partnership and all property of the Limited Partnership shall be liquidated in a timely and orderly manner and the proceeds therefrom distributed to the Limited Partners in accordance otherwise with the terms of this Agreement. The Receiver shall be paid its reasonable fees and disbursements incurred in carrying out its duties as such.
- 11.4 Distribution of Proceeds of Liquidation. Within a reasonable time after the date of dissolution of the Limited Partnership, the Receiver shall liquidate all assets of the Limited Partnership for cash except those assets in respect of which a scheme for distribution in kind is approved by a simple majority of the Limited Partners, and shall distribute the cash and/or the assets of the Limited Partnership in the following order of priority:

- (a) firstly, to pay the expenses of dissolution and liquidation and the debts and liabilities of the Limited Partnership to its creditors (other than the General Partner) or to make due provision for payment thereof (including the assumption by a purchaser of property of the Limited Partnership of the balance secured by a charge against any property of the Limited Partnership);
- (b) secondly, to provide reserves reasonably necessary for any contingent or unforeseen liability or obligation of the Limited Partnership which shall be paid to an escrow agent to be held for payment of liabilities or obligations of the Limited Partnership;
- (c) thirdly, any amounts owing to the General Partner for loans or other advances made to the Limited Partnership;
- (d) fourthly, the remaining assets shall be distributed to the Limited Partners and the General Partner, in satisfaction of their contributions to the Capital to the extent not previously returned; and
- (e) the balance, if any, remaining shall be distributed among Limited Partners holding Limited Partner Units in proportion to their Sharing Ratio.

11.5 Termination of Limited Partnership. The Limited Partnership shall terminate when all of its assets have been sold or distributed and the net proceeds therefrom, after payment of or due provision for the payment of all debts, liabilities and obligations of the Limited Partnership to creditors, have been distributed as provided in this Agreement.

11.6 Negative Balance in Current Account of General Partner. Neither the Limited Partnership nor any Limited Partner shall have a claim against the General Partner with respect to any negative balance in the General Partner's Current Account.

## 12. AMENDMENTS

12.1 Amendment by General Partner. Subject to the terms of the Shareholders/Unitholders Agreement, the General Partner may, without prior notice to or consent from any Partner, amend this Agreement, if an amendment is deemed necessary:

- (a) to reflect the admission or withdrawal of any Limited Partner, or the assignment by any Limited Partner of the whole or any part of its interest in the Limited Partnership, pursuant to the terms hereof or of the *Partnership Act*;
- (b) to add covenants, restrictions or provisions which, in the opinion of counsel for the Limited Partnership, are for the protection of the Limited Partners; or
- (c) to cure any ambiguity or to correct or supplement any provision contained herein which, in the opinion of counsel for the Limited Partnership, may be defective or inconsistent with any other provision hereof if, in the opinion of such counsel, such amendment does not materially adversely affect the interest of the Limited Partners as a group.

The General Partner shall promptly notify all Limited Partners of the full text of any amendment to this Agreement.

**13. GENERAL**

13.1 Entire Agreement. This Agreement, together with the Shareholders/Unitholders Agreement, constitutes the entire agreement among the parties regarding the subject matter contained in this Agreement. The parties agree to execute and deliver all such further documents, do or cause to be done all such further acts and things, and give all such further assurances as may be necessary to give full effect to the intent of this Agreement.

13.2 Counterparts. This Agreement may be executed by telecopier and in any number of counterparts with the same effect as if all parties hereto had all signed the same document. This Agreement may also be adopted in any subscription form or similar instrument signed by a Limited Partner, with the same effect as if such Limited Partner had executed a counterpart of this Agreement. All counterparts and adopting instruments shall be construed together and shall constitute one and the same agreement.

13.3 Time. Time shall be of the essence hereof.

13.4 Further Assurances. The parties hereto agree to execute and deliver such further and other documents and perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

13.5 Binding Effect. This Agreement shall be binding upon and enure to the benefit of the parties hereto, their respective heirs, executors, administrators and other legal representatives and to the extent permitted hereunder, their respective successors and assigns.

13.6 Notices. All notices hereunder shall be deemed given if in writing and delivered personally or sent by facsimile, but not by email, to the Parties at the following addresses (or at such other addresses as shall be specified by like notice):

(a) If to SFN:

RR#2, 6686 Sliammon Rd,  
Powell River, British Columbia, V8A 0B8,  
Attention: Chief and Band Council  
Fax No. (604) \_\_\_\_\_;

(b) If to Tees' Kwat LP:

C-93, RR#2  
Powell River, British Columbia, V8A 4Z3  
Attention Board of Directors,  
Fax No. (604) 483-7741;

(c) If to Powell River LP:

#103 - 7020 Duncan Street  
Powell River, British Columbia, V8A 1V9  
Attention Board of Directors  
Fax No. (604) 485-6923; and

(d) If to the General Partner:

4448A Marine Avenue  
Powell River, British Columbia, V8A 2K2,  
Attention Board of Directors  
Fax No. (604) 485-6923  
with copies to SFN, Tees' Kwat LP and Powell River LP.

Any notice given by facsimile shall be effective on the business day following the sending. Any notice delivered personally shall be effective at the time it is delivered to the applicable address noted above either to the individual designated above or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee.

**END OF PAGE**

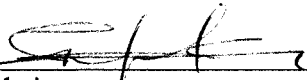
IN WITNESS WHEREOF this Limited Partnership Agreement made as of the date first written above.

**TEES'KWAT LAND HOLDINGS LTD.** has executed this Agreement by its duly and authorized signatories:

\_\_\_\_\_  
Authorized signatory

\_\_\_\_\_  
Authorized signatory

**POWELL RIVER WATERFRONT DEVELOPMENT CORPORATION** has executed this Agreement by its duly and authorized signatories:

  
\_\_\_\_\_  
Authorized signatory

\_\_\_\_\_  
Authorized signatory

**SLIAMMON FIRST NATION** has executed this Agreement by its duly and authorized signatories and upon the authorization of the SFN Band and Council:

\_\_\_\_\_  
Authorized signatory

\_\_\_\_\_  
Authorized signatory

**PRSC LAND DEVELOPMENTS LTD.** has executed this Agreement by its duly and authorized signatories:


\_\_\_\_\_  
Authorized signatory

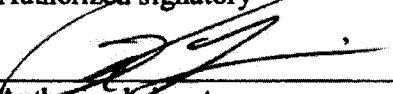
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Authorized signatory



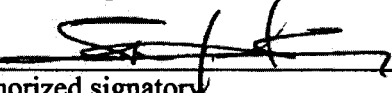
IN WITNESS WHEREOF this Limited Partnership Agreement made as of the date first written above.

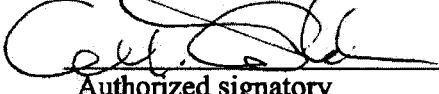
TEES'KWAT LAND HOLDINGS LTD. has executed this Agreement by its duly and authorized signatories:

  
\_\_\_\_\_  
Authorized signatory


  
\_\_\_\_\_  
Authorized signatory


POWELL RIVER WATERFRONT DEVELOPMENT CORPORATION has executed this Agreement by its duly and authorized signatories:

  
\_\_\_\_\_  
Authorized signatory

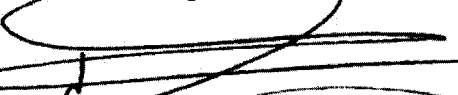
  
\_\_\_\_\_  
Authorized signatory

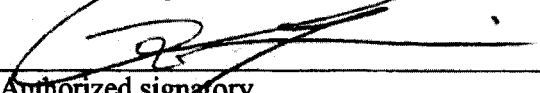
SLIAMMON FIRST NATION has executed this Agreement by its duly and authorized signatories and upon the authorization of the SFN Band and Council:

  
\_\_\_\_\_  
Authorized signatory

  
\_\_\_\_\_  
Authorized signatory

PRSC LAND DEVELOPMENTS LTD. has executed this Agreement by its duly and authorized signatories:

  
\_\_\_\_\_  
Authorized signatory

  
\_\_\_\_\_  
Authorized signatory

**SCHEDULE A**

**DESCRIPTION OF LANDS**

1. TITLE: BB808892; PID: 026-685-591; LEGAL DESCRIPTION: LOT A, DISTRICT LOT 450, GROUP 1, NEW WESTMINSTER DISTRICT, PLAN BCP23887, EXCEPT: PART SUBDIVIDED BY PLAN BCP42255.
2. TITLE: BB899525; PID 015-863-310; LEGAL DESCRIPTION: DISTRICT LOT 4070, GROUP 1, NEW WESTMINSTER DISTRICT, EXCEPT PART IN REFERENCE PLAN 2267.
3. TITLE: BB899526; PID: 026-686-554; LEGAL DESCRIPTION: LOT 1 DISTRICT LOT 1901A GROUP 1 NEW WESTMINSTER DISTRICT PLAN BCP23889.
4. TITLE: BB899527; PID: 026-741-580; LEGAL DESCRIPTION: LOT 2, DISTRICT LOT 450, GROUP 1, NEW WESTMINSTER DISTRICT, PLAN, BCP 23888.
5. TITLE: BB899529; PID: 026-686-589; LEGAL DESCRIPTION: LOT A, DISTRICT LOT 450, GROUP 1, NEW WESTMINSTER DISTRICT, PLAN, BCP 23890.
6. TITLE: BB1701630; PID: 010-267-409; LEGAL DESCRIPTION: BLOCK 56, DISTRICT LOT 450, PLAN 8096, EXCEPT PLANS 12767 AND BCP46067.

**SCHEDULE B**

**SUBSCRIPTION FORM**

**PRSC LIMITED PARTNERSHIP**

TO: PRSC LIMITED PARTNERSHIP  
4448A Marine A venue, Powell River, BC, V8A 2K2

1. **Subscription.** The undersigned (the "**Subscriber**") hereby subscribes for and agrees to purchase the number of Limited Partnership Units as set out on the signature page hereof (the "**Units**") representing an interest in PRSC Limited Partnership (the "**Limited Partnership**"), a limited partnership formed pursuant to the laws of the Province of British Columbia, for a subscription price of C\$1.00 per Unit (the "**Subscription Price**"). The Subscriber tenders with this Subscription Agreement ("**Subscription Agreement**") a contribution (in cash or in kind) in the aggregate amount of \$ \_\_\_\_\_ being the Subscription Price for the Capital Contribution (as contemplated in section 4.6 of the Limited Partnership Agreement, as defined below) payable, in the case of a contribution of cash, by way of certified cheque, bank draft or wire transfer to PRSC Land Developments Ltd. (the "**General Partner**") as general partner of the Limited Partnership, in trust for the Limited Partnership, at which time the General Partner will deliver the Limited Partnership Units as set out on the signature page hereof. The Subscriber agrees that this Subscription Agreement is given for valuable consideration and will not be withdrawn or revoked by the Subscriber. If this Subscription Agreement is not accepted by the General Partner in accordance with the terms of the Limited Partnership Agreement, then this Subscription Agreement, any enclosures and the amount of Subscription Price tendered with this Subscription Agreement will be returned to the undersigned at its address indicated below, without interest or penalty.
2. **Limited Partnership Agreement.** The Subscriber acknowledges that participation in the Limited Partnership is subject to the acceptance of this Subscription Agreement by the General Partner and to the terms and conditions of the PRSC Limited Partnership Agreement dated as of the 29<sup>th</sup> day of August, 2014 (the "**Limited Partnership Agreement**"). The terms and conditions of the Limited Partnership Agreement are deemed to be incorporated into this Subscription Agreement by reference.
3. **Representations and Warranties.** The Subscriber represents and warrants to the Limited Partnership, which representations and warranties are true and correct of the date of this Subscription Agreement, that:
  - (a) **Capacity/Authority** - the Subscriber has the legal capacity and authority, and has obtained all necessary approvals, consents or orders necessary to execute, deliver, be bound by and observe and perform its obligations under this Subscription Agreement and the Limited Partnership Agreement (without any further approval, consent, authorization, act of proceeding being required by the Subscriber), and the acquisition and holding of the Units by the corporation is in compliance with

the constating documents of the corporation and the corporation has taken all necessary corporate steps and proceedings in respect of the foregoing;

- (b) **Legal, Valid and Binding Agreement** - this Subscription Agreement has been duly executed and delivered by the Subscriber and, upon its acceptance by the General Partner on behalf of the Limited Partnership, constitutes a legal, valid and binding agreement of the Subscriber; and
- (c) **Securities Exemption** - the Subscriber acknowledges that the subscription of the Units has not been qualified under the securities legislation of any province by way of a prospectus and the Subscriber is relying on certain exemptions contained in or issued under the *Securities Act* (British Columbia) and the regulations made thereunder (the "Act"). The Subscriber represents and warrants that it is exempt under the Act as the Subscriber is purchasing the Units as principal, no other person, corporation, firm or other organization will have a beneficial interest in the Units and the Subscriber is relying of the Private Issuer Exemption in s. 2.1 of the *Multilateral Instrument 45-103 Capital Raising Exemptions B.C. Reg.225/2003* as amended from time to time (the "**Regulation**") and is an accredited investor.

- 4. **Survival of Representations, Warranties and Covenants**. The representations, warranties and covenants of the-Subscriber in this Subscription Agreement are made by the Subscriber with the intent that they be relied upon, without further enquiry whatsoever, in determining its suitability as a Subscriber of Units and the Subscriber agrees that such representations, warranties and covenants contained in this Subscription Agreement shall survive the purchase of the Units by the Subscriber and will continue in full force and effect notwithstanding any subsequent disposition by the Subscriber of the Units.
- 5. **Governing Law**. This Subscription Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable in British Columbia.
- 6. **Entire Agreement**. This Subscription Agreement, the Limited Partnership Agreement, including the Shareholders/Unitholders Agreement, and other documents referred to in the Limited Partnership Agreement constitute the entire agreement between the parties relating to the subject matter of this Subscription Agreement. There are no representations, warranties, covenants or other agreements between the parties in connection with such subject matter except as specifically set forth in this Subscription Agreement and in the Limited Partnership Agreement.
- 7. **Further Assurances**. The Subscriber agrees to execute and deliver, at the request of the General Partner, all such further completed questionnaires, documents, instruments, deeds and assurances and to carry out such acts and things as may be necessary or desirable for the purposes of giving effect to, perfecting or better evidencing any of the

matters contemplated in this Subscription Agreement or for the purposes of complying with applicable laws.

8. **Enurement.** This Subscription Agreement will be binding upon the Subscriber and the heirs, executors, administrators, other legal representatives, successors and assigns of the Subscriber.
  
9. **Name, Address and Notice Information.** The name and address of the Subscriber is, the certificate(s) evidencing the Units subscribed for shall be delivered to, and until notice of a change is given pursuant to the Limited Partnership Agreement, any notice, demand or other communication may be delivered to, or transmitted by telecopier or other method of facsimile transmission to, the Subscriber, as follows:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Street Address

\_\_\_\_\_  
City and Province

\_\_\_\_\_  
Postal Code

\_\_\_\_\_  
Attention:

Telecopier/Fax Number: \_\_\_\_\_

10. **Registration and Instructions.** The Units subscribed for by this Subscription Agreement are to be registered in the following name, if other than as set forth in paragraph 9 above:

Name: \_\_\_\_\_

IN WITNESS WHEREOF on the \_\_\_ day of \_\_\_\_\_, 20\_\_\_, the Subscriber has duly executed this Subscription Agreement, or caused this Subscription Agreement to be executed by its duly authorized officer(s), official(s) or agent(s).

EXECUTED AND DELIVERED by \_\_\_\_\_  
(Print name of Corporate Subscriber)

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
(Authorized Signatory)

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
(Authorized Signatory)

NUMBER OF UNITS: \_\_\_\_\_ Units

CAPITAL (CASH OR KIND) SUBSCRIPTION PRICE: \$ \_\_\_\_\_

**SCHEDULE C**

**UNIT CERTIFICATE**

**PRSC LIMITED PARTNERSHIP**  
(a limited partnership formed under the laws of  
the Province of British Columbia)

CERTIFICATE NO. \_\_\_\_\_

THIS IS TO CERTIFY that \_\_\_\_\_ is the owner of \_\_\_\_\_ Units in **PRSC LIMITED PARTNERSHIP** and is entitled to all of the rights, privileges and notices of a Limited Partner as set forth in the PRSC Limited Partnership Agreement, as referred to below.

This Certificate and the Units represented by this Certificate are held subject to the conditions, restrictions and terms of the PRSC Limited Partnership Agreement dated the 29<sup>th</sup> day of August, 2014 between PRSC Land Developments Ltd. as the General Partner and those parties referred to in the PRSC Limited Partnership Agreement as Limited Partners, as that Agreement may be amended from time to time.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

This Certificate is not valid unless issued by an officer or director of the General Partner.

**PRSC LAND DEVELOPMENTS LTD.**

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

SCHEDULE D

ASSIGNMENT OF UNITS

Assignor: \_\_\_\_\_

Assignee: \_\_\_\_\_

**PART I-ASSIGNMENT**

1.1 **Assignment.** Subject to the terms and conditions of the PRSC Limited Partnership Agreement dated the 29<sup>th</sup> day of August, 2014 between PRSC Land Developments Ltd., as General Partner, and those parties referred to in the Limited Partnership Agreement as Limited Partners, forming the partnership under the laws of the Province of British Columbia and known as PRSC LIMITED PARTNERSHIP (the "**Limited Partnership**"), the Assignor, a Limited Partner of the Limited Partnership, hereby assigns to the Assignee all of the right, title and interest of the Assignor in and to \_\_\_\_\_ Units of the Limited Partnership. In consideration of PRSC Land Developments Ltd. (the "**General Partner**") approving this Assignment on behalf of the Limited Partnership, the Assignor agrees with the Limited Partnership to furnish to the General Partner such assurances, certificates, documents and other instruments and to do all such acts and things as the General Partner may require to effect this assignment, to continue and keep the Limited Partnership in good standing as a limited partnership, or to confirm any obligations of the Assignor under the PRSC Limited Partnership Agreement.

1.2 **Governing Law and Enurement.** This Assignment will be governed by the laws of the Province of British Columbia and the laws of Canada applicable in British Columbia, and is binding upon the Assignor and the heirs, executors, administrators, other legal representatives, successors and assigns of the Assignor.

IN WITNESS WHEREOF the Assignor has duly executed this Assignment this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Print Name of Assignor

\_\_\_\_\_  
Signature of Assignor

\_\_\_\_\_  
Office of Signatory (if applicable)

\_\_\_\_\_  
Address



**SCHEDULE E**

**EXCLUDED LANDS**

