

DEED OF TRUST

THIS DEED OF SETTLEMENT is made in duplicate as of the day of , by the Ecoforestry Institute Society, a society incorporated under the *Society Act*, R.S.B.C. 1996, c. 433 (Inc. No. S29004) (“EIS”) (the “Settlor”) with itself as Trustee (the “Trustee”).

WHEREAS:

1. The Land Conservancy of British Columbia Inc., a society incorporated under the *Society Act* (British Columbia) (Inc. No. S36826) (“TLC”), and the Ecoforestry Institute Society, have entered into an agreement of purchase and sale as of the day of (the “Agreement”) with respect to certain lands and premises legally described as PID 009-712-593, Section 3 Range 5 Cedar District (“Wildwood”)

2. Approval by the British Columbia Supreme Court to the said purchase and sale is required in proceedings under the *Companies Creditors’ Arrangement Act* (Canada) involving TLC, and also a vesting order giving effect to the purchase and sale issuing in those proceedings (the “Vesting Order”)

3. The Agreement includes the terms and conditions that follow:

(a) on and as part of the closing of the purchase and sale of Wildwood, EIS is required to transfer Wildwood into trust for the specific charitable purposes set out in **Schedule A** to this Deed of Trust (the “Specific Charitable Purposes”);

(b) the closing documents must include a certified copy of a deed of trust to that effect, duly executed by EIS as settlor of the trust, in registrable form;

(c) the purchase and sale contemplated under the Agreement is not complete unless and until (i) the Vesting Order is registered, and (ii) immediately following that registration the Deed of Trust is registered against the title to Wildwood, and (iii) a title search in relation to Wildwood is found to show that in the normal course of land title office procedure the title to Wildwood will issue in the name of EIS as trustee under the Deed of Trust, free and clear of any and all encumbrances ranking in priority to the Deed of Trust, except for the encumbrances specifically referred to in article 8.3 of the Agreement (those encumbrances specifically referred to in article 8.3 being hereinafter collectively referred to as the “Contemplated Encumbrances”).

4. On and after completion of the purchase and sale of Wildwood, EIS is intended to hold Wildwood in trust for the Specific Charitable Purposes, subject only to the Contemplated Encumbrances, and with any and all other mortgages, charges, encumbrances and covenants, as contemplated under the Agreement or otherwise, to be subordinate to and rank lower in priority to the right, title and interest of EIS as trustee under that trust

NOW THEREFORE THIS DEED WITNESSES THAT the Settlor hereby agrees, acknowledges and declares that the Settled Property as defined in this Deed shall be held by the Trustee upon the following trusts:

1. In this deed of trust, the following definitions shall apply:

“Trust Deed” means this Deed of Trust;

“Settled Property” means the trust property;

“Settlement” means the trusts and powers described in this Deed;

“Trust Fund” means the trust property;

“Trust Property” means all of the right, title and interest in the lands and premises known as Wildwood, legally described as PID 009-712-593, Section 3 Range 5 Cedar District, and such funds as are assembled or donated and held by the Trustee, wherewith to assist in furthering the charitable purposes of this Deed of Trust;

“Trust Purposes” means all or any of the charitable purposes set out in Schedule A to this Deed of Trust;

“Trustee” means EIS as the original trustee, or a registered charitable organisation appointed under this Deed in substitute for EIS as trustee;

“Trustee in office” means the trustee for the time being;

“Wildwood” means those certain lands and premises in British Columbia, Canada, legally described in the definition of “Trust Property”.

2. Transfer on Trust

2.1 EIS as Settlor hereby irrevocably undertakes, for (i) consideration set out in the Agreement, (ii) the promised transfer to EIS, further to the Agreement, of the legal title to the Trust Property, and (iii) the Agreement requiring EIS to hold the legal title on trust, that EIS on acquisition of the said title holds that title as Trustee with the intention that the Trustee shall administer the Trust Property solely for the furtherance of the Specific Charitable Purposes set out in the Schedule to this Deed, and not for the general charitable purposes of the Trustee.

3. Powers of the Trustee

3.1 In addition to all other powers and discretions conferred upon the Trustee by law or under this Deed, the Trustee shall have full authority at any time or times to enter into any transactions or to do any acts in the administration of the Trust and the investment or management of the Trust Fund which in its discretion the Trustee may deem to further the carrying out of all or any one or more of the charitable purposes enumerated in the Schedule to this Settlement. Such authority shall include, but shall not be limited to, the exercise of all or any one or more of the following powers:

3.2 To accept as an addition to the Trust Fund any gift of money or other property that any person may donate in order to advance the carrying out of all or any one or more of the charitable purposes of this Settlement.

3.3 To invest and reinvest any money forming part of the Trust Fund in accordance with the *Trustee Act*, R.S.B.C. 1996, c. 464, s. 15.

3.4 To borrow funds from any bank, trust company or other financial institution, person or source on such terms as the Trustee considers advisable or expedient.

3.5 Acting subject to the contents of Recital 4, the contents of which are incorporated into this paragraph 3.5 of the Deed of Trust, to pledge, charge, mortgage or give any other form of security on all or any part of the Trust Fund, and to renew any such security on such terms and conditions as the Trustee considers advisable or expedient.

3.6 To enter into any agreement or other act with respect to any asset or assets in the Trust Fund upon such terms and conditions as the Trustee considers advisable or expedient.

3.7 To settle, waive, release or compromise any claim or obligation of, or owing to, the Trustee in its capacity as Trustee.

3.8 To employ agents of any kind to advise or provide goods or other services with regard to the Trust Property, and to remunerate any such agent out of the Trust Fund, or out of income arising therefrom.

3.9 To delegate any Settlement duty or power where the Trustee has reached the conclusion that such a delegation is both necessary and advisable in order to further a purpose or the purposes of the Settlement.

3.10 The Trustee in office may at any time resign by giving thirty days' notice to the Attorney General of the Province of British Columbia, the notice period to run from the day on which written notice is given to the said Attorney.

3.11 With the consent of the said Attorney General to the proposed appointee, the Trustee is vested with the power to appoint a substitutional Trustee that is a registered charitable organisation, and the power may be exercised when the Trustee in office is unable or unwilling to continue discharging its duties or exercising its powers.

4.0 The Trustee is to be fully indemnified out of the Trust Fund for all expenses and liabilities reasonably incurred by the Trustee in the performance of its responsibilities as Trustee under this Deed.

5.0 The Trustee is personally liable for any loss or harm suffered by the Trust Property if the loss or harm was caused in whole or in part by the wilful wrongdoing or negligence of the Trustee, but such liability exists to the extent only of the loss or harm caused by the Trustee.

6.0 The validity and effect of this Settlement and the construction of the provisions of this Deed shall be governed in all respects by the laws of the Province of British Columbia.

7.0 The Schedule to this Deed is intended as part and parcel of this Deed, but otherwise the Agreement is not intended to be incorporated by reference.

IN WITNESS THEREOF the Ecoforestry Institute Society has executed this Deed of Trust by the affixation of the Society's seal, and the setting of its hand, as of the day and year first written above, and in the presence of the undersigned witnesses.

SIGNED, SEALED AND DELIVERED

in the presence of

[signatures]

Schedule A of Wildwood Trust Deed

Specific Charitable Purposes

- 1) The purposes are to provide benefits to the public of British Columbia, specifically;
 - a) to protect, conserve, maintain and enhance Wildwood and the Amenities as a publically accessible educational and demonstration eco-forest;
 - b) to manage the forest of Wildwood in a way that follows the definition of eco-forestry, which is, "Ecoforestry" means a forest planning and management system that directs human activities in such a way that natural ecosystem integrity, its composition, structure and function, including biodiversity, is maintained at all spatial and temporal scales and in accordance with natural disturbance patterns;
 - c) to identify, build on, and make available to the public, Merv Wilkinson's legacy of continual learning in the practice of ecoforestry;
 - d) to support the development of eco-forestry through research and science-based learning;
 - e) to promote education about eco-forestry;
 - f) to provide an example of an alternative to current practices of industrial forestry;
 - g) to increase public exposure to eco-forestry;
 - h) to showcase and develop models for ecoforestry, value-added manufacturing, non-timber forest products and non-consumptive forest use;
 - i) to allow for on-site caretakers, residents, and visitors, that will maintain a human presence at Wildwood, and who support the values reflected herein, and to do so in a way that does not interfere with ecoforestry operations and ecosystem functioning;
 - j) to engage, promote and assist in any manner directly or indirectly, individuals, movements, groups and organisations which are endeavouring to promote eco-forestry in British Columbia or engaged in any charitable activity in British Columbia with similar objects, in the trustee(s) sole discretion; and
 - k) to do all such things as are conducive to the provision, supply and promotion of the above objects and any other charitable purpose which the Trustees desire and which are acceptable to the Canada Revenue Agency ("CRA").

- 2) The objects and purposes are or shall be charitable and shall be deemed not to include or extend to any matter or thing which is or shall be held or determined to be non-charitable or to be a non-charitable purpose other than and an ancillary non-charitable purpose within the meaning of the *Income Tax Act*, and the powers and purposes of the Trustee(s) hereby created shall be restricted accordingly.

- 3) The Trustee(s) shall maintain federal charitable status or shall apply for that status as soon as reasonably possible after taking possession of the Lands, and shall be responsible thereafter for maintaining that charitable status, and shall, regardless of whether they have that status or not, act at all times in keeping with the principles and restrictions of an entity having federal charitable status.