

12 April 2012

Darshan Sihota  
President  
Island Timberlands

**Re: District Lot 3040 Powell River – Stillwater Bluffs**

As you may be aware, the Powell River Regional District has identified District Lot 3040 Powell River as one of six regional park acquisition objectives through its Regional Parks and Greenspace Plan. In recent conversation with local Island Timberlands staff, the Regional District has been made aware that planned logging operations on the property would be deferred if the Regional District entered into meaningful discussions about acquisition of the property. Please take this letter as formal confirmation of this intent with the expectation that Island Timberlands will immediately cease all planning and harvesting activities on the property. As I expect you will understand, any harvesting of the standing timber on the property will adversely affect our subsequent acquisition negotiations.

The length of the proposed deferment of planning and harvesting operations will need to be further defined to our mutual satisfaction. Our staff is ready to meet with the appropriate Island Timberland staff at a time and place of your choosing to complete this detail and start confidential discussions about acquisition of the property. It is suggested that this meeting should be a priority to give you confidence of our seriousness and not to unnecessarily encumber or delay your corporate operations.

Thank you for your staff's offer of the deferment of operations and I look forward to a progressive and mutually beneficial negotiation of our acquisition of the property.

Mac Fraser  
Chief Administrative Officer

cc: Wayne French