

PLEDGE AGREEMENT

This Agreement made as of the 18th day of January, 2011

BETWEEN:

POTLATCH PROPERTIES LTD.
(the "Pledgor")

AND:

GABRIOLA HEALTH CARE FOUNDATION
(the "Pledgee")

WHEREAS the Pledgee is a society incorporated under the laws of the Province of British Columbia, and is in the process of raising funds to construct an urgent care medical clinic on Gabriola Island (the "Clinic");

AND WHEREAS the Pledgor is a company incorporated under the laws of the Province of British Columbia, and owns certain lands and premises on Gabriola Island;

AND WHEREAS the Pledgor wishes to donate certain lands to the Pledgee, which lands are to be used by the Pledgee for the purposes of locating and constructing the Clinic thereon;

AND WHEREAS the Pledgee is relying on this Pledge Agreement for its budgeting, planning, fundraising and other activities related to the construction of the Clinic;

NOWHEREFORE, intending to be legally bound hereby, the parties agree as follows:

1. The Pledgor hereby pledges to the Pledgee approximately, and in no event more than, 4.1 acres of land, outlined in bold on the sketch plan attached hereto as Schedule "A" (the "Clinic Lands") and approximately, and in no event more than, 0.6 acres of road dedication (the "Frontage Road") required to access the Clinic Lands, also as shown on Schedule "A", comprising part of those lands and premises legally defined as:

PID: 006-635-121
The South ½ of the North West 1/4 of Section 19, Gabriola Island,
Nanaimo District

(hereinafter referred to as the "Parent Parcel")

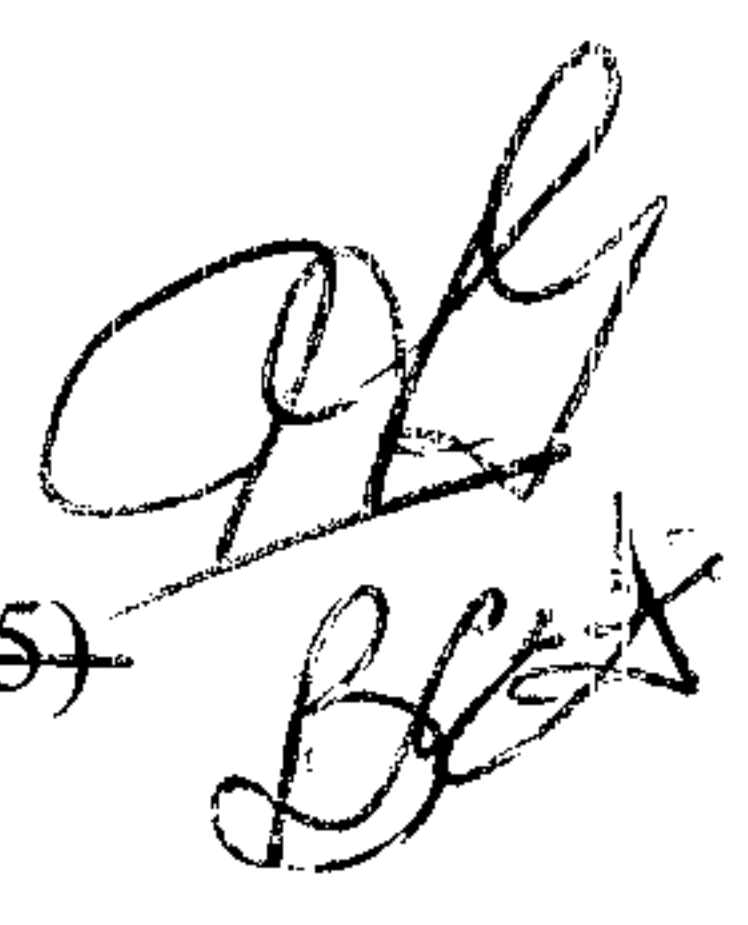
2. The Pledgor hereby pledges the Clinic Lands to the Pledgee for the sole purpose of the Pledgee locating and constructing the Clinic thereon.
3. The Pledgor covenants and agrees to convey legal and beneficial title to the Clinic Lands to the Pledgee (the "Title Transfer") upon the completion of the following conditions precedent:
 - (a) The Pledgee shall, at the Pledgee's sole cost and expense, apply to the appropriate governmental agency or agencies to:
 - (i) rezone the Clinic Lands from the current Forestry lands zoning to Institutional lands zoning (the "Rezoning"); and
 - (ii) subdivide the Clinic Lands from the Parent Parcel (the "Subdivision"); and
 - (b) The Pledgee shall pay all of the Pledgor's legal fees and disbursements in respect of the pledge of the Clinic Lands, the Rezoning and Subdivision, and the conveyance of legal and beneficial title to the Pledgee.

In no event will the Pledgee be entitled to recover from the Pledgor any costs or expenses incurred by the Pledgee in the event of the failure of the Re-zoning or the Subdivision nor will the Pledgor have any liability to the Pledgee in respect thereof, or in respect of any other claims, unless the Pledgor has failed to materially comply with the provisions contained in this Agreement.

4. The Pledgee shall complete and pay for installation of all services and utilities required by the appropriate governmental agency or agencies in respect of the Rezoning and the Subdivision, including without limitation all roadways, sidewalks, lighting, water supply, septic field or sewer and power supply and will reimburse the Pledgor for all insurance premiums required in connection with the foregoing.
5. Any change or amendment to the zoning application from the terms and definitions as outlined above require the consent of the Pledgor . In no event will the Pledgor be obligated to enter into any covenant, easement, right of way, , rezoning application or other agreement or instrument which in any way affects the remainder of the Parent Parcel not forming part of the Clinic Lands and Frontage Road.



~~The Pledgee shall make best efforts to complete construction of the Clinic within five (5) years of the date of registration of the Title Transfer at the Victoria Land Title Office.~~



7. The Pledgee covenants and agrees to indemnify and save the Pledgor harmless from and against any and all claims, costs, charges, actions, causes of actions, liens or expenses arising out of or in any way connected with any actions or omissions of the Pledgee in respect of the Clinic Lands or the Parent Parcel including, without limitation, all claims

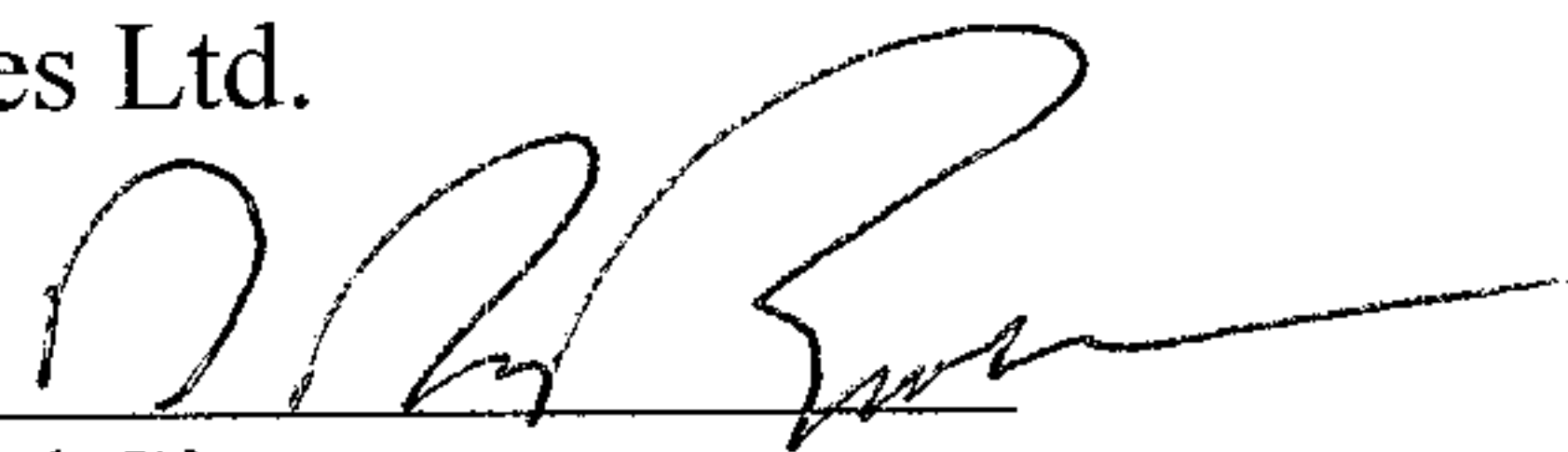
of contractors, subcontractors, engineers, architects, suppliers and workers and any or all claims in respect of property damage or personal injury.

8. The Pledgor hereby represents and warrants that:
- (a) Except as pledged herein, the Pledgor has not sold, assigned, transferred, pledged, granted any security interest in or otherwise hypothecated the Parent Parcel in any manner whatsoever and that the Clinic Lands are pledged herein free and clear of any and all liens, encumbrances, pledges, restrictions, security interests and agreements; and
 - (b) The Pledgor has the full power and authority to execute and deliver this Pledge Agreement and to pledge the Clinic Lands, that this agreement constitutes valid and binding obligations of the Pledgor enforceable in accordance with its terms and that the pledge of the Clinic Lands contained herein is not in violation of any agreement, undertaking or obligation of the Pledgor.
9. This agreement is made in and shall be governed by and construed in accordance with the laws of the Province of British Columbia.
10. This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS THEREOF, the parties, intending to be legally bound, hereby execute this agreement effective as of the day and year first above written.

Potlatch Properties Ltd.

Per:

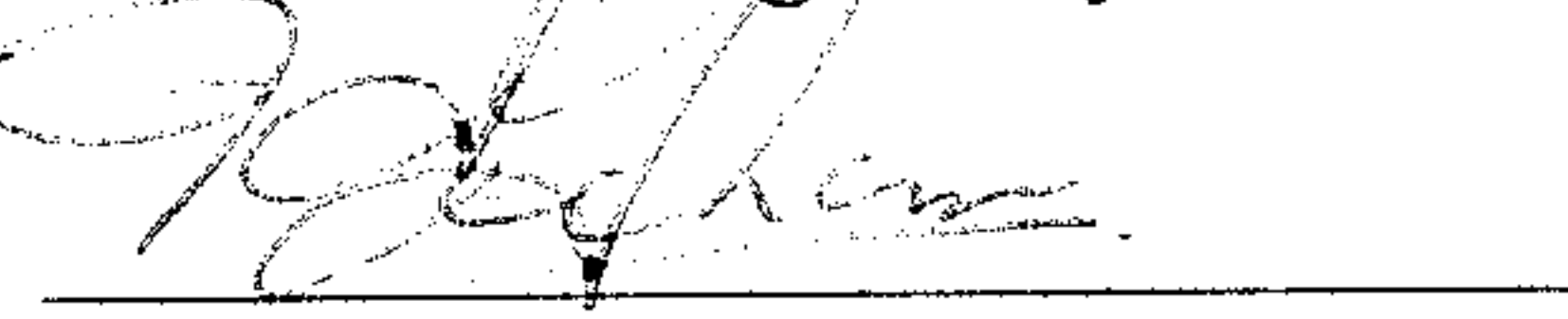

Authorized Signatory

Gabriola Health Care Foundation

Per:


Authorized Signatory

Per:


Authorized Signatory

SPRUCE AVE.

REMAINDER OF THE SOUTH HALF OF
THE NORTH WEST QUARTER OF SECTION 19
AREA = 75.3 ACRES
(30.5 ha)

PROPOSED
LOT 1
4.1 ACRES
(1.7 ha)

AMBULANCE

FIREHALL

CHURCH STREET

NORTH ROAD

GENERAL NOTES
DISTANCES AND ELEVATIONS ARE IN FEET.
ALL UNDERGROUND INFORMATION IS BASED
ON RECORD DRAWINGS PROVIDED BY OTHERS.
THIS PLAN DOES NOT PURPORT TO VERIFY THIS INFORMATION.
LOT ALIGNMENT DERIVED FROM REGISTERED PLANS
DIMENSIONS ARE SUBJECT TO CHANGE UPON
FINAL SURVEY.

NO.	DATE	REVISION
01	07/13/10	FIRST ISSUE
02	07/13/10	REVISIONS

PROJECT: MEDICAL CLINIC SITE
CLIENT: GABRIOLA HEALTH CARE SOCIETY

DATE: JULY 13 10
SCALE: 1"=200'
DRAWN: BSH
FILE: 10202-1
SHEET: 1 OF 1

**WILLIAMSON & ASSOCIATES
PROFESSIONAL SURVEYORS**
2004, 2005, 2006, 2007, 2008, 2009, 2010
CIVIL ENGINEERS

