

Appendix B:

Documents Relating to the January 31, 2007 Deletions of Private Lands from TFLS 6, 19 & 25

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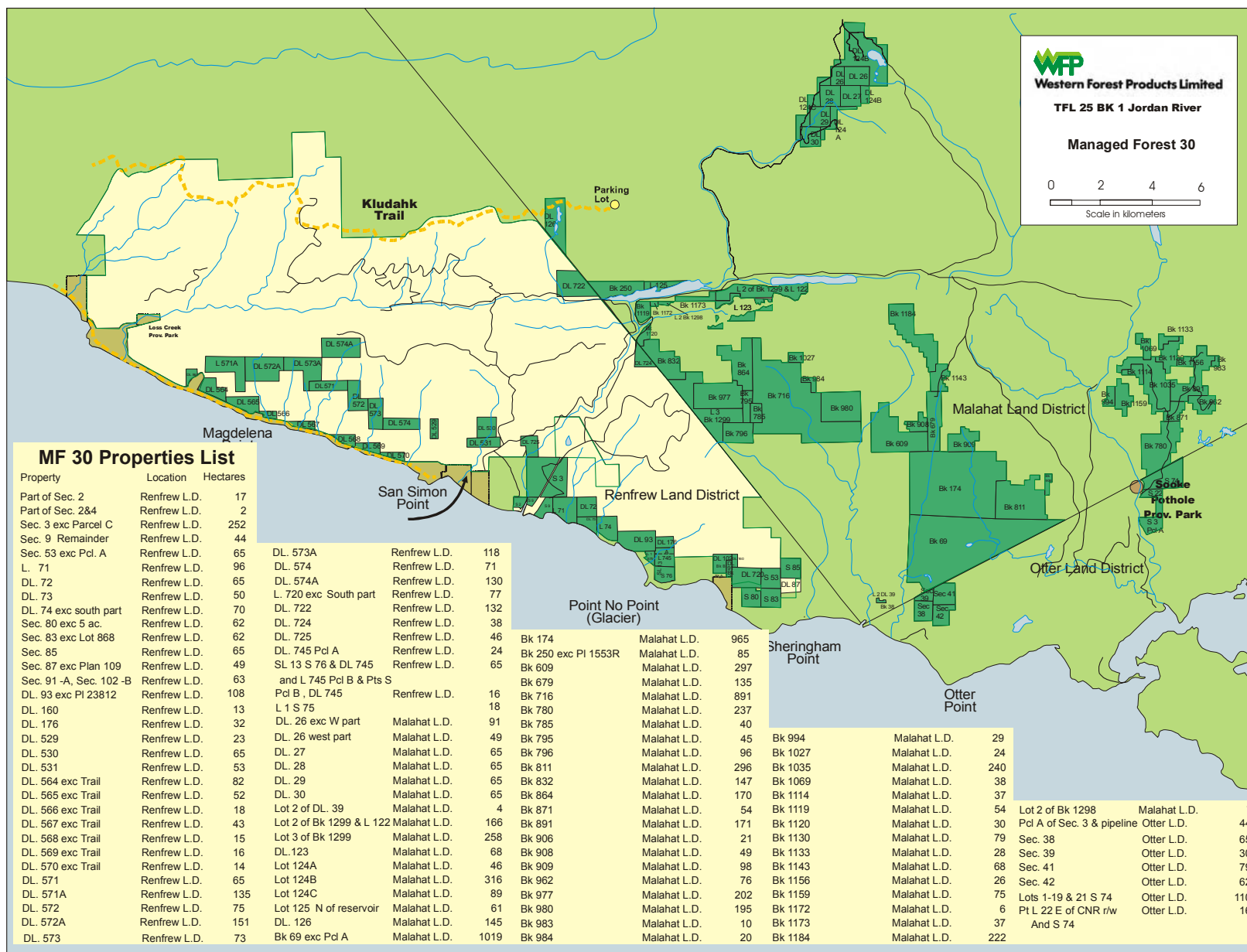
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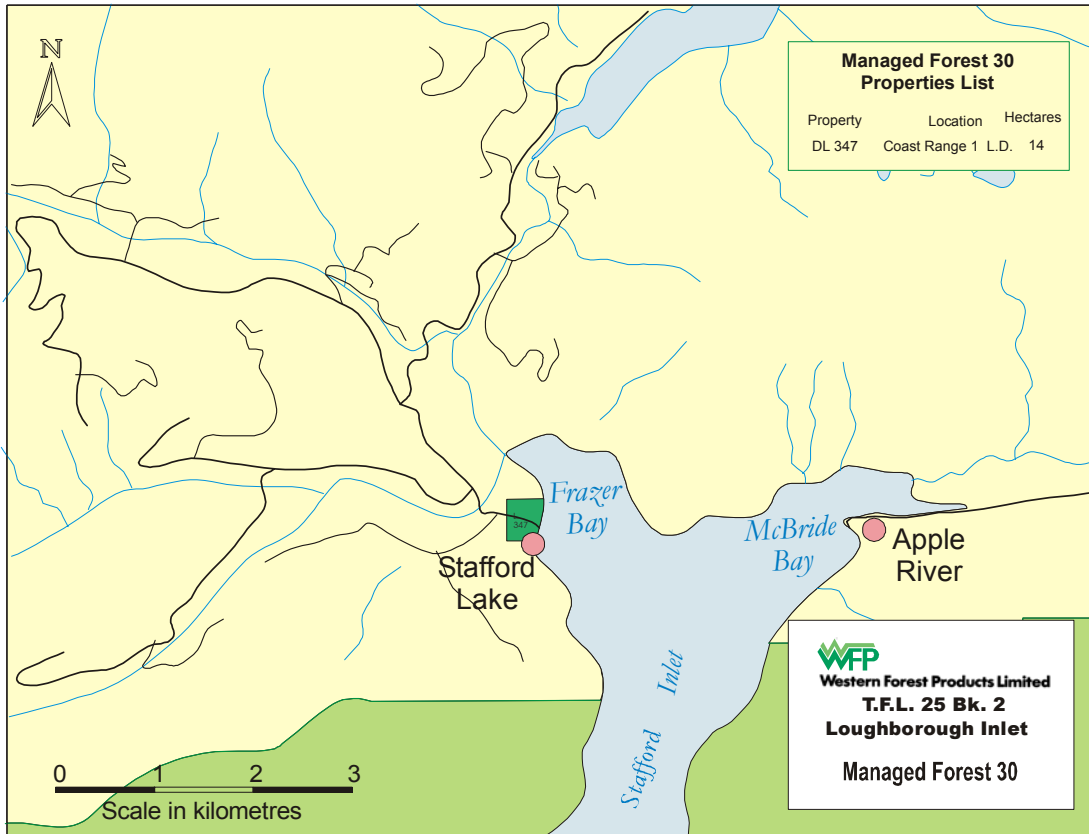
Explanatory Note

The maps reproduced on the following four pages are taken from Management Plans filed by Western Forest Products with the Ministry of Forests and Range. The plans are available in their entirety at
<<http://www.for.gov.bc.ca/dmswww/tfl/>>.

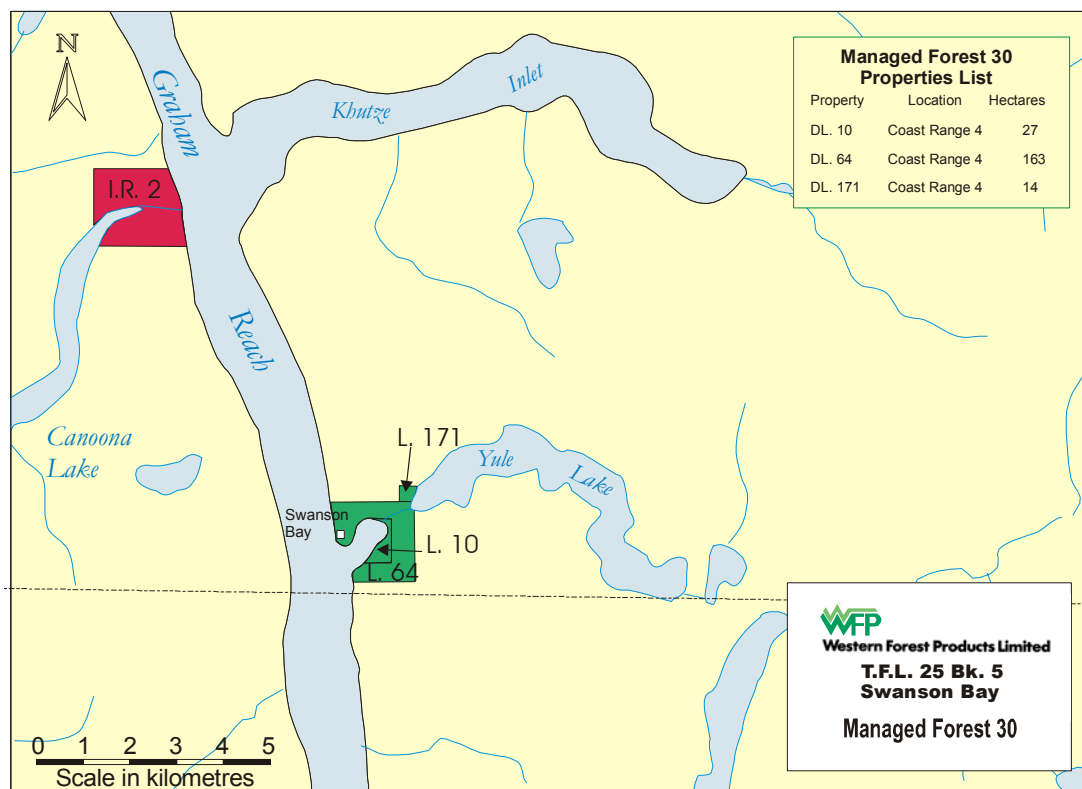
These maps show the privately held lands—referred to as “Managed Forests”—within TFLs 6, 19 and 25 at the time the Management Plans were created.



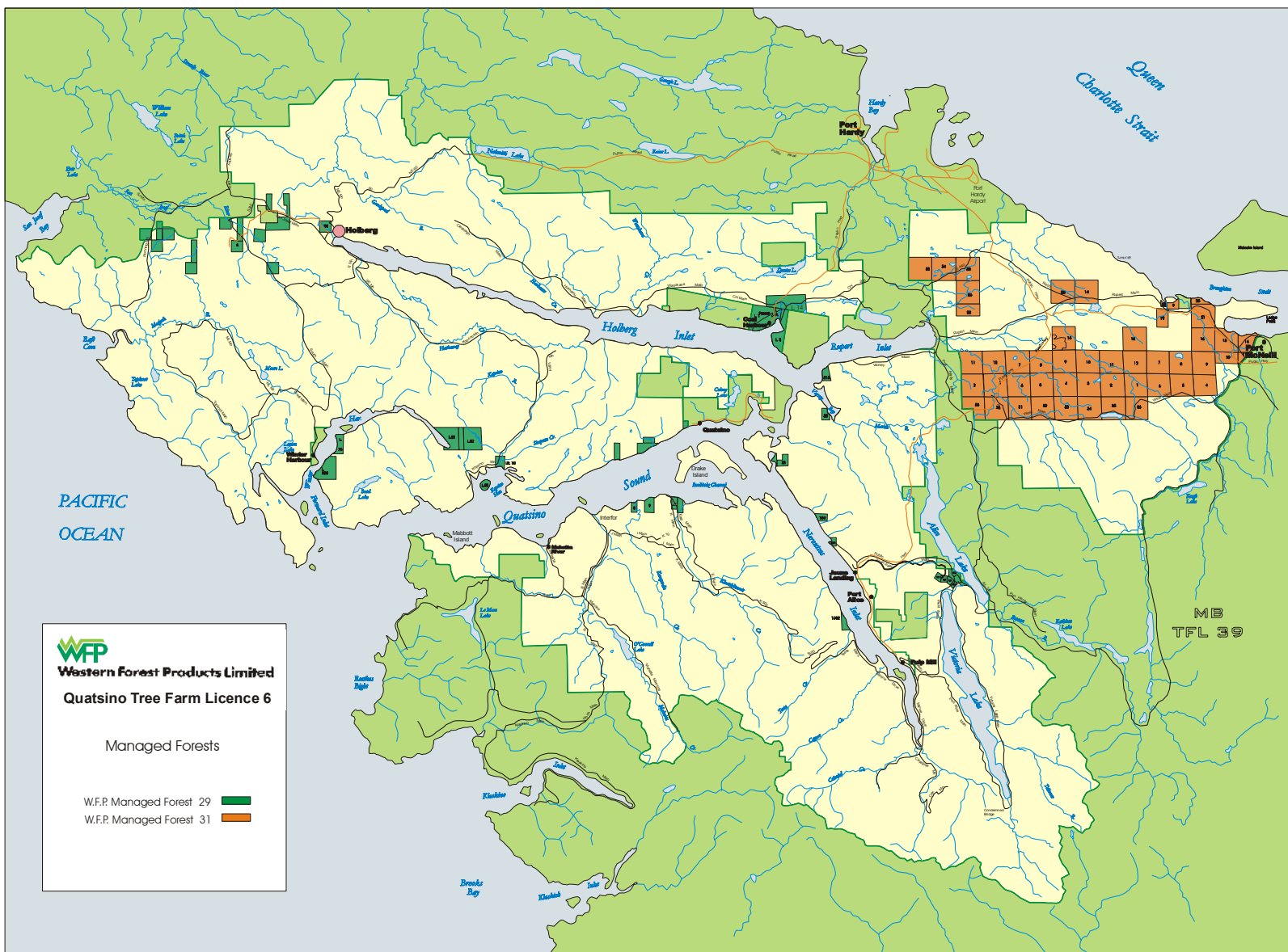
Managed Forest 30 – Jordan River



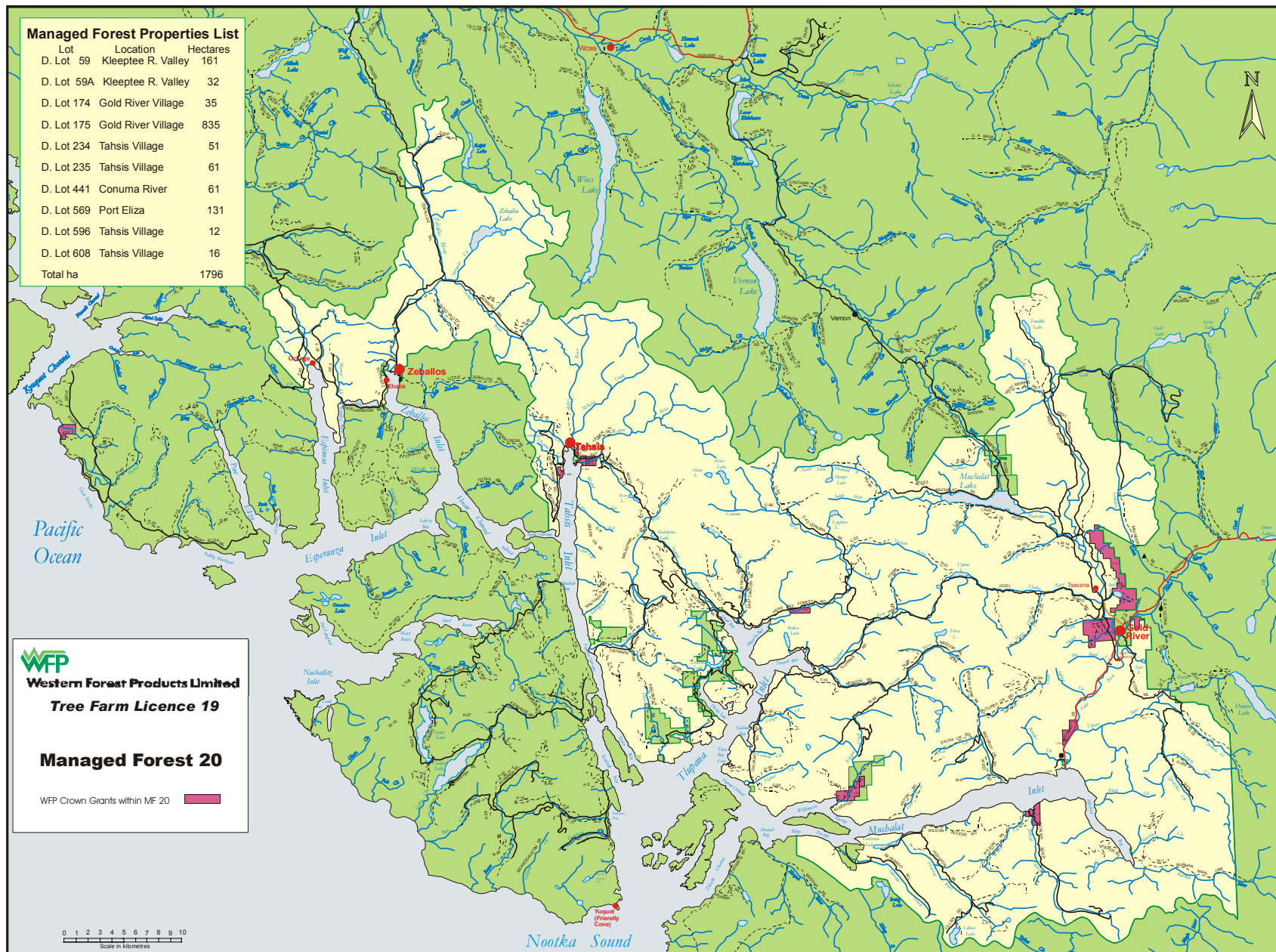
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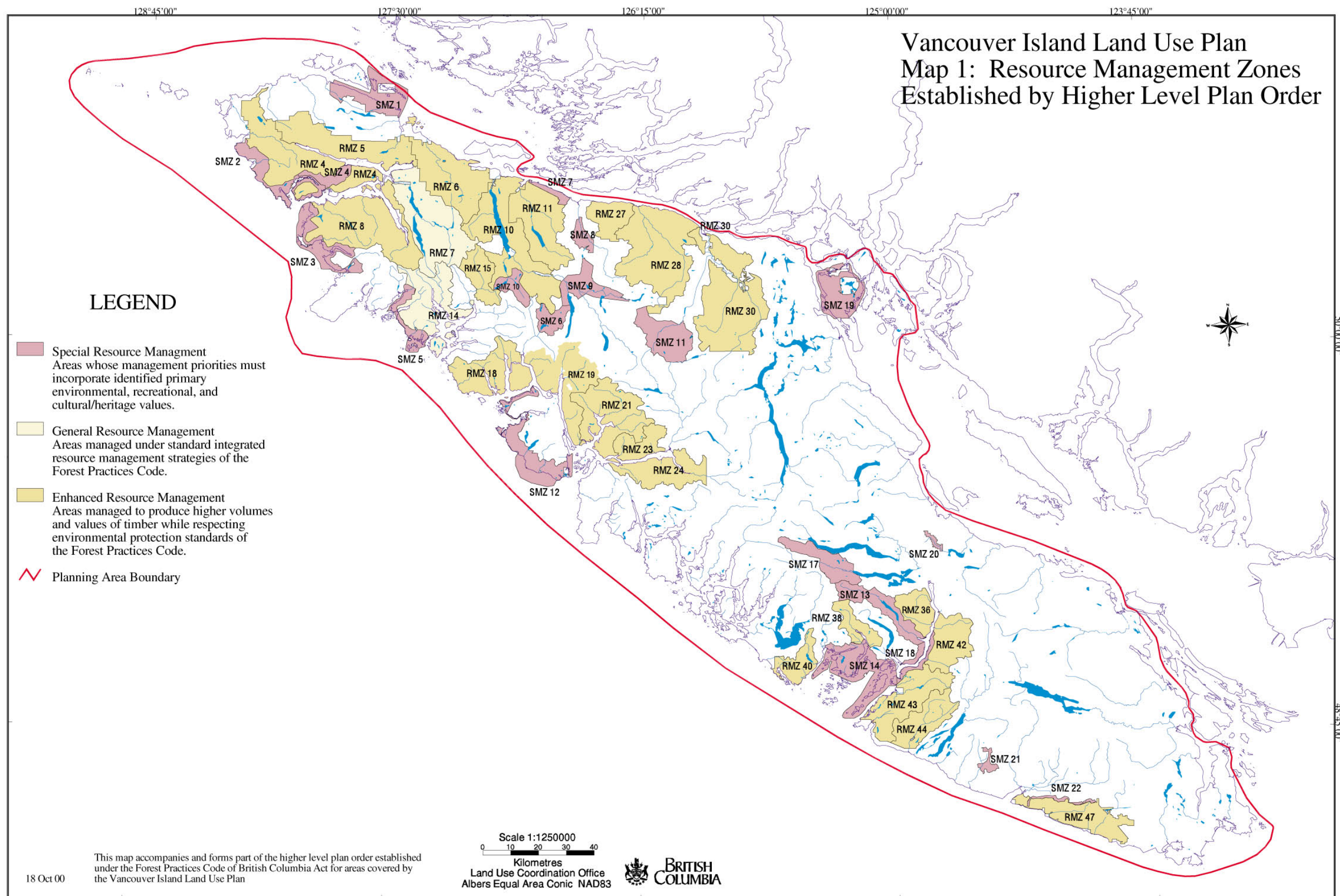
Managed Forest 30 – Swanson Bay



Managed Forest 29 and 31



Managed Forest 20



Distribution: MINISTER DEPUTY ETR-ADM JLANGRID KFINCK

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CONTACT: Kelly Finck, Senior Timber Tenures Forester, Resource Tenures and Engineering Branch, 387-8315

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Date typed: 06/12/13 Date revised: 06/12/18 AAB To Exec: 06 12 20 Revised & Resent: 07 01 23

File: 19700-25/TFL 6, 19700-25/TFL 19, 19700-25/TFL 25
19041-20/Western

JAN 25 2007

Kerry McGourlick, RPF
Chief Forester
Corporate Forestry
Western Forest Products Inc.
118 - 1334 Island Highway
Campbell River, British Columbia
V9W 8C9

Dear Mr. McGourlick:

I am writing in regard to Western Forest Products Inc.'s (WFP) July 14, 2005 proposal to remove all private lands from Tree Farm Licences (TFLs) 6, 19 and 25 (here after referred to as the "private land").

I am aware that staff from the Ministry of Forests and Range (MOFR), other government agencies and WFP have been discussing the potential impacts of this decision over the past several months. A product of these discussions is an access agreement acceptable to MOFR and WFP. MOFR, with assistance from WFP, has also completed consultation with First Nations whose aboriginal interests may be affected.

Staff have advised me that WFP has agreed to the following conditions regarding this decision, which would apply for as long as WFP owns the applicable private land, unless otherwise specified:

First Nations Access: WFP agrees to provide keys to gates on the applicable private land to a First Nation to allow a First Nation access to Crown lands for hunting, fishing and cultural purposes, so long as they agree to return the keys after use and unless there are reasonable needs to restrict access such as the roads are being incompatibly used by other parties, public safety, active forest operations, fire hazard or water quality issues.

Log Exports: WFP agrees to a temporary moratorium on the export of timber from the private land for a period beginning on the date the private lands are deleted from the TFLs and ending 36 months thereafter. During this 36 month moratorium period, WFP agrees that:

- it will not export or seek to export timber from the private lands;
- it will not sell or trade any timber harvested from the private lands if WFP is aware of the purchaser's intention (express or implied) to export from the province the private land timber obtained from WFP, and will ensure that any purchasers of such timber are expressly notified that such timber is not to be exported;
- in the event of a breach of these conditions, it will not resist an application for injunctive relief sought by the province to protect its interests under this agreement;
- it will not sell any of the relevant private lands during the 36 month moratorium without first ensuring that the purchaser provides the province an agreement to comply with all of these bulleted "Log Export" conditions for the remaining portion of the 36 month moratorium on log exports.

Wildlife Habitat: WFP, working in collaboration with Ministry of Environment (MOE) staff, agrees to submit an Ungulate Winter Range (UWR) package to the MOE deputy minister for consideration within one month of the private lands being deleted from the TFLs. The UWRs to be included in the package are as outlined in WFP's letter to MOE, dated November 17, 2006.

Certification: WFP intends to maintain certification on the private land similar to that held on its adjacent Crown tenures. Currently, that is ISO 14001 for private land and, in addition, CSA certification for the private land now in TFL 6, MF 61.

Community Watersheds: WFP will continue to use forest practices that are intended to protect human drinking water on the private land included in community watersheds.

Research: WFP agrees to a memorandum of understanding with MOFR, Research Branch regarding research plots established on the private land.

Recreation: WFP agrees to continue to provide recreational opportunities on the private land subject to available funding and potential reclassification of such land for other uses.

3.
Kerry McGourlick, RPF, Chief Forester, Corporate Forestry
Western Forest Products Inc.

On the understanding that the above conditions are accurate, I agree to delete the private land from TFLs 6, 19 and 25 under authority of Section 39.1 of the *Forest Act*. If WFP agrees to the above conditions, and wishes to proceed with the deletions of the private land, please sign both copies of the enclosed instruments for TFL 6, 19 and 25. Please keep one copy for your records and return one copy to:

Jim Langridge, Director
Resource Tenures and Engineering Branch
Ministry of Forests and Range
P.O. Box 9510, Stn Prov Govt
2nd Floor, 1675 Douglas Street
Victoria, BC, V8W 9C2

Should the private lands be deleted from the TFLs, the allowable annual cut of the TFLs will be subject to a reduction to be determined by the chief forester.

I trust that in the future, as in the past, WFP will manage both Crown lands and private lands with a balance of economic, environmental and social interests.

Sincerely yours,

Original signed by
Doug Konkin,
Deputy Minister

Rich Coleman
Minister

Enclosure(s): 6

pc: Doug Konkin, Deputy Minister of Forests and Range
Jim Snetsinger, Chief Forester, Ministry of Forests and Range
Henry Benskin, Deputy Chief Forester, Ministry of Forests and Range
Bob Friesen, Assistant Deputy Minister, Tenure and Revenue Division
Tim Sheldon, Assistant Deputy Minister, Operations Division
Jim Gowriluk, Regional Executive Director, Coast Forest Region
Rory Annett, District Manager, Campbell River Forest District
Andrew Ashford, District Manager, North Island-Central Coast Forest District
Trish Balcaen, District Manager, South Island Forest District
Leonard Munt, District Manager, Queen Charlottes Forest District
Jim Langridge, Director, Resource Tenures and Engineering Branch
Darrell Robb, Director, Aboriginal Affairs Branch
Dick Heath, Regional Manager, Vancouver Island Regional Office
Ministry of Environment

INFORMATION BULLETIN

For Immediate Release
2007FOR0005-000074
Jan. 31, 2007

Ministry of Forests and Range

PRIVATE LAND REMOVED FROM TREE FARM LICENCES

VICTORIA – Forests and Range Minister Rich Coleman has approved the removal of 28,283 hectares of private land from three coastal tree farm licences held by Western Forest Products.

Approximately 16,100 hectares will be removed from Tree Farm Licences 6 and 19 on northern Vancouver Island. Almost 12,000 hectares will come from Tree Farm Licence 25 near Jordan River on southern Vancouver Island and about 200 hectares from two small parcels on the central coast.

Conditions of the minister's approval include:

- A three-year ban on log exports from the removed private land.
- An agreement to work with the Ministry of Environment on protecting ungulate winter ranges.
- Maintenance of current International Organization for Standardization and/or Canadian Standards Association sustainable forest management certification.
- A memorandum of understanding with the Ministry of Forests and Range regarding established research plots on private land.
- Continued recreational access to the removed private land, subject to available funding.
- Continued access for First Nations using neighbouring Crown lands for hunting, fishing and cultural purposes.

The private land will be managed in accordance with the Private Managed Forest Land Act, Heritage Conservation Act, Drinking Water Protection Act and the federal Fisheries and Species at Risk Acts.

-30-

Media Jennifer McLarty
contact: Public Affairs Officer
 Ministry of Forests and Range
 250 387-4592

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PROVINCE OF BRITISH COLUMBIA

Ministry of Forests and Range

IN THE MATTER OF TREE FARM LICENCE 6

INSTRUMENT NUMBER 94

Amendment

THIS AGREEMENT is made effective the 31 day of January, 2007.

BETWEEN:

THE MINISTER OF FORESTS AND RANGE, on behalf of
HER MAJESTY THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA
Parliament Buildings
Victoria, British Columbia V8V 1X4

(the "Minister")

AND:

WESTERN FOREST PRODUCTS INC.
118-1334 Island Highway
Campbell River, British Columbia
V8W 8C9

(the "Licensee")

WHEREAS:

- A. In accordance with the *Forest Act*, the Minister and the Licensee entered into a replacement agreement for Tree Farm Licence 6, dated March 1, 2000, and
- B. The Minister and the Licensee have mutually agreed to change the area of Tree Farm Licence 6 by removing all of the private lands subject to the Tree Farm Licence.

THEREFORE:

In accordance with Section 39.1(2)(b) of the *Forest Act*, the Minister, with the consent of the Licensee, changes the area of Tree Farm Licence 6 by removing the private lands subject to the Tree Farm Licence agreement.

The Minister and the Licensee agree that Schedule A to the Tree Farm Licence 6 agreement is amended by deleting the private lands.

This agreement has been executed by the Minister and Licensee on the day and year first written above.

SIGNED, SEALED AND DELIVERED)
by the MINISTER OF FORESTS AND)
RANGE on behalf of Her Majesty the)
Queen in Right of the Province of)
British Columbia in the presence of:)

_____)

MINISTER OF FORESTS
AND RANGE

THE COMMON SEAL (C/S) of the)
Licensee was affixed in the presence of:)

Authorized Signatory)

Authorized Signatory)
_____)

C/S

(OR)

SIGNED, SEALED AND DELIVERED)
by the Licensee in the presence of:)

_____)

Authorized Signatory

Title

PROVINCE OF BRITISH COLUMBIA

Ministry of Forests and Range

IN THE MATTER OF TREE FARM LICENCE 19

INSTRUMENT NUMBER 70

Amendment

THIS AGREEMENT is made effective the 31 day of January, 200 7.

BETWEEN:

THE MINISTER OF FORESTS AND RANGE, on behalf of
HER MAJESTY THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA
Parliament Buildings
Victoria, British Columbia V8V 1X4

(the "Minister")

AND:

WESTERN FOREST PRODUCTS INC.
118-1334 Island Highway
Campbell River, British Columbia
V8W 8C9

(the "Licensee")

WHEREAS:

- A. In accordance with the *Forest Act*, the Minister and Licensee entered into a replacement agreement for Tree Farm Licence 19, dated January 1, 2001, and
- B. The Minister and the Licensee have mutually agreed to change the area of Tree Farm Licence 19 by removing all of the private lands subject to the Tree Farm Licence.

THEREFORE:

In accordance with Section 39.1(2)(b) of the *Forest Act*, the Minister with the consent of the Licensee, changes the area of Tree Farm Licence 19 by removing the private lands subject to the Tree Farm Licence agreement.

The Minister and the Licensee agree that Schedule A to the Tree Farm Licence 19 agreement is amended by deleting the private lands.

This agreement has been executed by the Minister and Licensee on the day and year first written above.

SIGNED, SEALED AND DELIVERED)
by the MINISTER OF FORESTS AND)
RANGE on behalf of Her Majesty the)
Queen in Right of the Province of)
British Columbia in the presence of:)

John Ryan)
_____)
_____)
_____)


MINISTER OF FORESTS
AND RANGE

THE COMMON SEAL (C/S) of the)
Licensee was affixed in the presence of:)

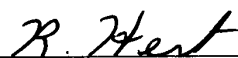
_____)
Authorized Signatory)
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Authorized Signatory)
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C/S

(OR)

SIGNED, SEALED AND DELIVERED)
by the Licensee in the presence of:)

Abbey Jones)
_____)
Paul Richards)
_____)
_____)


Authorized Signatory

President & CEO
Title

PROVINCE OF BRITISH COLUMBIA

Ministry of Forests and Range

IN THE MATTER OF TREE FARM LICENCE 25

INSTRUMENT NUMBER 66

Amendment

THIS AGREEMENT is made effective the 31 day of January, 2007.

BETWEEN:

THE MINISTER OF FORESTS AND RANGE, on behalf of
HER MAJESTY THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA
Parliament Buildings
Victoria, British Columbia V8V 1X4

(the "Licensor")

AND:

WESTERN FOREST PRODUCTS INC.
118-1334 Island Highway
Campbell River, British Columbia
V8W 8C9

(the "Minister")

WHEREAS:

- A. In accordance with the *Forest Act*, the Minister and the Licensee entered into a replacement agreement for Tree Farm Licence 25, dated May 21, 1999, and
- B. The Minister and the Licensee have mutually agreed to change the area of Tree Farm Licence 25 by removing all of the private lands subject to the Tree Farm Licence.

In accordance with Section 39.1(2)(b) of the *Forest Act*, the Minister, with the consent of the Licensee, changes the area of Tree Farm Licence 25 by removing the private lands subject to the Tree Farm Licence agreement.

This agreement has been executed by the Minister and Licensee on the day and year first written above.

Jakub Nyers

(OR)

13. LU (Paul Wrenn)

President & CEO
Title

**2007 Legislative Session: Third Session, 38th Parliament
HANSARD**

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The printed version remains the official version.

**Official Report of
DEBATES OF THE LEGISLATIVE ASSEMBLY
(Hansard)**

WEDNESDAY, APRIL 18, 2007

Afternoon Sitting

Volume 18, Number 3

C. Trevena: I would like to go back to the release of lands. As the minister obviously knows, there is a current release of lands from TFLs. If the minister knew, as he has indicated, that there have been problems with the previous release of lands, I wondered why he allowed the current release of Crown lands, particularly from TFL 6 to Western Forest Products.

Hon. R. Coleman: Basically, first nations were consulted on this decision, and I considered interests concerned and raised and other factors before making the decision. Deleting the private lands from these TFLs on the coast is one of the series of steps government is making in an effort to revitalize the coast forest sector, quite frankly. The province is working with the forest sector on the coast to identify those opportunities.

The deletion of private lands will allow Western Forest Products more flexibility in restructuring its coastal operations. Now, I don't want to get into the financial strengths and weaknesses of any individual company with regards to things, but I do know that it certainly is an important piece in that company's mind — and frankly, for their stability long term — to be able to serve the communities on the coast.

C. Trevena: I'd like to ask whether the minister received any briefing notes about this transfer.

Hon. R. Coleman: Yeah, I did. I had briefings from my staff. I had briefing notes, and the briefing notes actually recommended this.

C. Trevena: Would the minister be in a position to table a copy of those briefing notes?

Hon. R. Coleman: We don't have it here, and I would suggest that the member might just want to file an FOI request. There are hundreds of briefing notes from the ministry, and to be specific about a specific one would be difficult. So if the member wants to make the request, we will certainly make sure it goes through the proper process. Sometimes there are confidentiality issues with regards to a note, and sometimes there is a commercial interest that has to be protected, so it has to go through a lens before it would be released.

C. Trevena: I wondered, then, on a specific in the briefing note, whether it included any reference to compensation to the Crown for the transfer of lands.

Hon. R. Coleman: No.

C. Trevena: I'd like to pick up on a statement that the minister made very categorically in talking, initially, about the transfer of the land in TFL 6, which is that first nations were consulted. The first nations themselves were trying for consultation. They were informed in August of 2005 of the possible removal of the land which is in their hereditary area — the Kwakiutl band — and received various letters back and forth. Then there was one meeting. I would like to ask the minister if this one meeting is what qualified as the consultation with the first nations.

[1505]

Hon. R. Coleman: I don't know if I can answer the member's question with regards to the number. I mean, I don't have that here, and obviously, I don't do those meetings, but the Kwakiutl and a number of other first nations were definitely consulted.

A lot of correspondence and consultation went back and forth with regards to this particular deletion. As we came through the process, one of the things they wanted to see done was the protection of some ungulate range, which was done. In addition to that, they wanted access continuing for first nations using neighbouring Crown lands and theirs for fishing, hunting and cultural purposes. Those accommodations were met.

B. Simpson: With the previous comment, it's a nice segue into where I want to go with this.

The minister has mentioned a number of times, not only in this venue today but in question period and other venues, that these are private lands. They always have been private lands. I am wondering if the minister could share with us his understanding of the original arrangement for tree farm licences on Vancouver Island, of which these private lands were part.

[1545]

Hon. R. Coleman: None of us were here then. It was the 1940s and 1950s. My understanding of the inclusion of the private lands in the 1940s and 1950s was that by agreeing to include their lands within TFLs, companies at that time were provided with some additional rights to some public timber.

We should also recognize that at no time, whether they're in or out of a TFL, have they ever paid stumpage to the Crown.

B. Simpson: The minister is correct. While we weren't there, I'm not quite sure what that has to do with anything. One thing I've found in this file in particular is if you don't know the history, you don't understand the current conditions and you don't understand the way things are and why they are that way.

So here's an education. I find it hard to believe that the briefing note to the minister, in the particular case that the minister was involved in, could be much different in terms of providing background to this minister than the briefing note that went to the previous Forests Minister back in 2004, where that detailed information was.

The reason for these private lands coming into tree farm licences was because of the E&N Railway land grants. The public at the time was very concerned that most of southern Vancouver Island had been given over to private interests. So the explicit reason for entering into these tree farm licences in the 1940s and 1950s was so they would be managed under public control. That was the explicit reason for these tree farm licences on Vancouver Island.

It was a contract — and I'm sure the minister understands what contracts are all about — between the companies and the Crown, with a presumption of gain to the companies. By bringing private lands in, they got more direct access over Crown land.

The deal was that that private land got managed as public land. I find it rather ironic, if not hypocritical, that in the forestry revitalization strategy it states explicitly that this government was going to retain public ownership of our forests and ensure strict environmental standards.

If the minister has read the briefing notes or been briefed by his staff, he would know that one of the major reasons that the companies want these private lands out is to get under the less strict private managed forest lands regulations.

In the case of the release from tree farm licence 44, in the court case Brascan, which was buying Weyerhaeuser at the time, made it explicitly clear that they were going to save anywhere from \$15 million to \$24 million annually simply by getting out from underneath the code and the upcoming Forest and Range Practices Act.

In the 1990s the government of the day was involved in the protected areas strategy and was involved in the CORE process. There were set-asides, and there were parks. At that time TimberWest

came to the government, along with MacMillan Bloedel, and said: "Release our private lands back out again."

In a full-blown public consultation called the Perry report, the people spoke with a single voice, particularly the people of Port Alberni, and said: "Do not do that. We want those lands managed under the Crown, not as private managed forest lands."

It was clear; the consultation was comprehensive. The government of the day actually paid MacMillan Bloedel \$83 million in lieu of releasing the private land. At that time government policy was a recognition of the set-asides and recognition of the valuation of the private lands. If they'd flipped the private lands out, Wayco would not have gotten the cash. Because they couldn't flip the private lands out, Wayco got cash. There was a presumption of compensation.

Between 2001 and 2004, Weyerhaeuser again approached the government and the minister of the day

[Page 6852]

asking for those private lands to be released. There was no public consultation at this time.

[1550]

The sale of Weyerhaeuser to Brascan, now Brookfield Asset Management, was explicitly based on the release of the private lands and was valued at a significant incremental value. Those findings, again, are in the court case. As I indicated, one of the main reasons was to get out from the Crown obligations.

The ministerial advice at the time — and that's why we're asking for the briefing note to the minister this time — delivered to the minister by one of the members of the minister's staff sitting in the House today, explicitly states that there should be an expectation of compensation.

It says that at one level this change is simply a matter of contract. The government and the landowner made a contract decades ago to manage the land as if it were public. Deletion undoes that contract. Since the initial contract involved consideration — the award by government to the landowner of timber rights on Crown land — it would seem that the landowner should be able to buy out of that contract by providing appropriate consideration in return.

My question to the minister at this juncture is: what was the appropriate consideration in return in the deletion of the private lands that the minister undertook? What did the Crown get as a result of those deletions and the breaking of that contract?

Hon. R. Coleman: I'm not going to rise to the bait. Over 60 years ago the maturity of the forest management was vastly changed over the last 60 years, and its management has improved — professional practices, foresters guided by the Forest Act and sophistication of companies different then than now. This decision was made after consultation with my staff. It's done. It wasn't about us getting compensation. It was about trying to create an environment for an opportunity for a company to have stable investment in the future and to look at some of the highest and best uses of the land.

B. Simpson: I always find it interesting that the minister goes to help Western Forest Products out on this, given that yesterday he claimed that I think that he only talks to corporations. So here's a question for the minister: what communities, outside of the first nations communities, were consulted with the release of the private lands that this minister oversaw?

Hon. R. Coleman: We didn't. These are private lands. The decision was made to remove them from the TFL.

[Page 6856 ...]

B. Simpson: A few things to wrap up the private land removals. Again I want to put it into context as to why it's current. The minister mentioned that he would like to get on with some budget things. Quite frankly, I think this was a significant budget issue. I think it was a missed opportunity for the Crown to get fair compensation back for the release.

As a consequence, I believe taxpayers were not well served by either this release or the release in 2004. I believe that precedent, contractual law and in fact the briefing to the previous minister all indicate an expectation of compensation.

What is particularly troubling is that in the Weyerhaeuser case, the lands were released without compensation in June of 2004. Then in December of 2004, Weyerhaeuser was given \$32.1 million for the 20-percent takeback during the clawback.

A couple of questions to wrap this up. Based on the conversation we've had around the letters and based on the fact that it doesn't appear to be an appraisal done on the letter that was written in 2004, will the

[Page 6857]

ministry be monitoring the criteria that the minister placed on these deletions this time? Will there be a monitoring program in place? If so, what would that look like?

Hon. R. Coleman: Staff have confirmed that we did a review of that letter and its implications, so we will get that information for you. We do have an e-mail saying we did it. We'll obviously get the information for the member. My expectation is we will do the same on this exclusion as well.

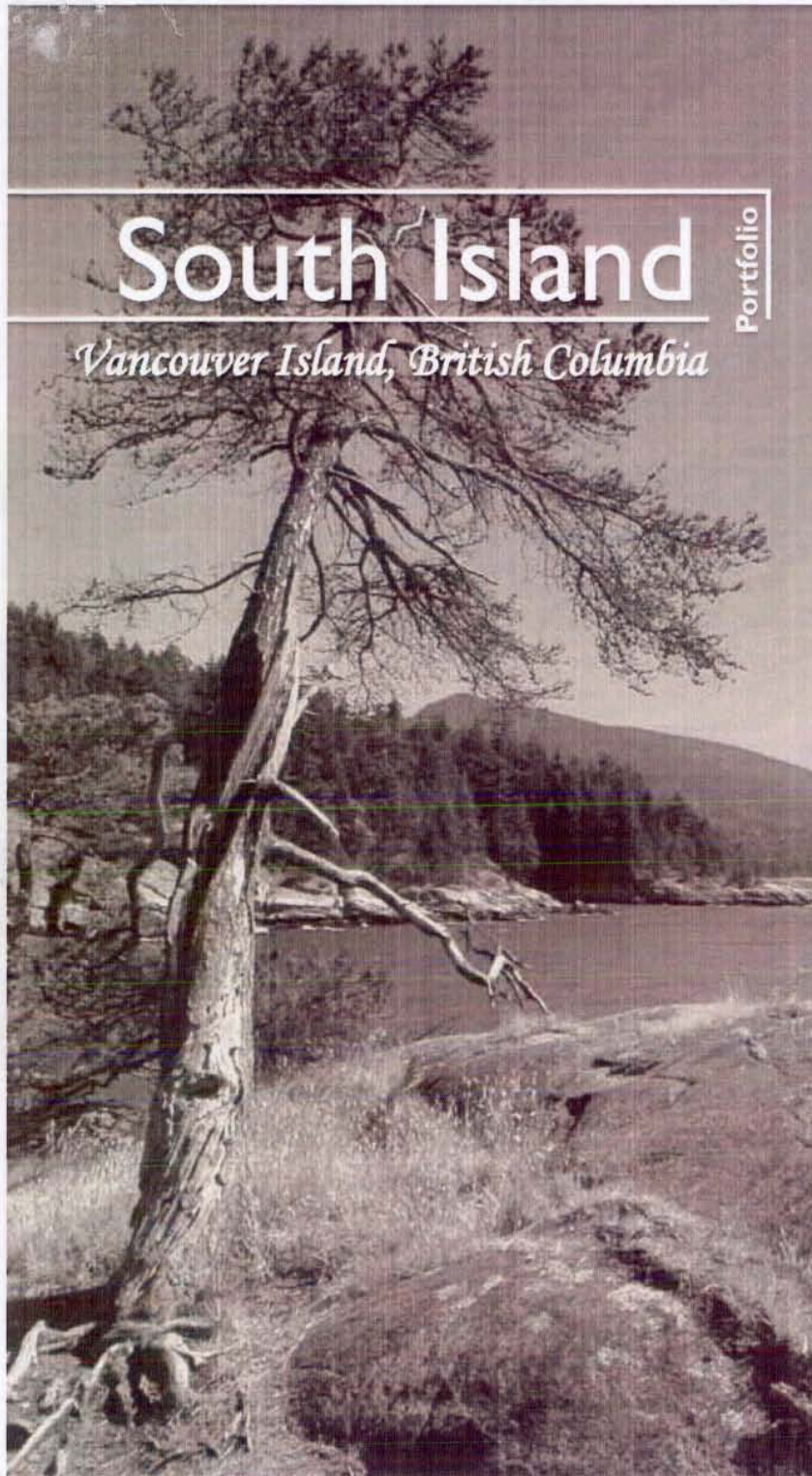
B. Simpson: Just a piece of information I need, if the minister has it at hand. Western Forest Products was one of the ones that had 20-percent takeback under the clawback in forestry revitalization. What was Western Forest Products compensated for that, and when was their compensation completed?

[1645]

Hon. R. Coleman: I don't have the date. We're going to get the date in for you, but it was \$21,545,692.

B. Simpson: Was there any consideration at any time that compensation...? I'll retract that because it does only apply to the 2004 case. It doesn't apply to this new case, so I'll leave that question.

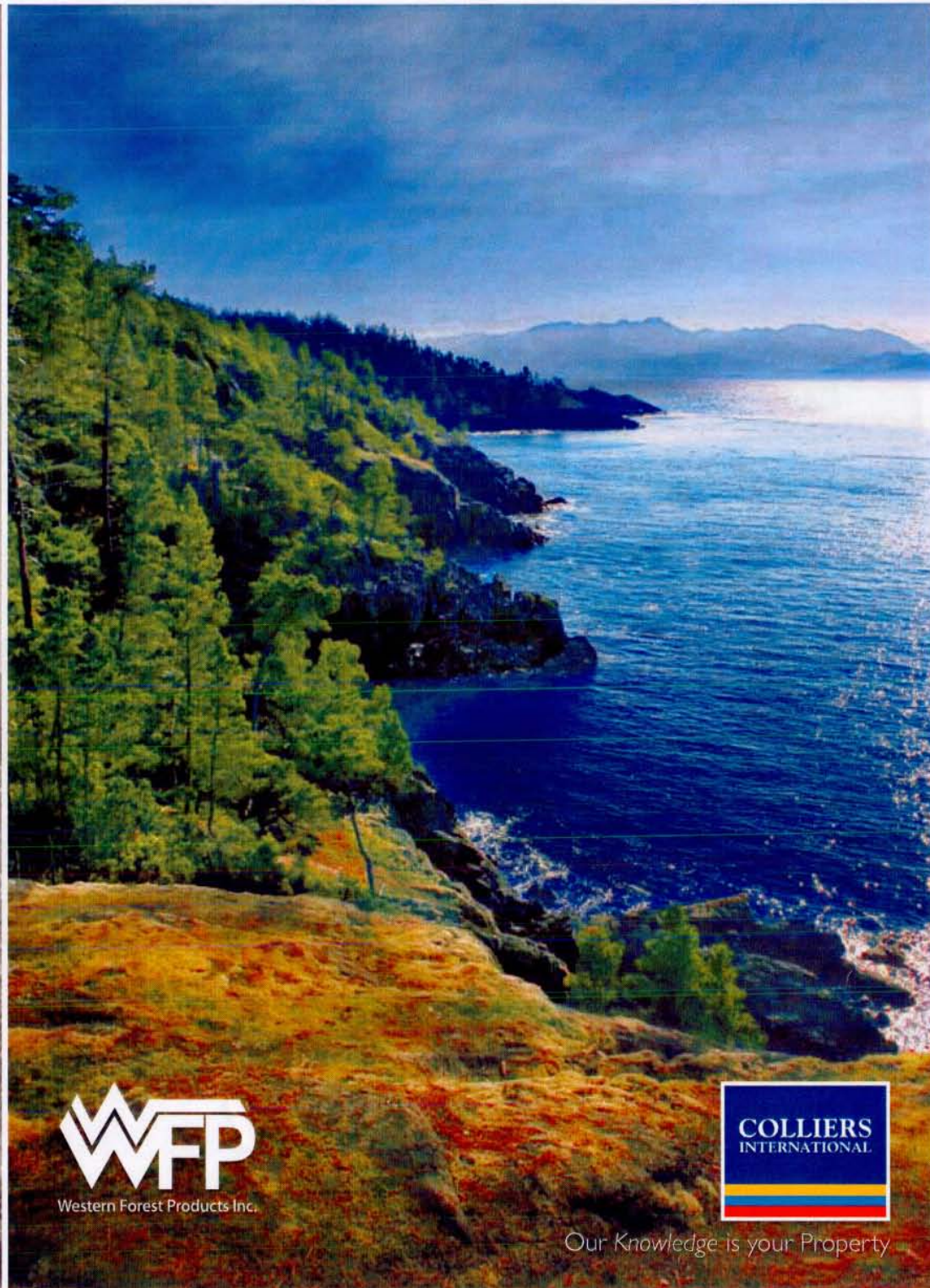
Let me go to the final question on this for now — of course, depending on the minister's answer



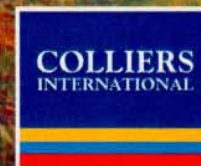
South Island

Portfolio

Vancouver Island, British Columbia



Western Forest Products Inc.



Our Knowledge is your Property

South Island

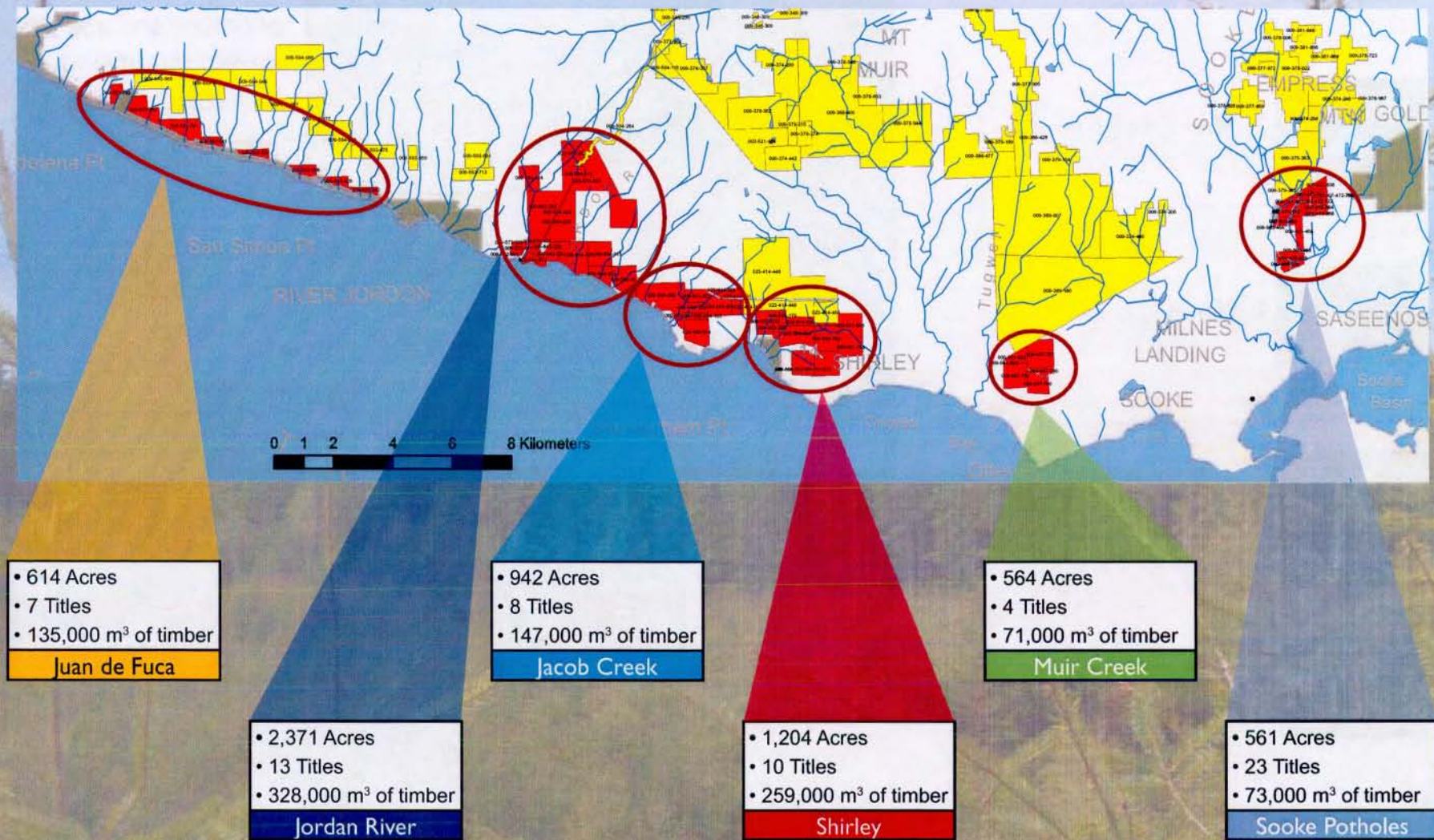
South Island, British Columbia



WFP

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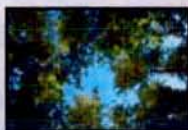
South Island Portfolio Property Offerings



South Island Portfolio, Vancouver Island, British Columbia



1. Sooke Potholes Group



2. Muir Creek Group



3. Shirley Group



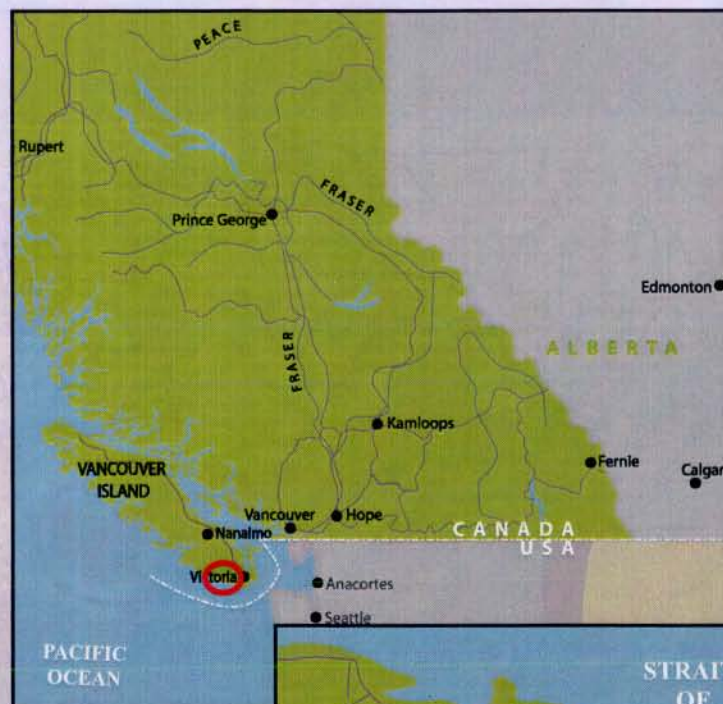
4. Jacob Creek Group



5. Jordan River Group



6. Juan de Fuca Group



A unique opportunity to acquire 6,300 acres of timberland and rural development land in a spectacular South Island setting.



Opportunity

Colliers International's Unique Properties Group is pleased to present this rare offering of a diverse portfolio of lands located on the southern tip of British Columbia's Vancouver Island. The offering consists of six groups of properties comprising approximately 6,300 acres and 65 titles. This large portfolio provides a rare opportunity to acquire a highly strategic group of properties that include some of British Columbia's most amazing land with waterfront, views, development potential and timber value.

The lands being offered are part of Western Forest Products' holdings within this region. Western Forest Products, a Canadian forest products company, has elected to sell these lands, as they are surplus to its core forestry operations.

Location

Located within the Capital Regional District on southern Vancouver Island, the Portfolio's six groups of properties are situated within an area that extends along the Juan de Fuca coastline between the District of Sooke and Port Renfrew. In close proximity to Victoria, the provincial capital, the portfolio includes over 4.95 kilometres of waterfront on the Strait of Juan de Fuca and over 1,000,000 cubic metres of timber.

This portfolio combines an extensive and merchantable timber volume with an underlying land base that includes south facing waterfront and development potential. Furthermore, Western Forest Products South Vancouver Island portfolio is located in close proximity to Vancouver, Victoria and Seattle.

Portfolio Highlights

- Approximately 6,300 acres
- 65 titles
- 4.95 km of water frontage; specifically within the Jordan River and Jacob Creek groups
- 65% of total acreage within a designated settlement area or subject to a municipal zoning bylaw
- Approximately 1,000,000 cubic metres of merchantable timber
- Development potential
- Superior long-term holding value

The following pages outline the unique features of this outstanding group of properties.

Sooke Potholes

Group



Sooke Potholes GROUP

Location

Located only 5 kilometres north of the Sooke town centre, the Sooke Potholes Group is situated on the eastern edge of the Sooke River and is adjacent to the Sooke Potholes Provincial Park. Encompassing over 561 contiguous acres, this Group includes over 23 individual titles, offering considerable flexibility for future land uses or divestiture options. There are approximately 73,000 cubic metres of merchantable timber. With limited logging, the aesthetics of this property are consistent with the adjacent park use.

Recently incorporated, the District of Sooke is situated at the southern end of Vancouver Island, a short 35-minute drive from downtown Victoria, BC's vibrant capital. Sooke acts as both a bedroom community to Victoria, as well as home to many residents that take advantage of working in the Sooke area. Sooke has had explosive development and population growth in the past several years as a direct result of its close commuting distance to Victoria as well as the extensive community and natural amenities available within the area.

Property Description

Given its location at the edge of a major watercourse, the overall topography of the Sooke Potholes Group is considered to be variable to steep with slopes ranging from 30% to 38% in several areas. The eastern half of the northern region of the Group has the gentlest topography with slopes of less than 15%, while an area of the south-western portion of the group has similar slopes of less than 15%. This southern portion has direct frontage onto Sooke River Road.

A historic railway right-of-way traverses a portion of the property in a north/south orientation. This right-of-way now accommodates the Galloping Goose Trail. Access to the property is directly off of Sooke River Road.

With the exception of hydro nearby, the properties do not have municipal services.

Land Use

The two southern legal titles of the property are within the District of Sooke and zoned RU-1 – Rural Watershed and Forest Reserve Zone. The RU-1 zoning provides for a minimum lot size of 10 acres for the following uses: agriculture, single family and duplex dwelling, silviculture and home based businesses. These two properties encompass approximately 226 acres, over 40% of the entire group.

The balance of the properties (21 titles) are situated within the Juan de Fuca Electoral area. These properties are not zoned, and are outside of an OCP area. With an average lot size of approximately 16 acres, further subdivision of these titles is likely unnecessary given the surrounding rural-residential land use patterns.

Although this group has some steeper topography, the large number of titles, coupled with the close proximity to a major urban centre, road access and some favourable zoning, provides excellent potential.



- 561 acres
- 23 titles
- 73,000 m³ of timber

*Muir Creek
Group*



Muir Creek GROUP

Location

The Muir Creek Group is situated approximately 10 kilometres west of Sooke just north of Otter Point Road within the Otter Point area. Consisting of 4 contiguous titles of approximately 564 acres, this Group includes approximately 71,000 cubic metres of merchantable timber.

Bordering rural lot residential uses on the southern and eastern borders, this property is easily accessible from the West Coast Highway and local residential roads, and is only minutes from the Sooke city centre.

Property Description

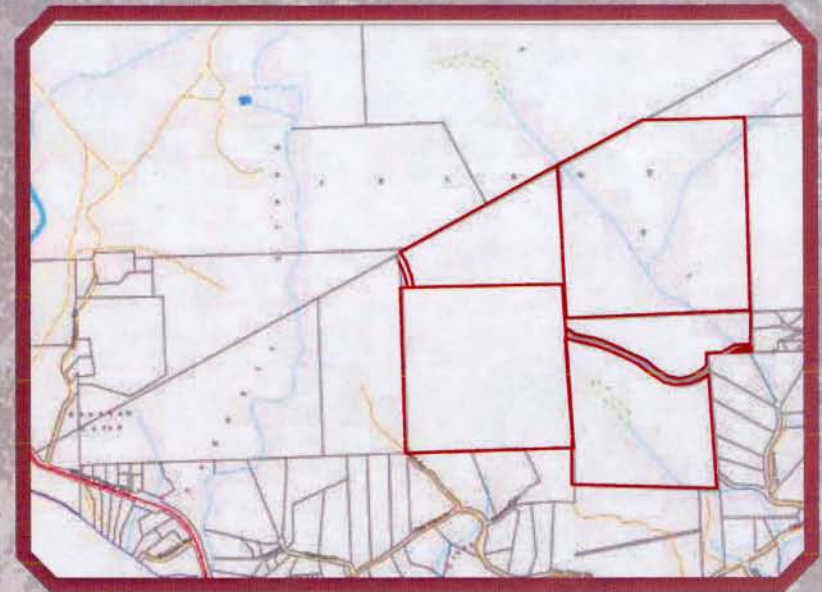
The topography of the Muir Creek Group is varied, however slopes overall appear to be less than 20% throughout with the exception of a ridge area on the southern portion of the property.

Access is made possible via several residential roads, providing the potential for relatively easy access from the West Coast Highway, only 1.5 kilometres away.

Land Use

The entire Muir Creek Group is subject to the Sooke Land Use Bylaw, and is zoned AF – Forestry. The Forestry zone provides for predominantly silviculture (except within 300 metres of a highway), and single-family dwellings with a minimum lot size of 4 hectares (10 acres). Given the distance from the Highway, silviculture uses on these titles should not be affected. The Official Community Plan identifies these properties as being within the Settlement Area, however they are not within the Settlement Containment Area. Several established residential neighbourhoods border the southern portion of this group, with lot sizes generally greater than 2.5 acres. A portion of the southwest title falls within the Agricultural Land Reserve.

The Muir Creek Group provides an excellent opportunity for continued rural large-lot residential subdivision consistent with the region.



- 564 acres
- 4 titles
- 71,000 m³ of timber

Shirley
Group



Shirley GROUP

Location

The Shirley Group of properties consists of 10 legal titles situated just east of French Beach in an area known as Sheringham Point. Situated on the north and south side of the West Coast Highway, this Group is the second largest offering within the South Island Portfolio at approximately 1,200 acres.

Lying adjacent to an area of more intensive residential development, the southern portion of this offering has the potential for direct access from the West Coast Highway, while the northern portion of the Group contains a more significant volume of merchantable timber.

The Shirley Group is situated approximately 14.5 kilometres west of Sooke and is adjacent to French Creek Provincial Park. Similar to the balance of the Juan de Fuca region, the Shirley Group has limited civic or commercial services, however an established residential neighbourhood is situated along the southwestern border of this area.

Property Description

The topography of the Shirley Group is varied, with the southern region below the Highway having slopes of less than 10% overall. The western portion above the highway has an overall slope of only 20%. In general, the slopes of the Shirley Group are considered to be gentle to moderate and are not expected to impact any future use of the property. Access to these properties is excellent, with the West Coast Highway passing directly through the Group.

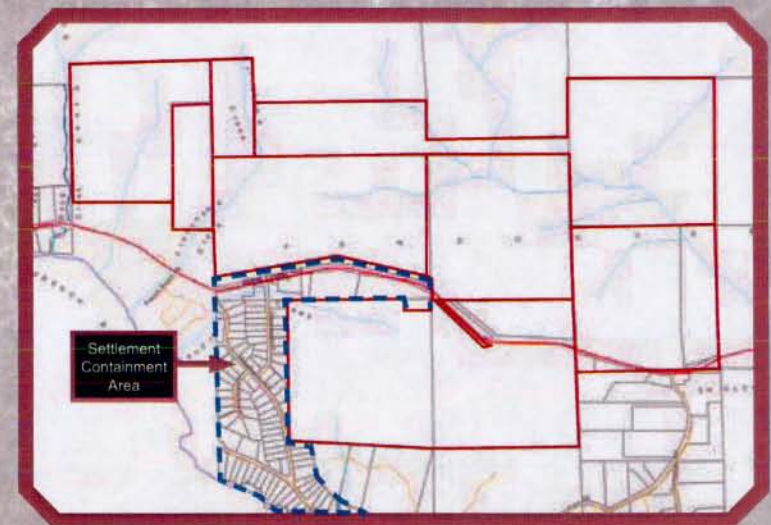
The overall timber volume in this group is estimated at 259,000 cubic metres.

Land Use

The entire Shirley Group is subject to the Sooke Land Use Bylaw. Based on our review of the Sooke Land Use maps, the entire Group is zoned AF – Forestry. The Forestry zone permits predominantly silviculture uses (except within 300 metres of a highway), and single-family dwellings. The minimum lot size under this zoning is 4 hectares (10 acres).

An established residential neighbourhood borders the southern portion of this group. This neighbourhood is located within the only identified Settlement Containment Area in the Jordan River/Shirley Official Community Plan.

The Shirley Group benefits from close proximity to the provincial park, French Beach, residential neighbourhoods, and the West Coast Highway.



- 1,204 acres
- 10 titles
- 259,000 m³ of timber

*Jacob Creek
Group*



Jacob Creek GROUP

Location

The Jacob Creek Group of properties is situated immediately to the east of Jordan River, in close proximity to French Beach Provincial Park. Consisting of 8 legal titles, 942 acres, and approximately 147,000 cubic metres of timber, the Jacob Creek Group includes over 850 metres of water frontage and considerable frontage on West Coast Highway.

Situated just to the northwest of French Beach, these properties are adjacent to existing waterfront development, in addition to large lot residential development off of the West Coast Highway.

Property Description

The topography of the Jacob Creek Group is steeper and more varied than some of the Groups in the Portfolio, with some areas exhibiting slopes in excess of 30%, particularly adjacent to watercourses. Overall however, a number of benches and gently sloping areas present opportunities for physical access and some development. Portions of this group have been logged, however most of the land area remains timbered with a total estimated volume in excess of 147,000 cubic metres.

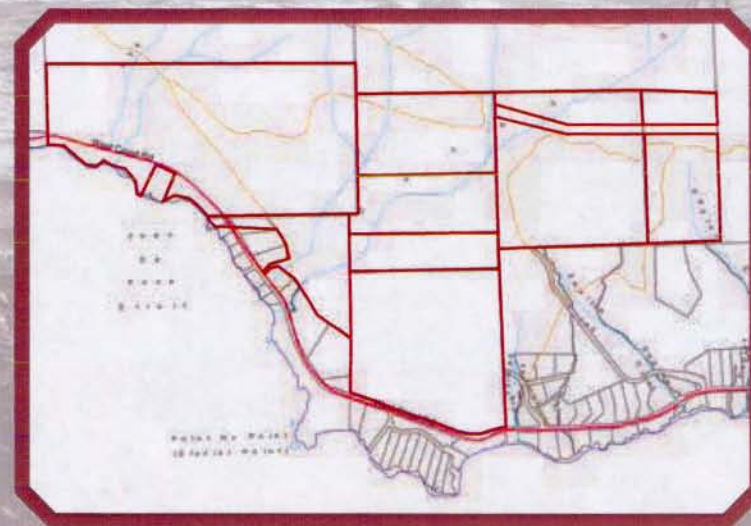
Access to the southern region of the Group is possible via the West Coast Highway, while the balance of the site is accessible via Forest Service Roads. A BC Hydro Transmission right-of-way traverses a portion of two of the northeastern titles.

Land Use

Three of the titles within the northeastern region of the Group are subject to Bylaw 189, while the balance of the Group is subject to the Sooke Land Use Bylaw. Any properties contained within Bylaw 189 are anticipated to have limited development potential.

With the exception of those properties subject to Bylaw 189, the Jacob Creek Group is zoned AF – Forestry under the Sooke Land Use Bylaw 2040. The Forestry zone permits for predominantly silviculture uses (except within 300 metres of a highway), and single-family dwellings. The minimum lot size under this zoning is 4 hectares (10 acres). Given the proximity of many of these titles to the Highway, silviculture potential on portions of these titles will be limited.

As with most of the properties within the portfolio, the Jacob Creek Group properties have incredible views, some development potential, extensive timber volumes and excellent access.



- 942 acres
- 8 titles
- 147,000 m³ of timber

*Jordan River
Group*



Jordan River GROUP

Location

Comprised of 13 legal titles ranging in size from approximately 4 acres to 722 acres, the Jordan River Group is situated around the Jordan River town site. Providing an incredible opportunity for a wide variety of uses, this Group includes over 4.1 kilometres of prime waterfront directly on the Strait of Juan de Fuca.

Jordan River is a small settlement situated approximately 30 kilometres west of Sooke. A community of less than 500, Jordan River presently has few commercial or civic services. Established in the early 1900's, the Jordan River area was first developed and settled as a result of the construction of a hydroelectric dam by the Vancouver Island Power Co. (BC Electric). The Dam was built in 1911 to service the southern area of Vancouver Island.

Three titles comprising the Western Forest Products land-based log sorting operations are currently excluded from this offering; however, Western may consider making these properties available should circumstances warrant it.

Property Description

Encompassing 2,371 acres and 13 titles, this property Group dominates the Jordan River waterfront, and encompasses the majority of the land around the river and along the West Coast Highway. The gross timber volume for this group is estimated by Western Forest Products at approximately 328,000 cubic metres.

With the exception of a handful of private properties that border the highway on the west side of the Jordan River, Western Forest Products is offering most of the privately owned land (and almost all the waterfront) within the Jordan River area, making this a rare and strategic acquisition opportunity.

Land Use

Existing development within the Jordan River area consists of limited commercial and residential uses along the Highway west of the river and adjacent to the beach. The majority of the Jordan River Group is subject to the Sooke Land Use Bylaw and within the Jordan River and Shirley Official Community Plan (OCP) area. Of the 13 titles, only 3 are subject to Bylaw 189. All of the properties within the OCP area are designated as being within the Settlement Area, however several of the titles near the mouth of the Jordan River are identified in the OCP for Commercial and Industrial uses. The current zoning bylaws relevant to the Group are:

A – Rural: The Rural zoning bylaw permits predominantly agriculture, silviculture and residential uses. The minimum lot size within this zoning is 4 hectares or approximately 10 acres. On lots of greater than 4 hectares but less than 16 hectares, a maximum residential density of 4 single-family dwellings is permitted.

AF - Forestry Zone: The Forestry zone permits for predominantly silviculture (except within 300 metres of a highway), and single-family dwellings. The minimum lot size under this zoning is 4 hectares (10 acres).

Although the West Coast Highway traverses the southern portion of the group, a limited network of logging roads north of the Highway provides access to the balance of the Group. From a physical perspective, the Jordan River Group is one of the single greatest opportunities on Vancouver Island to acquire a prominent stretch of predominantly undeveloped coastline that offers development potential, significant timber value and over 4.1 kilometres of waterfront.



- 2,371 acres
- 13 titles
- 328,000 m³ of timber

Juan de Fuca

Group



Juan de Fuca GROUP

Location

The Juan de Fuca Group is a rare collection of 7 individual properties that range in size from 41 to 196 acres, with a total group size of approximately 614 acres. Located along ten kilometres of the West Coast Highway, these titles are situated on the south side of the highway and above the world famous Juan de Fuca Marine Trail Provincial Park. Jordan River is 5 kilometres to the east, while Port Renfrew is 25 kilometres to the west.

Private land holdings are extremely limited along this stretch of Highway 14, with Crown lands being the only properties that border the Juan de Fuca Group. This will assist in ensuring that each of these titles will maintain its privacy and views in the future. The Juan de Fuca Marine Trail, created from portions of the titles within this group, originated as part of the telegraph line constructed in 1890, linking Victoria to Cape Beale near Bamfield. Similar to the West Coast Trail, this popular walking route runs along the waterfront and extends from China Beach to Botanical Beach. Several camping spots are located along this world famous trail.

Property Description

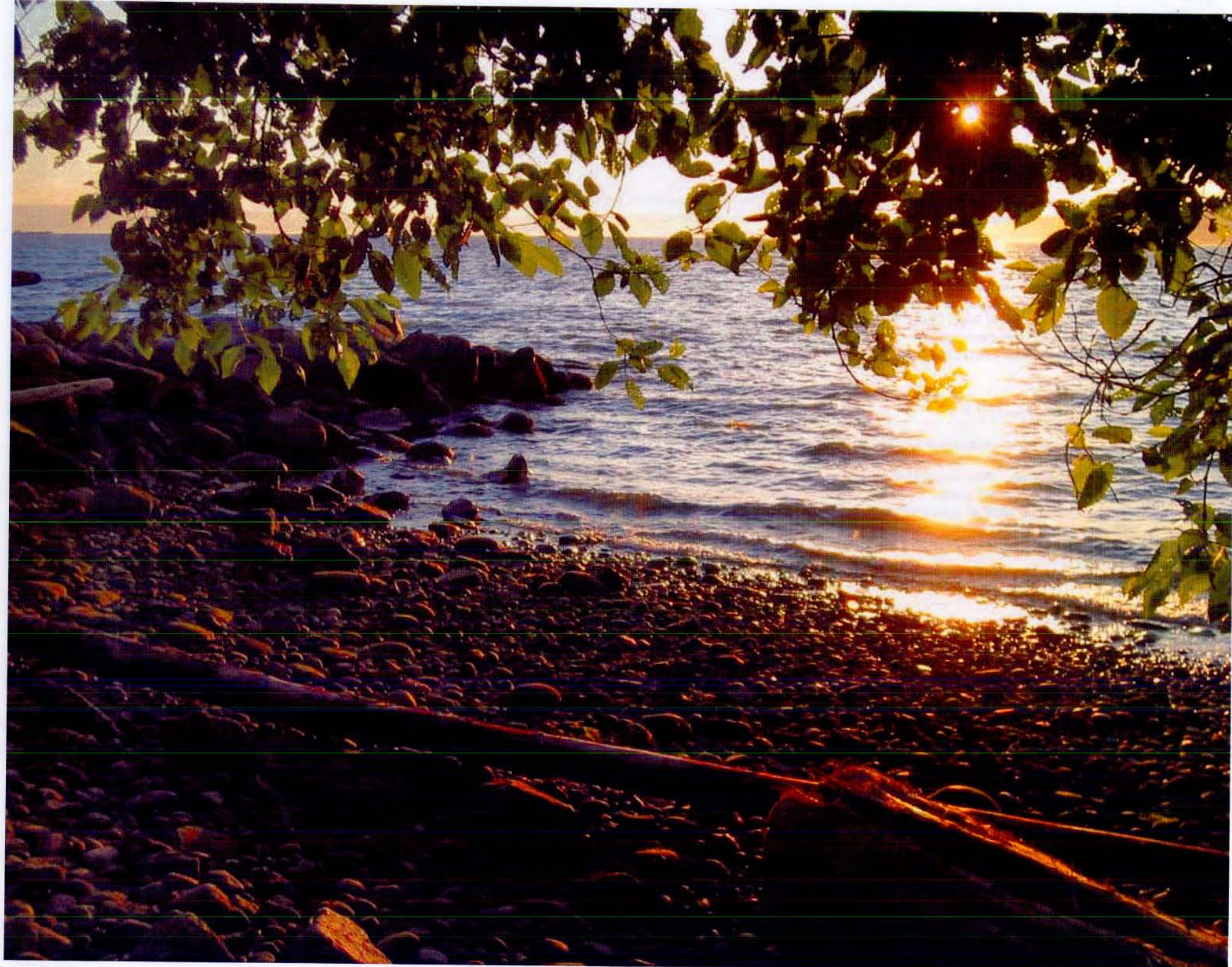
These properties have not been logged in many years, are timbered with mature trees and have an estimated merchantable timber volume in excess of 135,000 cubic metres. With varying topographies and layouts, on an individual basis these lots are ideally suited as exclusive estate lots with potential views over the Strait of Juan de Fuca, the Olympic Peninsula and the Olympic mountains. These properties are extremely rare considering they are the only privately held titles that border the Juan de Fuca Trail Provincial Park.

Land Use

Located within the Juan de Fuca Electoral Area, these properties are subject to Zoning Bylaw 189, and as such do not have potential for further subdivision given the minimum lot size of 300 acres.



- 614 acres
- 8 titles
- 135,000 m³ of timber



Offering Process

Prospective purchasers are invited to submit offers to purchase through Colliers International for consideration by the Vendor. All offers are to be submitted to Colliers in the form of the Vendor's Purchase and Sale Agreement, contained in the Appendix CD within the Confidential Information Memorandum.

Evaluation of offers to purchase the property will be based on the transaction structure proposed by the purchaser, the net proceeds to the Vendor for the property, the prospective purchaser's ability to complete the transaction, and the timelines and proposed conditions of closing, if any.

The Vendor is not obligated to accept the highest price or any offer, and reserves the right to reject any or all offers that may be received. When preparing an offer, purchasers should consider that the Vendor prefers offers that are non-contingent on financing or other unilateral purchaser conditions; and, full payment of purchase price on the Closing Date.

While the Vendor will give preference to a portfolio divestiture, offers on individual groups may also be considered. Interest in individual titles will be noted, and will be responded to subject to interest received on a group or portfolio basis. Offers will be considered no earlier than September 18th, 2007.

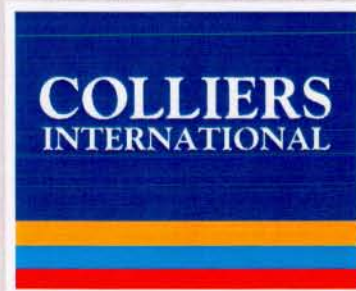
The Confidential Information Memorandum is available from Colliers International to qualified purchasers upon request, following execution of a confidentiality agreement.

Offer submissions, requests for additional information, confidentiality agreements or site visits should be directed to the attention of:

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South Island

Portfolio



Western Forest Products Inc.

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Our Knowledge is your Property



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WESTERN FOREST PRODUCTS INC.

FOR IMMEDIATE RELEASE

TSX: WEF

**Western Forest Products Receives Approval to Remove Private Lands
From Its Tree Farm Licences**

January 31, 2007 – Duncan, British Columbia. Western Forest Products Inc. (TSX: WEF) today announced that it has received approval from the BC Minister of Forests and Range to remove approximately 28,000 hectares of its private lands from its Tree Farm Licences 6, 19 and 25. The approval is subject to a number of conditions including giving right-of-way access on a number of the properties and agreeing that WFP's current practice of not exporting logs from these private lands will continue for a three year period.

Western Forest Products

Western is an integrated Canadian forest products company and the largest coastal British Columbia woodland operator and lumber producer with an Annual Allowable Cut of approximately 7.7 million cubic meters (before temporary AAC reductions) of timber and lumber capacity in excess of 1.5 billion board feet from nine sawmills and five remanufacturing plants. Principal activities conducted by the Company and its subsidiaries include timber harvesting, reforestation, sawmilling logs into lumber and wood chips, and value-added remanufacturing. Substantially all of Western's logging is conducted on government owned timberlands in British Columbia. All of Western's operations, employees and corporate facilities are located in the coastal region of British Columbia while its products are sold in over 20 countries worldwide.

Forward Looking Statements and Information

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities law. Those statements and information include statements or information regarding the intent, belief or current expectations of Western with respect to the approval of the BC Minister of Forest and Range to the removal of some of its private lands from its Tree Farm Licences. Such statements or information may be indicated by words such as "should", "will", "may" and similar words and phrases. Readers are cautioned that any such forward-looking statements or information are not guarantees and may involve known and unknown risks and uncertainties, and that the actual results may differ from those expressed or implied in the forward-looking statements or information as a result of various factors including,

changes in government regulation, and misjudgments in the course of preparing forward-looking statements or information. The information contained under the “Risk Factors” section of Western’s Annual Information Form and under the “Risks and Uncertainties” section of Western’s Management’s Discussion and Analysis identifies important factors that could cause such differences. All written and oral forward-looking statements or information attributable to Western or persons acting on behalf of Western are expressly qualified in their entirety by the foregoing cautionary statements. Western does not expect to update forward-looking statements or information as conditions change.

Contacts:

For further information, please contact:

Reynold Hert (250) 715-2207
President & CEO

Paul Ireland (250) 715-2209
CFO

Summary of Selected Quarterly Results

(millions of dollars except per share amounts)	Three Months Ended March 31, 2007	Three Months Ended December 31, 2006	Three Months Ended March 31, 2006
Sales	\$ 276.3	\$ 279.1	\$ 118.2
Export tax and lumber duties expensed	\$ (4.4)	\$ (3.6)	\$ (4.0)
EBITDA	\$ 23.3	\$ 120.4	\$ (0.1)
EBITDA before lumber duty refund	\$ 23.3	\$ 10.1	(0.1)
EBITDA margin (before lumber duty refund)	8.4%	3.6%	(0.1)%
Lumber duty refund	\$ -	\$ 110.3	\$ -
Operating income (loss)	\$ 13.4	\$ 108.3	\$ (6.0)
Interest expense	\$ (6.8)	\$ (9.2)	\$ (11.1)
Foreign exchange gain (loss) on long-term debt	\$ 0.7	\$ (6.0)	\$ (0.9)
Premium and unamortized discount on bond redemption	\$ -	\$ -	\$ (27.9)
Interest income on lumber duty refund	\$ -	\$ 14.1	\$ -
Net income (loss) from continuing operations	\$ 8.2	\$ 109.3	\$ (46.5)
Net income (loss) from discontinued operations	\$ (1.0)	\$ (1.0)	\$ (7.1)
Net income (loss)	\$ 7.2	\$ 108.3	\$ (53.6)
Per share – basic and diluted:			
Net income (loss) from continuing operations	\$ 0.04	\$ 0.53	\$ (1.81)
Net income (loss)	\$ 0.04	\$ 0.53	\$ (2.09)
Cash flow from continuing operations	\$ 28.8	\$ 101.1	\$ (10.5)

Overview

The results of operations for the quarter ended March 31, 2007, include the legacy Cascadia and Englewood operations which were acquired on May 1, 2006 and March 17, 2006, respectively, and accordingly, are not directly comparable to the comparative quarter ended March 31, 2006.

The Company recorded net income from continuing operations of \$8.2 million (\$0.04 per share) in the first quarter of 2007 compared to \$109.3 million (\$0.53 per share) in the fourth quarter of 2006, and a loss of \$46.5 million (\$1.81 per share) in the first quarter of 2006. The fourth quarter of 2006 benefited from the inclusion of \$124.4 million with respect to the softwood lumber duty refund including interest. EBITDA increased to \$23.3 million in the first quarter of 2007, compared to \$10.1 million (excluding the lumber duty refund) in the fourth quarter of 2006 and negative \$0.1 million in the first quarter of 2006.

The improvement in the Company's results can be attributed to the following key factors:

- Higher overall realized lumber prices – a weaker average Canadian dollar, firm cedar and Japanese market prices and a higher-value mix of products produced and sold has resulted in an increase in average realized lumber prices to \$818 per thousand board feet compared to \$782 in the fourth quarter.
- Higher realized log prices – market shortages for certain saw logs, strong log prices and a higher-value product mix have resulted in average realized log prices increasing to \$86 per cubic metre from \$71 per cubic metre in the fourth quarter.
- Lower pulp log production in the first quarter compared to the fourth quarter of 2006 – pulp logs generally have a lower value than saw logs and are written down to market as they are produced.

These improvements in EBITDA more than offset the impact of the decrease in lumber sales volumes.

During the quarter, the Company received approval from the BC Minister of Forests and Range to remove approximately 28,000 hectares of its private land from its Tree Farm Licenses 6, 19, and 25. The removal affords the Company both the opportunity to sell the approximately 4,000 hectares of higher and better use component of the lands, and greater flexibility in operating the remaining 24,000 hectares of private timberlands.

Forest-land deal shortchanges B.C.; Decision to pull property from tree farm licence great for company, bad for residents; [Final Edition]

Times - Colonist. Victoria, B.C.: Sep 29, 2007. pg. A.16

Abstract (Summary)

Western Forest Products has moved quickly to take advantage of the benefits bestowed on it by the government. The company has put 6,300 acres on the market for development, from Sooke to Jordan River. The land includes five kilometres of waterfront and property bordering the Juan de Fuca Trail and provincial parks. The sales brochure describes it as "some of British Columbia's most amazing land with waterfront, views, development potential and timber value."

Liberal MP Keith Martin and New Democrat MLA John Horgan -- the elected representatives for the affected areas -- want the company to delay the sale of waterfront lands near Jordan River currently used by the public for recreation. They also plan meetings to allow the affected communities a chance to express concerns.

Full Text (428 words)

(Copyright Times Colonist (Victoria) 2007)

The public has been badly let down by the province's decision to allow vast tracts of South Island land, including prime waterfront, to be converted from working forest to development property.

Earlier this year Forests Minister Rich Coleman removed 70,000 acres of land owned by Western Forest Products from the company's tree farm licences.

That had great benefits for the company. Under the terms of the tree farm licences, Western Forest Products had to manage the property as if it was Crown land. That meant higher environmental and forest sustainability standards and permanent limits on raw-log exports.

Most importantly, the licences also required the land to be maintained as forest, protecting the future of the industry.

Western Forest Products has moved quickly to take advantage of the benefits bestowed on it by the government. The company has put 6,300 acres on the market for development, from Sooke to Jordan River. The land includes five kilometres of waterfront and property bordering the Juan de Fuca Trail and provincial parks. The sales brochure describes it as "some of British Columbia's most amazing land with waterfront, views, development potential and timber value."

Coleman said Western Forest Products needed help and he obliged.

But the public had compensated Western Forest Products -- or its predecessors -- for including the land in the tree farm licences by providing access to additional Crown timber. Taxpayers received nothing in return for this gift.

The government failed to take advantage of the obvious opportunities to seek at least some public benefit by requiring the company to donate some of the property for park expansion, waterfront access or to protect existing public use as part of the deal.

And it did not consult with local elected officials, communities or interest groups that have worked so hard to preserve natural values along the coast west of the capital region.

Liberal MP Keith Martin and New Democrat MLA John Horgan -- the elected representatives for the affected areas -- want the company to delay the sale of waterfront lands near Jordan River currently used by the public for recreation. They also plan meetings to allow the affected communities a chance to express concerns.

Those are the kinds of measures the government should have taken before approving this secretive deal with Western Forest Products -- and that Liberal MLAs from the region such as Ida Chong and Murray Coell should have demanded.

The public has been badly let down by its government. All that can be hoped for now is a chance to reduce the damage done.

Credit: Times Colonist

Indexing (document details)

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University of Victoria

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Government releases Island land from forest regulations; [Final Edition]

Gordon Hamilton. **The Vancouver Sun**. Vancouver, B.C.: Feb 1, 2007. pg. C.1.Fro

Abstract (Summary)

"Three years down the road, let's hope we have some agreement from the provincial and federal governments on raw log exports," said Port Alberni Mayor Ken McRae. He said increased exports from private lands owned by the two B.C. companies have cost the town manufacturing jobs.

Port Alberni is not affected directly by the removal of the lands from public forest regulations. Most of Western's private lands are in the Sooke-Jordan River area on the Island's southwest coast, in the Gold-River-Zeballos corridor and in the Port Alice-Port McNeill region. But McRae said as long as exports are allowed to increase, Island sawmills will be at risk.

Forests Minister Rich Coleman said he agreed to remove the lands from tree farm licences at Western's request. Western initially proposed an 18-month export restriction. The province insisted on three years. Restrictions such as limiting exports, protecting winter ranges for elk and deer and retaining access to the lands for recreational users, are written into the land titles, ensuring future owners will have to abide by them, Coleman said.

Full Text (932 words)

(Copyright Vancouver Sun 2007)

Ran with fact box "New Plans in the Woods", which has been appended to the end of the story.

The B.C. government approved the removal of 28,000 hectares of private forestlands on Vancouver Island from publicly regulated tree farm licences Wednesday provided the owner, Western Forest Products, agrees to a three-year moratorium on exporting the logs.

The removal of the lands provides Western with more flexibility in its timber harvesting by freeing it from cut controls and also opens higher-value lands near Sooke to potential real estate development.

But more significantly, the removal of forests ministry regulations increases the likelihood of the lands being sold to an export-focused company, opening the door to even more log exports from Vancouver Island.

The government move re-opened the debate over private forestlands and the role they are playing in log exports, which have jumped more than 50 per cent since 2001. NDP forests critic Bob Simpson said he expects the lands will be sold and the 220,000 cubic metres of logs they produce will be exported once the moratorium is up.

Western's private lands are the last major chunk of Island forest to be removed from tree farm licences. The properties were included in the licences in the 1950s to bring them under the umbrella of provincial forestry. In exchange, the forest company owners received greater control over other Crown timber.

Western president Reynold Hert said Wednesday the company wants to sell the lands for their highest value, using the revenues to pay down debt and to upgrade its manufacturing plants. In the meantime, he does not need to export.

"We had the right to export before on parts of the land. We don't do it though, because we have mills to run," he said. "The reason we are doing this is to have the flexibility to operate so we can get our operations profitable."

Some of the lands, particularly those near the waterfront in the Sooke area, have obvious value for residential or recreational development, Hert said. The company has consulted with communities over its plans. Hert said in the south, residential groups are more concerned about logging near their communities.

In the north, Port McNeill's Mayor Gerry Furney said the conversion will not affect his community directly and that he is sympathetic to Western's drive to upgrade operations.

The government's decision was not unexpected, said industry analyst Mark Bishop of RBC Capital Markets.

"The whole process is driven towards monetizing the private lands," he said.

Based on comparable values in the U.S., the forestlands are worth about \$4,000 a hectare, giving them a potential value of \$112 million plus any additional value the more expensive properties could realize. The lands have been an

under-appreciated asset in Western. The largest coastal forest company, Western operates nine sawmills and five remanufacturing plants utilizing a total harvest of 7.2 million cubic metres of timber. Yet it is struggling to be profitable and has a market capitalization of only \$412 million, less than four times the value of its private landholdings.

The most likely buyers for the forest lands are American timberland investment funds or B.C.'s TimberWest Forest and Island Timberlands, Bishop said. The two B.C. forest companies are the Island's largest private landholders and the province's largest exporters of raw logs.

"Three years down the road, let's hope we have some agreement from the provincial and federal governments on raw log exports," said Port Alberni Mayor Ken McRae. He said increased exports from private lands owned by the two B.C. companies have cost the town manufacturing jobs.

Port Alberni is not affected directly by the removal of the lands from public forest regulations. Most of Western's private lands are in the Sooke-Jordan River area on the Island's southwest coast, in the Gold-River-Zeballos corridor and in the Port Alice-Port McNeill region. But McRae said as long as exports are allowed to increase, Island sawmills will be at risk.

Forests Minister Rich Coleman said he agreed to remove the lands from tree farm licences at Western's request. Western initially proposed an 18-month export restriction. The province insisted on three years. Restrictions such as limiting exports, protecting winter ranges for elk and deer and retaining access to the lands for recreational users, are written into the land titles, ensuring future owners will have to abide by them, Coleman said.

The forests minister is in Ottawa now where he is in talks with the federal government over the log export issue.

"I am going to be making some strong decisions on log exports in the next 60 days. I would want [the export issue] all settled sooner than three years."

Simpson said the removal raises other issues besides the export question.

"The reason those private lands were brought in was so they could be managed under the auspices of the public good," he said. "The quid pro quo for the company was to get more direct control over public lands.

"This should have been a fully transparent, fully public process. And secondly, there should have been compensation to the Crown for the removal of these lands."

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NEW PLANS IN THE WOODS

The removal of private land from publicly regulated tree farm licences on Vancouver Island offers new opportunities for Western Forest Products, but also raises the spectre of more log exports.

Source:B.A. Blackwell and Associates Ltd.

[Illustration]

Map: B.A. Blackwell and Associates Ltd. / 16,000 hectares of private forest land in tree farm licences 6 and 19 will be removed from government regulation. 12,000 hectares of private forest land in tree farm licence 25 will be removed from government regulation.

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Coleman silent on sale

With news in recent weeks that Western Forest Products is putting more than 1,800 hectares of land, including some five kilometres of waterfront, up for sale, one might expect B.C. Liberal forest minister **Rich Coleman** to have something to say on the subject.

After all, it was Coleman who in January approved WFP's plans to remove the land from management under the province's Tree Farm Licence system. And when Malahat-Juan de Fuca MLA **John Horgan** pressed him on the issue in April, Coleman said the land would continue to be used for forestry.

"My understanding is that these will still be private managed forest lands," Coleman told the legislature on April 18, 2007, according to Hansard. "I would think that they're going to manage this forest, as they've managed it in the past, for the long-term turnover of that land for, obviously, the next crop after this crop. And they will do it in a manner that is sustainable."

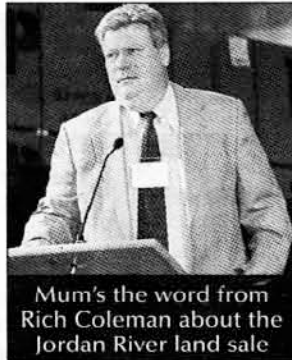
So, now that Colliers International has the land listed for sale, highlighting the "incredible views" and "development potential," what does Coleman have to say? He didn't return calls by press time.

Conditions may hamper development

Potential purchasers of Western Forest Products' properties near Jordan River will have to meet several conditions that will make real estate development difficult, if they are enforced.

Owners of the land will have to let people use it for recreation and will be required to allow access for first nations people who can use it for hunting, fishing or other cultural purposes. They will also have to maintain Canadian Standards Association certification that the forests on the land are subject to sustainable forest management.

The conditions were among a half-dozen that forest min-



Mum's the word from Rich Coleman about the Jordan River land sale

ister Rich Coleman outlined in January when he announced the B.C. Liberal government was releasing the land from management under the Tree Farm Licence system.

According to the CSA standards, which are normally voluntary but in this case apparently have the added weight of a cabinet minister's order, one of the goals is to "protect forestlands from deforestation or conversion to non-forests." The standards guide says, "Forest managers need to reduce the amount of area converted to non-forest ecosystems as much as possible."

Of course, taken literally, "as much as possible" would mean no clearing of land and no constructing buildings. It remains to be seen, however, whether Coleman and the forest ministry will insist on the sustainable forestry standards and other conditions being met, or if that just sounded good in the January announcement.

Elk and deer habitat unprotected

Vancouver Island may lose some prime habitat for elk and deer as part of the deal allowing Western Forest Products to remove 28,000 hectares of private land from management under the province's Tree Farm Licence system.

When forest minister Rich Coleman announced the deal in January, he said one of the conditions was "an agreement to work with the Ministry of Environment on protecting ungulate winter ranges."

The negotiations were complete in November, 2006, but the agreement is still waiting for the deputy minister's approval, says **Ron Diederichs**, the environment ministry's senior biologist for the Vancouver Island region. But instead of protecting the winter ranges, the agreement actually removes protection from areas on the private lands that are used by Roosevelt elk and black-tailed deer.

"It was not without a lot of trepidation that we did that," says Diederichs.

In exchange, WFP agreed to have a number of adjacent areas on publicly owned Crown land inside the TFL protected that had not previously been set aside for deer and elk. "We got something for the value that we were trading off," says Diederichs. "They're some high value sites."

WFP didn't want any encumbrances on its private lands, he says, and they got that. Asked if the agreement is what's best for the elk and deer, he says, "It's the best arrangement we could come to under the circumstances."

—Andrew MacLeod

Forest refuge or future suburb?

Shannon Moneo. **The Globe and Mail**. Toronto, Ont.: Mar 5, 2007. pg. S.1

Abstract (Summary)

"People think of the wild West Coast," said Ms. [Alanda Carver]. "Well, the wild is going out of the West Coast. It's going and it's going fast."

Full Text (1007 words)

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Wilderness haven near Sooke threatened by developers' multipurpose ambitions

A few years ago when Alanda Carver went walking in the forests west of Sooke, she would hear eagles screeching and ravens calling. Today, she hears nothing, except for the occasional chainsaw.

"People think of the wild West Coast," said Ms. Carver. "Well, the wild is going out of the West Coast. It's going and it's going fast."

Ms. Carver, who lives in Otter Point, about 45 kilometres west of Victoria, attributes the wilderness loss to a forest free-for-all, where in the past few years forestry companies have been clear-cutting their land and then selling it to developers who are intent on building houses.

"I don't think people here want to be a giant subdivision of Victoria, but that's the way it's going," said Ms. Carver, president of the Muir Creek Protection Society, which was formed to save the salmon-bearing stream.

One of Victoria's top realtors last year thinks there is room for first-class homes and businesses to be built where third-growth forests once stood.

Developers plan to go slow, wary of destroying the coastal wilderness that is attracting buyers from Victoria, Vancouver, Alberta, the United States and even Russia, said Shayne Fedosenko.

"This is uncharted territory. It's a hidden jewel from the rest of the world," he said.

The virgin land Mr. Fedosenko is referring to starts just outside of Sooke and runs 70-kilometres along Highway 14 (known as West Coast Road) to Port Renfrew.

In between the towering firs and cedars, travellers get views of the Strait of Juan de Fuca, the rocky coastline and the seashore.

Well-known provincial parks like French Beach and China Beach, where the Juan de Fuca Marine Trail begins, draw locals and tourists alike.

At the hamlet of Jordan River and Sombrio Beach, challenging cold breakers entice surfers from around the world.

When West Coast Road terminates at Port Renfrew, population 250, visitors can enjoy the famed tidal pools at Botanical Beach, go deep-sea fishing, begin their West Coast Trail adventure or soak up the rugged ambience in the former logging town.

Developers and local residents are touting the area as the next Tofino-Ucluelet corridor, said Mr. Fedosenko, 39, who grew up in Sooke.

The beginnings could well be in Port Renfrew, where a large project is set to turn the sleepy village into a Ucluelet-on-the-Strait.

In December, Victoria-based Three Point Properties bought 200 hectares in Port Renfrew from TimberWest for an undisclosed amount.

Three Point's 10-year plan calls for townhouses, businesses, high-end homes and even trailer parks to be built near the town's core, said Mr. Fedosenko, who is sales agent for the development.

Last year, TimberWest netted \$32.9-million in real-estate sales, averaging about \$25,000 per hectare. Over the next 10 to 15 years, 38,000 more hectares of its private forest lands will hit the market.

Port Renfrew's drawing card, said Three Point partner Ross Tennant, was the village's rugged coastline, spectacular fishing and the 2.5-hour drive from Victoria versus five hours to Tofino or Ucluelet.

Another project -- the Shores at Jordan River -- has 63 residential lots for sale on 80 hectares of former forest land. Included, are several million-dollar oceanfront plots.

The developer, Victoria-based Bell Group, wants to buy more forestry land in the vicinity to build tourist-related facilities, said Mr. Fedosenko, Bell Group's sales agent.

Ms. Carver, 43, is well aware of the development in her neighbour-woods.

Sandwiched between Western Forest Products and TimberWest property, she's been enduring "logging in stereo" when tree-cutters work on two properties.

In some places, loggers have taken down everything in sight. Former loggers, like Ms. Carver's husband, are shocked at the disregard for maintaining wildlife zones and setbacks along streams and rivers.

Not far from her home, 165 houses are slated to be built on former forest company land, boosting the home count in unincorporated Otter Point to 865 from 700.

In January, the ante was upped when Duncan-based Western Forest Products was given permission by the province to remove land from its tree-farm licence 25 to help the company pay off its \$200-million debt.

Licence 25 includes 12,000 hectares that begin near Sooke Potholes Regional Park and reach to within 15 kilometres of Port Renfrew, creating a swath of potential real estate.

Western Forest spokesman Gary Ley said no land has been identified for sale and it will be a lengthy process before plans are in place.

"We're not real-estate developers," he said.

Malahat-Juan de Fuca MLA John Horgan doesn't agree. "They have no intention of preserving this land and every intention of marketing it to the highest bidder," said Mr. Horgan, a member of the NDP caucus.

Western Forest should be interested in silviculture and in creating forestry jobs, he said. Instead, because the land is no longer classified as a tree-farm licence, stringent environmental standards don't apply and reforestation isn't mandated.

Another concern is that the land is considered "forest land" so it isn't included in any of the region's official community plans which means municipal planning regulations are not in force, said Mr. Horgan.

Developers can enjoy a free rein, said Ms. Carver, who warns that from Sooke to Port Renfrew, probably less than 1 per cent of the land is protected from logging or development. Between Sooke and French Beach Provincial Park, 20 kilometres from Sooke, only 15 hectares of parks exist.

Victoria hikers, mountain bikers, kayakers, off-road motorcyclists and plant harvesters have been venturing west for decades without knowing how little of the land is protected, Ms. Carver said.

In 2005, Ms. Carver led a stab at protection when the Muir Creek Protection Society began "agitating" for a park along the creek that is west of Sooke.

The province has verbally agreed to pay TimberWest up to a third of what Ms. Carver said could cost \$6-million for a four-kilometre stretch along Muir Creek.

If successful, the park would represent an oasis in a disappearing and disconnected wilderness.

"There's nothing to attach it to," Ms. Carver lamented.

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University of Victoria

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Pending sale of pristine waterfront property upsets Islanders

Shannon Moneo. **The Globe and Mail**. Toronto, Ont.: Sep 18, 2007. pg. S.1

Abstract (Summary)

"Water is a major concern out here," said Maureen Nelson, a Shirley resident since 1980. "There are very few places you can drill and find a good source of water."

Full Text (884 words)

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Western Forest Products is selling more than 1,800 hectares of its Vancouver Island property, less than two months after saying that changes to its land would come slowly, raising concerns among everyone from timber workers to surfers.

The 31 parcels are located about 70 kilometres west of Victoria in the communities between Shirley and Jordan River, and include 734,000 cubic metres of timber that can be logged and sold before development.

Western's chief operating officer Duncan Kerr said the company evaluated its Vancouver Island holdings and decided that the land being sold is better suited to development than to tree farming.

"We're not unaware of the fact that people who have expressed interest have some form of development in mind," he said from Western's head office in Duncan.

One particularly choice piece is four km of waterfront property in Jordan River, which Colliers International, Western's selling agent, describes as "one of the single greatest opportunities on Vancouver Island to acquire a prominent stretch of predominantly undeveloped coastline."

The 25-member West Coast Surfing Associates use that coastline, and the group's so-called Clubbies are worried. In 1975, they built a clubhouse at the Jordan River campground owned by Western. In the mid-'80s, a sauna was added.

From October to April, the spot draws surfers from around the world who catch waves that rival those in California or Australia.

"A lot of people would like to see that area remain as it is," said Rick Gillie, a 58-year-old geoscientist and club member who has been surfing at Jordan River for 30 years.

The club can't afford to buy the one hectare necessary to save its two buildings and the land where long-time campers, birdwatchers and nature-lovers congregate amid tsunami warning signs.

Mr. Gillie, who lives 30 km east in Sooke, would like local or provincial governments to buy some of the campground and designate it as a park.

Robert Trussler has been camping in his motorhome at the Western site since the mid-'80s, when it was free. It now costs \$12 a night. As he stoked the driftwood fire on a cool, foggy day, the Victoria senior said he knew that such a scenic spot would inevitably become a private resort or condominium development.

Western's 41 employees work in several nearby buildings on land that is also for sale. Offices will be moved, Mr. Kerr said, adding that employees are more likely to keep their jobs than their view.

Jack Burns, 63, has worked in Western's maintenance shop in Jordan River for nearly three decades. Before that, he worked in the village's copper mine, which closed in the early 1970s.

After witnessing decades of change, he said the sale of Western's land will be "the biggest change that's ever happened to this place."

He expects there will be job losses because of all the timber being sold with the land. Western employees won't have a hand in the harvest.

"The quota will take a considerable drop. The cutting season will be quite a bit shorter," he said.

"For the younger guys, it's not very good."

But he acknowledges that the land on the chopping block is valuable.

Some parcels are oceanfront and some run up mountainsides and offer fantastic views of the Juan de Fuca Strait and Washington state.

In the nearby community of Shirley, Western has land for sale near French Beach and Jacob's Creek.

The rural area, where multimillion-dollar homes hug the rocky shore and families live on small acreages, suffers from water shortages, and locals worry that increased development could exacerbate the problem.

"Water is a major concern out here," said Maureen Nelson, a Shirley resident since 1980. "There are very few places you can drill and find a good source of water."

Some draw water from Jacob Creek, which Ms. Nelson said has never been lower. Others have potable water trucked in at a cost of about \$230 for 3,000 gallons, which can last from five days to a month.

Ms. Nelson, a member of the Shirley Education and Action Society, accepts that Western, which she said has been a good steward of its lands, can sell its property for development. That came about in February, when the province allowed Western to remove 28,000 hectares from its Vancouver Island tree farm licences, thus freeing up the private land.

But Ms. Nelson adds that buyers have to follow existing zoning, which in Shirley stipulates a minimum lot size of four hectares. Development plans are often met with stiff opposition in an area striving to stay fiercely rural. And with 1,800 hectares for sale at once, Ms. Nelson wonders whether a glut of expensive property will flood the market.

Colliers senior vice-president Mark Lester said there has been local, national and international interest from individuals, groups and corporations. It's unknown what prospective buyers have planned.

Western's properties, which are intended to be sold in six blocks, do not list asking prices, Mr. Lester said from Vancouver.

But according to local listings, a one-hectare waterfront lot near Jordan River is going for \$900,000. A Shirley mobile home on four hectares has a \$449,000 asking price.

Offers will be considered in late September and proceeds from Western's land sales may go toward debt payments or capital investments, Mr. Kerr said.

Credit: SPECIAL TO THE GLOBE AND MAIL

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Removing private land has major effects; [Final Edition]

Gary Schaan. *Times - Colonist*. Victoria, B.C.: Feb 4, 2007. pg. D.3

Abstract (Summary)

Public access is severely restricted on Comox Lake Main, making it very difficult to access Strathcona Park and impossible to take the road from Cumberland to Port Alberni. The Comox Glacier Trail is being logged. Environmentally sensitive lands along the Tsolum River are going on the market. Watersheds and high elevation old-growth forests are being logged.

The irony of encouraging increased log exports by Western Forest Products and TimberWest from Vancouver Island is that cost- competitive and innovative island companies cannot get access to the wood and so we all lose out.

Full Text (290 words)

(Copyright Times Colonist (Victoria) 2007)

It is disturbing that the government has decided to subsidize a large company like Western Forest Products by freeing it of obligations to manage in the public interest land now held under tree farm licences.

The consequences will be felt from Jordan River to Port Alice. We only have to look at what TimberWest is doing with its former TFL lands.

Public access is severely restricted on Comox Lake Main, making it very difficult to access Strathcona Park and impossible to take the road from Cumberland to Port Alberni. The Comox Glacier Trail is being logged. Environmentally sensitive lands along the Tsolum River are going on the market. Watersheds and high elevation old-growth forests are being logged.

It can be expected that Western Forest Products will also gate its lands. What will happen to forest recreation sites? Will these be sold? What about ecologically important sites?

Has the government costed out the dollar benefit of the subsidy created by allowing Western Forest Product to sell these lands for non-forest use and to reduce its environmental management costs?

The problems with the coastal forest industry have less to do with cost pressures than with the vertically integrated structure of an inefficient industry.

Why not allow public log auctions to ensure that the most efficient processors and value-added operators have access to publicly owned or subsidized timber?

The irony of encouraging increased log exports by Western Forest Products and TimberWest from Vancouver Island is that cost- competitive and innovative island companies cannot get access to the wood and so we all lose out.

Gary Schaan,

Victoria.

[Illustration]

Photo: Times Colonist / Western Forest Products yard in Ladysmith: Letter writer contends that removal of private land will affect communities all over Vancouver Island. ;

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Real-estate giveaway pays off big for timber firm; [Final Edition]

Paul Willcocks. **Times - Colonist**. Victoria, B.C.: Sep 25, 2007. pg. A.10

Abstract (Summary)

This time last year, the company couldn't likely have sold a single acre. The land was part of the its Vancouver Island tree farm licence. That meant it was managed as if it was Crown land, with higher environmental and forest sustainability standards. Raw log exports were limited, to protect mill jobs. And the tree farm licence required that the land stay in forestry, so there would be trees and jobs a hundred years from now.

In February, [Rich Coleman] ordered the land removed from the tree- farm licence. The company needed help, he said. The government was willing to trade some of the public interests protected by the tree- farm licence to give a break to the shareholders. Western Forest Products was quick to take advantage of the chance. It has just put out "for sale" signs on 4,450 acres, including big stretches of the Pacific coast between Victoria and Jordan River, a popular surfing and camping spot.

when the current government agreed to release the land from the tree-farm licences, it didn't ask Western Forest Products for any compensation. Coleman didn't even ask the company to donate a portion of the land for parks.

Full Text (806 words)

(Copyright Times Colonist (Victoria) 2007)

It didn't take Western Forest Products long to cash in on the big gift the government handed the company earlier this year.

The present wasn't really from the government. Taxpayers and Vancouver Island communities actually were the donors. Forests Minister Rich Coleman just wrapped it up and handed it over on your behalf.

Western Forest Products has announced it plans to put 4,450 acres of great real estate on the market. The land includes waterfront property along the coast west of Victoria -- the kind of real estate that will have people lining up, waving their chequebooks.

That's just the first step. All in, Western Forest Products has 70,000 acres available for sale, much of it with good development potential. Waterfront lots adjacent to some of the land near Jordan River are selling at \$400,000 an acre.

This time last year, the company couldn't likely have sold a single acre. The land was part of the its Vancouver Island tree farm licence. That meant it was managed as if it was Crown land, with higher environmental and forest sustainability standards. Raw log exports were limited, to protect mill jobs. And the tree farm licence required that the land stay in forestry, so there would be trees and jobs a hundred years from now.

But in February, Coleman ordered the land removed from the tree- farm licence. The company needed help, he said. The government was willing to trade some of the public interests protected by the tree- farm licence to give a break to the shareholders. Western Forest Products was quick to take advantage of the chance. It has just put out "for sale" signs on 4,450 acres, including big stretches of the Pacific coast between Victoria and Jordan River, a popular surfing and camping spot.

There's a good argument that the highest-value use for the land is housing for rich retirees. Certainly that's what's WFP has decided.

But there are a couple of problems here. First, the people of B.C. paid a big price to have those lands included in the tree farm licences. Back in the 1950s, the provincial government was keen to get companies to roll their private land holdings into their licences. The governments of the day thought that way the land would be managed for the long-term benefit of British Columbians and the future of the forest industry would be protected.

And the government was willing to pay to make sure that happened. It figured out what the companies would lose by including the land in their tree farm licences, and awarded them the equivalent value in Crown timber. It was costly for taxpayers, but seen as a good investment.

But when the current government agreed to release the land from the tree-farm licences, it didn't ask Western Forest Products for any compensation. Coleman didn't even ask the company to donate a portion of the land for parks.

There was no consultation with the affected communities, who were not only suddenly facing big development pressures but also a serious long-term loss of jobs. As the forest land base is reduced, the industry has to shrink.

This is the second time the Liberal government has enriched a forest company at public expense. In 2004, Weyerhaeuser asked the government to let it take 220,000 acres out of its tree farm licences, much of the land around Port Alberni. The benefits to the company would be huge-- an extra \$18 million to \$24 million a year in profits, plus the ability to sell of the land for real estate. Figure a \$200-million gain for shareholders with the stroke of a pen.

But what about the public? The ministry staff prepared briefing notes for then-forests minister Mike de Jong on the request. The officials assumed Weyerhaeuser would pay taxpayers compensation if the land was removed.

Even with that assumption, the senior ministry staff recommended that the government say no. Communities and workers considered the tree farm agreement a "social contract" that ensured local areas benefited from the forests and that sustainable management would mean jobs for their children, they told the minister.

(That concern was prescient; the change allowed more log exports, cost local jobs and has resulted in logging practices that residents say have damaged the environment.)

But the politicians ignored the advice of the ministry professionals and gave the company what it wanted.

Perhaps Western Forest Products and its investors -- mostly from outside B.C. -- needed some help from government. (Although the Liberals have denounced taxpayers' subsidies to businesses.) And perhaps the loss of forest land -- and thus the future reduction of the industry -- is inevitable on Vancouver Island.

But once again, this looks like a secretive deal in which a company did very well indeed, while taxpayers and communities got little or nothing in return.

pwillcocks@tc.canwest.com

Credit: Times Colonist

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VICTORIA LAND TITLE OFFICE TITLE NO: FB22209
DECLARED VALUE FROM TITLE NO: FA52279

APPLICATION FOR REGISTRATION RECEIVED ON: 08 MARCH, 2007
ENTERED: 14 MARCH, 2007

REGISTERED OWNER IN FEE SIMPLE:
WESTERN FOREST PRODUCTS INC., INC.NO. A0070374
3RD FLOOR, 435 TRUNK ROAD
DUNCAN, BC
V9L 2P9

TAXATION AUTHORITY:
NANAIMO/COWICHAN ASSESSMENT AREA

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 009-593-993
DISTRICT LOT 572A, RENFREW DISTRICT

LEGAL NOTATIONS: NONE

CHARGES, LIENS AND INTERESTS:
NATURE OF CHARGE
CHARGE NUMBER DATE TIME

MORTGAGE
BA473308 2006-03-06 11:44
REGISTERED OWNER OF CHARGE:
BROOKFIELD BRIDGE LENDING FUND INC.
INCORPORATION NO. A63152
BA473308
REMARKS: INTER ALIA
EXTENDED BY FA37212
EXTENDED BY BA91776
EXTENDED BY FB22589

ASSIGNMENT OF RENTS
BA473309 2006-03-06 11:44
REGISTERED OWNER OF CHARGE:
BROOKFIELD BRIDGE LENDING FUND INC.
INCORPORATION NO. A63152
BA473309
REMARKS: INTER ALIA
EXTENDED BY FA37213
EXTENDED BY BA91777
EXTENDED BY FB22590

"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 28, L.T.A."
DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING
TRANSFERS: NONE
PENDING APPLICATIONS: NONE
*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***

VICTORIA LAND TITLE OFFICE TITLE NO: FB22210
DECLARED VALUE FROM TITLE NO: FA52280

APPLICATION FOR REGISTRATION RECEIVED ON: 08 MARCH, 2007
ENTERED: 14 MARCH, 2007

REGISTERED OWNER IN FEE SIMPLE:
WESTERN FOREST PRODUCTS INC., INC.NO. A0070374
3RD FLOOR, 435 TRUNK ROAD
DUNCAN, BC
V9L 2P9

TAXATION AUTHORITY:
NANAIMO/COWICHAN ASSESSMENT AREA

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 009-594-019
DISTRICT LOT 573, RENFREW DISTRICT

LEGAL NOTATIONS: NONE

CHARGES, LIENS AND INTERESTS:
NATURE OF CHARGE
CHARGE NUMBER DATE TIME

MORTGAGE
BA473308 2006-03-06 11:44
REGISTERED OWNER OF CHARGE:
BROOKFIELD BRIDGE LENDING FUND INC.
INCORPORATION NO. A63152
BA473308
REMARKS: INTER ALIA
EXTENDED BY FA37212
EXTENDED BY BA91776
EXTENDED BY FB22589

ASSIGNMENT OF RENTS
BA473309 2006-03-06 11:44
REGISTERED OWNER OF CHARGE:
BROOKFIELD BRIDGE LENDING FUND INC.
INCORPORATION NO. A63152
BA473309
REMARKS: INTER ALIA
EXTENDED BY FA37213
EXTENDED BY BA91777
EXTENDED BY FB22590

"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 28,
L.T.A."

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING
TRANSFERS: NONE
PENDING APPLICATIONS: NONE

*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***

VICTORIA LAND TITLE OFFICE TITLE NO: FB22212
DECLARED VALUE FROM TITLE NO: FA52282

APPLICATION FOR REGISTRATION RECEIVED ON: 08 MARCH, 2007
ENTERED: 14 MARCH, 2007

REGISTERED OWNER IN FEE SIMPLE:
WESTERN FOREST PRODUCTS INC., INC.NO. A0070374
3RD FLOOR, 435 TRUNK ROAD
DUNCAN, BC
V9L 2P9

TAXATION AUTHORITY:
NANAIMO/COWICHAN ASSESSMENT AREA

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 009-594-086
DISTRICT LOT 574A, RENFREW DISTRICT

LEGAL NOTATIONS: NONE

CHARGES, LIENS AND INTERESTS:
NATURE OF CHARGE
CHARGE NUMBER DATE TIME

MORTGAGE
BA473308 2006-03-06 11:44
REGISTERED OWNER OF CHARGE:
BROOKFIELD BRIDGE LENDING FUND INC.
INCORPORATION NO. A63152
BA473308
REMARKS: INTER ALIA
EXTENDED BY FA37212
EXTENDED BY BA91776
EXTENDED BY FB22589

ASSIGNMENT OF RENTS
BA473309 2006-03-06 11:44
REGISTERED OWNER OF CHARGE:
BROOKFIELD BRIDGE LENDING FUND INC.
INCORPORATION NO. A63152
BA473309
REMARKS: INTER ALIA
EXTENDED BY FA37213
EXTENDED BY BA91777
EXTENDED BY FB22590

STATUTORY RIGHT OF WAY
FB25541 2007-03-16 14:32
REGISTERED OWNER OF CHARGE:
THE CROWN IN RIGHT OF BRITISH COLUMBIA
FB25541

REMARKS: INTER ALIA

PRIORITY AGREEMENT
FB71632 2007-07-12 14:10
REMARKS: INTER ALIA
GRANTING FB25541 PRIORITY OVER BA473308 (FA37212,
BA91776, FB22589) AND BA473309 (FA37213, BA91777,
FB22590)

"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 28,
L.T.A."

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING

TRANSFERS: NONE
PENDING APPLICATIONS: NONE

*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***

VICTORIA LAND TITLE OFFICE TITLE NO: FB22223
DECLARED VALUE FROM TITLE NO: FA52293

APPLICATION FOR REGISTRATION RECEIVED ON: 08 MARCH, 2007
ENTERED: 14 MARCH, 2007

REGISTERED OWNER IN FEE SIMPLE:
WESTERN FOREST PRODUCTS INC., INC.NO. A0070374
3RD FLOOR, 435 TRUNK ROAD
DUNCAN, BC
V9L 2P9

TAXATION AUTHORITY:
CAPITAL ASSESSMENT AREA

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 009-346-261
DISTRICT LOT 124B, MALAHAT DISTRICT

LEGAL NOTATIONS: NONE

CHARGES, LIENS AND INTERESTS:
NATURE OF CHARGE
CHARGE NUMBER DATE TIME

EXCEPTIONS AND RESERVATIONS

M76300
REGISTERED OWNER OF CHARGE:
ESQUIMALT AND NANAIMO RAILWAY COMPANY
M76300

REMARKS: A.F.B. 9.693.7434A
DD 22691; 123276G
SECTION 172(3)
FOR ACTUAL DATE AND TIME OF REGISTRATION SEE
ORIGINAL GRANT FROM E AND N RAILWAY COMPANY

RESERVATIONS

182084G
REGISTERED OWNER OF CHARGE:

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
182084G

REMARKS: ALL
INTER ALIA (D.D. 238402I) RESERVATIONS
OF RIGHTS TO FLOOD ETC.; RIGHT TO TAKE ROCK, CLAY,
EARTH, SAND AND GRAVEL, WITH RIGHT OF ENTRY; AND
RESERVATION OF EASEMENTS ETC. INCIDENTAL TO HYDRO
ELECTRIC UNDERTAKING. APPURTENANT TO (1) THAT PART
OF LOT 122, MALAHAT DISTRICT, SHOWN OUTLINED IN
RED ON PLAN 1552R; (2) THAT PART OF SAID LOT 122
REMARKS: LYING TO THE WEST OF A STRAIGHT BOUNDARY JOINING
POINTS ON THE NORTHERLY AND SOUTHERLY BOUNDARIES
OF SAID LOT DISTANT EASTERLY 1500 FEET AND 1500
FEET RESPECTIVELY FROM THE CORNERS OF SAID LOT
MARKED BY POSTS NUMBERED 10 AND 1 RESPECTIVELY;
(3) LOT 123, MALAHAT DISTRICT, EXCEPT THOSE PARTS
SHOWN OUTLINED IN RED ON PLAN 1554R AND EXCEPT THE
WESTERLY PART OF SAID LOT 123 AS DESCRIBED ON C.T.
REMARKS: 238409I; (4) LOT 125, MALAHAT DISTRICT, EXCEPT
THOSE PARTS SHOWN OUTLINED IN RED ON PLAN 1555R;
(5) THAT PART OF BLOCK 250 MALAHAT DISTRICT SHOWN
OUTLINED IN RED ON PLAN 1553R

MORTGAGE

BA473308 2006-03-06 11:44
REGISTERED OWNER OF CHARGE:
BROOKFIELD BRIDGE LENDING FUND INC.

INCORPORATION NO. A63152
BA473308
REMARKS: INTER ALIA
EXTENDED BY FA37212
EXTENDED BY BA91776
EXTENDED BY FB22589

ASSIGNMENT OF RENTS
BA473309 2006-03-06 11:44
REGISTERED OWNER OF CHARGE:
BROOKFIELD BRIDGE LENDING FUND INC.
INCORPORATION NO. A63152
BA473309
REMARKS: INTER ALIA
EXTENDED BY FA37213
EXTENDED BY BA91777
EXTENDED BY FB22590

"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 28,
L.T.A."

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING
TRANSFERS: NONE
PENDING APPLICATIONS: NONE

*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***

VICTORIA LAND TITLE OFFICE TITLE NO: FB22117
DECLARED VALUE FROM TITLE NO: FA52187

APPLICATION FOR REGISTRATION RECEIVED ON: 08 MARCH, 2007
ENTERED: 13 MARCH, 2007

REGISTERED OWNER IN FEE SIMPLE:
WESTERN FOREST PRODUCTS INC., INC.NO. A0070374
3RD FLOOR, 435 TRUNK ROAD
DUNCAN, BC
V9L 2P9

TAXATION AUTHORITY:
CAPITAL ASSESSMENT AREA

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 000-491-250
DISTRICT LOT 28, MALAHAT DISTRICT

LEGAL NOTATIONS: NONE

CHARGES, LIENS AND INTERESTS:
NATURE OF CHARGE
CHARGE NUMBER DATE TIME

EXCEPTIONS AND RESERVATIONS
M76300

REGISTERED OWNER OF CHARGE:
ESQUIMALT AND NANAIMO RAILWAY COMPANY
M76300

REMARKS: A.F.B. 9.693.7434A SECTION 172(3)
FOR ACTUAL DATE AND TIME OF REGISTRATION SEE
ORIGINAL GRANT FROM E & N RAILWAY COMPANY

MORTGAGE

BA473308 2006-03-06 11:44

REGISTERED OWNER OF CHARGE:
BROOKFIELD BRIDGE LENDING FUND INC.
INCORPORATION NO. A63152
BA473308

REMARKS: INTER ALIA
EXTENDED BY FA37212
EXTENDED BY BA91776
EXTENDED BY FB22589

ASSIGNMENT OF RENTS

BA473309 2006-03-06 11:44

REGISTERED OWNER OF CHARGE:
BROOKFIELD BRIDGE LENDING FUND INC.
INCORPORATION NO. A63152
BA473309

REMARKS: INTER ALIA
EXTENDED BY FA37213
EXTENDED BY BA91777
EXTENDED BY FB22590

CERTIFICATE OF PENDING LITIGATION

FB84330 2007-08-10 10:30

REGISTERED OWNER OF CHARGE:
CIBC MORTGAGES INC.
FB84330

REMARKS: INTER ALIA

"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 28,
L.T.A."

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING

TRANSFERS: NONE
PENDING APPLICATIONS: NONE

*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***

VICTORIA LAND TITLE OFFICE TITLE NO: FB22114
DECLARED VALUE FROM TITLE NO: FA52184

APPLICATION FOR REGISTRATION RECEIVED ON: 08 MARCH, 2007
ENTERED: 13 MARCH, 2007

REGISTERED OWNER IN FEE SIMPLE:
WESTERN FOREST PRODUCTS INC., INC.NO. A0070374
3RD FLOOR, 435 TRUNK ROAD
DUNCAN, BC
V9L 2P9

TAXATION AUTHORITY:
CAPITAL ASSESSMENT AREA

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 000-491-110
DISTRICT LOT 27, MALAHAT DISTRICT

LEGAL NOTATIONS: NONE

CHARGES, LIENS AND INTERESTS:
NATURE OF CHARGE
CHARGE NUMBER DATE TIME

EXCEPTIONS AND RESERVATIONS
M76300
REGISTERED OWNER OF CHARGE:
ESQUIMALT AND NANAIMO RAILWAY COMPANY
M76300
REMARKS: A.F.B. 9.693.7434A DD 115942I SECTION 172(3)
FOR ACTUAL DATE AND TIME OF REGISTRATION SEE
ORIGINAL GRANT FROM E & N RAILWAY COMPANY

MORTGAGE
BA473308 2006-03-06 11:44
REGISTERED OWNER OF CHARGE:
BROOKFIELD BRIDGE LENDING FUND INC.
INCORPORATION NO. A63152
BA473308
REMARKS: INTER ALIA
EXTENDED BY FA37212
EXTENDED BY BA91776
EXTENDED BY FB22589

ASSIGNMENT OF RENTS
BA473309 2006-03-06 11:44
REGISTERED OWNER OF CHARGE:
BROOKFIELD BRIDGE LENDING FUND INC.
INCORPORATION NO. A63152
BA473309
REMARKS: INTER ALIA
EXTENDED BY FA37213
EXTENDED BY BA91777
EXTENDED BY FB22590

CERTIFICATE OF PENDING LITIGATION
FB84330 2007-08-10 10:30
REGISTERED OWNER OF CHARGE:
CIBC MORTGAGES INC.
FB84330
REMARKS: INTER ALIA

"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 28,
L.T.A."

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING

TRANSFERS: NONE
PENDING APPLICATIONS: NONE

*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***

VICTORIA LAND TITLE OFFICE TITLE NO: FB22154
DECLARED VALUE FROM TITLE NO: FA52224

APPLICATION FOR REGISTRATION RECEIVED ON: 08 MARCH, 2007
ENTERED: 14 MARCH, 2007

REGISTERED OWNER IN FEE SIMPLE:
WESTERN FOREST PRODUCTS INC., INC.NO. A0070374
3RD FLOOR, 435 TRUNK ROAD
DUNCAN, BC
V9L 2P9

TAXATION AUTHORITY:
CAPITAL ASSESSMENT AREA

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 009-378-022
BLOCK 1035, MALAHAT DISTRICT

LEGAL NOTATIONS: NONE

CHARGES, LIENS AND INTERESTS:
NATURE OF CHARGE
CHARGE NUMBER DATE TIME

EXCEPTIONS AND RESERVATIONS

M76300
REGISTERED OWNER OF CHARGE:
ESQUIMALT AND NANAIMO RAILWAY COMPANY
M76300
REMARKS: A.F.B. 9.693.7434A
DD 259581I; 199050G
SECTION 172(3)
FOR ACTUAL DATE AND TIME OF REGISTRATION SEE
ORIGINAL GRANT FROM E AND N RAILWAY COMPANY

MORTGAGE
BA473308 2006-03-06 11:44
REGISTERED OWNER OF CHARGE:
BROOKFIELD BRIDGE LENDING FUND INC.
INCORPORATION NO. A63152
BA473308
REMARKS: INTER ALIA
EXTENDED BY FA37212
EXTENDED BY BA91776
EXTENDED BY FB22589

ASSIGNMENT OF RENTS
BA473309 2006-03-06 11:44
REGISTERED OWNER OF CHARGE:
BROOKFIELD BRIDGE LENDING FUND INC.
INCORPORATION NO. A63152
BA473309
REMARKS: INTER ALIA
EXTENDED BY FA37213
EXTENDED BY BA91777
EXTENDED BY FB22590

"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 28,
L.T.A."

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING
TRANSFERS: NONE
PENDING APPLICATIONS: NONE

*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***

VICTORIA LAND TITLE OFFICE TITLE NO: FB22161
DECLARED VALUE FROM TITLE NO: FA52231

APPLICATION FOR REGISTRATION RECEIVED ON: 08 MARCH, 2007
ENTERED: 14 MARCH, 2007

REGISTERED OWNER IN FEE SIMPLE:
WESTERN FOREST PRODUCTS INC., INC.NO. A0070374
3RD FLOOR, 435 TRUNK ROAD
DUNCAN, BC
V9L 2P9

TAXATION AUTHORITY:
CAPITAL ASSESSMENT AREA

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 009-378-987
BLOCK 962, MALAHAT DISTRICT

LEGAL NOTATIONS: NONE

CHARGES, LIENS AND INTERESTS:
NATURE OF CHARGE
CHARGE NUMBER DATE TIME

EXCEPTIONS AND RESERVATIONS
M76300
REGISTERED OWNER OF CHARGE:
ESQUIMALT AND NANAIMO RAILWAY COMPANY
M76300

REMARKS: A.F.B. 9.693.7434A
DD 252031I; 191373G
SECTION 172(3)
FOR ACTUAL DATE AND TIME OF REGISTRATION SEE
ORIGINAL GRANT FROM E AND N RAILWAY COMPANY

MORTGAGE
BA473308 2006-03-06 11:44
REGISTERED OWNER OF CHARGE:
BROOKFIELD BRIDGE LENDING FUND INC.
INCORPORATION NO. A63152
BA473308
REMARKS: INTER ALIA
EXTENDED BY FA37212
EXTENDED BY BA91776
EXTENDED BY FB22589

ASSIGNMENT OF RENTS
BA473309 2006-03-06 11:44
REGISTERED OWNER OF CHARGE:
BROOKFIELD BRIDGE LENDING FUND INC.
INCORPORATION NO. A63152
BA473309
REMARKS: INTER ALIA
EXTENDED BY FA37213
EXTENDED BY BA91777
EXTENDED BY FB22590

"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 28,
L.T.A."

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING
TRANSFERS: NONE
PENDING APPLICATIONS: NONE

*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***

VICTORIA LAND TITLE OFFICE TITLE NO: FB22165
DECLARED VALUE FROM TITLE NO: FA52235

APPLICATION FOR REGISTRATION RECEIVED ON: 08 MARCH, 2007
ENTERED: 14 MARCH, 2007

REGISTERED OWNER IN FEE SIMPLE:
WESTERN FOREST PRODUCTS INC., INC.NO. A0070374
3RD FLOOR, 435 TRUNK ROAD
DUNCAN, BC
V9L 2P9

TAXATION AUTHORITY:
CAPITAL ASSESSMENT AREA

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 009-379-363
BLOCK 780, MALAHAT DISTRICT

LEGAL NOTATIONS: NONE

CHARGES, LIENS AND INTERESTS:
NATURE OF CHARGE
CHARGE NUMBER DATE TIME

EXCEPTIONS AND RESERVATIONS
M76300

REGISTERED OWNER OF CHARGE:
ESQUIMALT AND NANAIMO RAILWAY COMPANY
M76300

REMARKS: A.F.B. 9.693.7434A
DD 203480I; 145513G
SECTION 172(3)
FOR ACTUAL DATE AND TIME OF REGISTRATION SEE
ORIGINAL GRANT FROM E AND N RAILWAY COMPANY

MORTGAGE

BA473308 2006-03-06 11:44
REGISTERED OWNER OF CHARGE:
BROOKFIELD BRIDGE LENDING FUND INC.
INCORPORATION NO. A63152
BA473308

REMARKS: INTER ALIA
EXTENDED BY FA37212
EXTENDED BY BA91776
EXTENDED BY FB22589

ASSIGNMENT OF RENTS

BA473309 2006-03-06 11:44
REGISTERED OWNER OF CHARGE:
BROOKFIELD BRIDGE LENDING FUND INC.
INCORPORATION NO. A63152

BA473309
REMARKS: INTER ALIA
EXTENDED BY FA37213
EXTENDED BY BA91777
EXTENDED BY FB22590

"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 28,
L.T.A."

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING
TRANSFERS: NONE
PENDING APPLICATIONS: NONE

*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***

The Shores At Jordan River

Lots Highlighted with red are Reserved (offers in place).

<u>Lot #</u>	<u>Price</u>	<u>Designation</u>	<u>Hectares</u>
1	\$ 999,900	Waterfront	1.54 +/-
2	\$ 899,900	Waterfront	1.04 +/-
3	\$ 949,900	Waterfront	1.01 +/-
4	\$ 799,900	Waterfront	0.97 +/-
5	\$ 999,900	Waterfront	0.95 +/-
6	\$ 999,900	Waterfront	1.02 +/-
7	\$ 949,900	Waterfront	1.07 +/-
8	\$ 949,900	Waterfront	1.13 +/-
9	\$ 949,900	Waterfront	1.28 +/-
10	\$ 949,900	Waterfront	1.03 +/-
11	- Reserved -	Waterfront	1.14 +/-
12	\$ 179,900	Road side	0.94 +/-
13	\$ 249,900	View	0.96 +/-
14	- Reserved -	View	0.85 +/-
15	- Reserved -	View	0.92 +/-
16	\$ 299,900	View	1.01 +/-
17	\$ 269,900	View	0.83 +/-
18	- Reserved -	View	1.10 +/-
19	- Reserved -	View and Creek	1.02 +/-
20	- Reserved -	Part View and Creek	0.82 +/-
21	- Reserved -	Creek side	0.82 +/-
22	- Reserved -	Creek side and Partial View	1.07 +/-
23	\$ 269,900	View	0.93 +/-
24	- Reserved -	View	0.91 +/-
25	\$ 259,900	Creek side and Partial View	1.05 +/-
26	- Reserved -	Waterfront	1.16 +/-
27	- Reserved -	Creek side	0.45 +/-
28	- Reserved -	Creek side	0.59 +/-
29	\$ 239,900	Creek side	0.77 +/-
30	\$ 229,900	Creek side	0.67 +/-
31	\$ 199,900	Creek side	0.55 +/-
32	- Reserved -	View and Creek side	0.79 +/-
33	\$ 179,900	Interior	0.87 +/-
34	- Reserved -	Partial View	1.02 +/-
35	\$ 179,900	Partial View	0.99 +/-
36	- Reserved -	Partial View	1.02 +/-

37	- Reserved -	Partial View	1.33 +/-
38	- Reserved -	Road side	1.19 +/-
39	- Reserved -	Interior	1.13 +/-
40	- Reserved -	Interior	1.00 +/-
41	- Reserved -	Interior	1.03 +/-
42	- Reserved -	Interior	0.92 +/-
43	- Reserved -	Road side	1.30 +/-
44	- Reserved -	Interior	1.08 +/-
45	- Reserved -	Interior	1.03 +/-
46	\$ 169,900	Interior	1.11 +/-
47	- Reserved -	Road side	1.09 +/-
48	\$ 179,900	Interior	1.06 +/-
49	- Reserved -	Interior	1.03 +/-
50	\$ 169,900	Interior	0.89 +/-
51	\$ 179,900	Interior	1.02 +/-
52	- Reserved -	Road side	1.07 +/-
53	\$ 179,900	Interior	1.04 +/-
54	- Reserved -	Road side	0.91 +/-
55	- Reserved -	Park side	0.95 +/-
56	- Reserved -	Park side	0.91 +/-
57	\$ 249,900	Park side	0.79 +/-
58	- Reserved -	Park side	0.84 +/-
59	\$ 229,900	Park side	0.94 +/-
60	\$ 229,900	Park side	0.95 +/-
61	- Reserved -	Park side	0.98 +/-
62	\$ 229,900	Park side	1.16 +/-
63	- Reserved -	Park and Road side	1.14 +/-

Lots Highlighted with red are Reserved (offers in place).

Disclaimer: Lot sizes subject to final survey adjustments.

Note: 1 hectare = 2.47 acres

Prices are subject to change without notice.

Contact:

**Shayne Fedosenko
Pemberton Holmes Realty
1-800-665-5303**

**Bell Group
1-888-422-5462**

**MINISTRY OF FORESTS AND RANGE
AND MINISTRY RESPONSIBLE FOR HOUSING
BRIEFING NOTE**

File: 280-20/[85950]

I PREPARED FOR:

Doug Konkin, Deputy Minister – **FOR DECISION**
(as requested by Trish Balcaen, Executive Director, Tenure & Revenue)

II ISSUE:

**Western Forest Products request to delete their private lands from
TFLs 6, 19 and 25**

III BACKGROUND:

In July 2004, Weyerhaeuser's (Weyco) private lands were deleted from TFLs 39 and 44. The deletion of private lands from the TFLs created angst with First Nations groups – in particular the Hupacaseth and the Tseshahat who have both filed petitions against the Crown and Weyco.

The Hupacaseth petition was heard for 5 days between July 11-15, 2005. A judgement has not yet been rendered. To date, a settlement offer has not been tabled with Hupacaseth and the ruling is expected in the next two to six months.

The Tseshahat petition, filed May 27, 2005, does not yet have a court date. Preliminary discussions took place with the Tseshahat to facilitate a settlement versus litigation, but the Tseshahat have called off talks and are accusing the Ministry of Forests and Range (MOFR) of stalling until the Hupacaseth decision is rendered. The Tseshahat are pressing for an early court date.

In December 2004, Western Forest Products (WFP) requested that their private lands also be deleted from TFLs 6, 19 and 25. Until June 2005, the Government position on their request was to wait until the BC Supreme Court rules on the Hupacaseth and the Tseshahat petitions.

However, preliminary review of WFP's request for the private land removal indicates that there are no significant forest management impacts that cannot be managed for in the negotiation of conditions for the removal.

IV DISCUSSION:

Recognizing that court proceedings may take a considerable period of time to resolve, WFP is requesting that MOFR accelerate their request and complete the transaction within the next two months.

In response to this request, the MOFR, working with the Ministry of Attorney General, has developed an approach to notify the First Nations whose asserted traditional territories falls within any of these TFLs in advance of the court decision being made.

Legal advice received §13

§13

Considering the New Relationship discussions being led by the Premier's Office, it would be prudent in this process to share the options proposed with that group to ensure a comfort level with moving forward.

V OPTIONS:

§13

Western Forest Products request to delete their private lands from
TFLs 6, 19 and 25

§13

VI RECOMMENDATION:

§13

VII CONCLUSION:

§13

813

he

813


APPROVED / NOT APPROVED

Aug 30/05
Date

Doug Konkin

Deputy Minister - FOR DECISION

Trish Balcaen, Executive Director

Tenure & Revenue

(250) 387-5111

Enclosure(s): **Key Messages**

Attachment(s): **Western Forest Products Proposal**
 Notification letter to First Nations

Distribution: [Distribution List]

Document name: C:\Documents and Settings\bsrhiller\Local Settings\Temporary Internet Files\OLKEC\BN 85950

Final Draft.doc [Typist Initials]


Notify (by Fax): [Contact Name]

Date typed: 2005/08/17 **Date last saved:** 2005/08/18 2:19 pm

Page 4 of 5

KEY MESSAGES:

MOFR / WFP:

- WFP Forest Products has applied to the Minister of Forests and Range to have its private lands deleted from TFLs 6, 19 and 25.
- The total area of private land is approximately 28, 000 hectares or 5% of the area managed by WFP Forest Products.
- The Minister and WFP Forest Products may jointly agree to apply conditions to the deletion of the private lands.
- Upon withdrawal, WFP Forest Products will have two courses of action to consider:
 - a) manage these private lands under the Private Forest Land Management Act, or
 - b) sell all or some of these lands to interested parties.
- The Ministry of Forests and Range is supportive of discussions between WFP Forest Products and First Nations.
- WFP Forest Products staff will be available to make a presentation on the withdrawal request and to record comments received from interested First Nations.
- 
- The Province's position is that it is not obligated to consult with First Nations regarding issues arising on private land. However, the provision of notice to potentially affected First Nations is prudent considering the fact that the Hupacaseth and Tseshah First Nations commenced proceedings against the Province where the deletion of private land from TFL was at issue.
- The Province is implicitly communicating in its notice to First Nations that it is not engaging in activities that could be considered consultation on private land by referring only to potential impacts on Crown lands and by advising that all inquiries concerning the proposal be directed to Western Forest Products.