

April 27, 1998

Phone: (204) 945 7081

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City of Winnipeg
Council Building
510 Main Street
Winnipeg MB R3B 1B9

Attention: D. E. Browton, City Clerk

Dear Mr. Browton:

Re: Block of Gunn and Day, Winnipeg, Manitoba; Notice of Remediation Order, "The Contaminated Sites Remediation Act"

Pursuant to subsection 17(4) of The Contaminated Sites Remediation Act,

the director shall provide a copy of each remediation order in respect of a contaminated site and of each amendment to the order to each municipality within whose jurisdiction all or any part of the site in respect of which the order was made is located:

Please find attached the Director's Remediation Order No D1-019 plus any amendments for the above noted site

I apologize if the delay in receiving these documents has caused any inconvenience. Future correspondence regarding this Order will be forwarded to yourself in a timely fashion. If you have any questions regarding this matter, or the above noted site, please contact Edwin Yee at 945 7069.

Sincerely,

Original signed by

Dave Ediger
Director, Winnipeg Region
Contaminated Sites Remediation Act

c File C.0027
attachments



Order No.: D1-019

April 27, 1998

DIRECTOR'S REMEDIATION ORDER

PURSUANT TO SECTION 17 OF THE CONTAMINATED SITES REMEDIATION ACT ISSUED TO:

DOMTAR INC. ("DOMTAR")

WHEREAS pursuant to section 7(1) of The Contaminated Sites Remediation Act C.C.S.M. c. C205 ("the Act") I, as Director, designated the Site, which is the subject of this Order, as a Contaminated Site on June 27, 1997;

AND WHEREAS under section 9(1) of the Act the owner of a Contaminated Site may be held responsible for remediation of that site;

AND WHEREAS it has been determined that Domtar is the owner and occupier of the Site and was the owner and occupier of the Site at the time when the contamination occurred;

AND WHEREAS Domtar has submitted to the Director for consideration the Domtar - Proposed Remedial Plan dated April 1996 for the purpose of remediating the Site;

AND WHEREAS the Domtar - Proposed Remedial Plan (Proposed Remedial Plan) has been reviewed by a Technical Advisory Committee established by the Director to review and consider the technical feasibility of the Plan, a copy of which Plan is attached as Schedule "E";

AND WHEREAS Domtar has submitted to the Director a Remedial Implementation Plan (RIP) which will be adhered to by Domtar in carrying out Site Remedial Activities, a copy of which Plan is attached as Schedule "F";

AND WHEREAS this Order recognizes Domtar's willingness to enter into a Restrictive Covenant Agreement with respect to the Site;

AND WHEREAS the intended end land use of the Site, after the completion of the Remedial Works, is to be restricted to a use which is consistent with a parkland/recreational use;

AND WHEREAS pursuant to section 17 of the Act, I as Director, may issue to Domtar a Remediation Order for the purpose of remediating the Site;

I THEREFORE ORDER Domtar to remediate the Site in accordance with the following terms and conditions of this Order:

Definitions

1. **"Act"** means The Contaminated Sites Remediation Act C.C.S.M. c. C205;

"Active Area" means those areas on and off of the Site where Site Remedial Activities will take place;

"Authorized Personnel" means such persons who are authorized or permitted by Domtar or the Director to be within the Active Area for the purposes of Site Remedial Activities;

"Completion Date" means the date when the Remedial Works are completed as determined by the Director, based on receipt of a Closure Report, satisfactory in form and content to the Director, from which date shall be calculated the 100 year Term of the PCSF;

"Contaminated Debris" means all forms of debris other than Contaminated Soil and Residual Contaminated Soil, including wood, concrete, waste rock, rubble, plastic and metal materials;

"Contaminated Site" means the Site so designated under the Act;

"Contaminated Soil" means soil impacted by PCP at concentrations greater than, or equal to, 100 ppm;

“Decommissioning” means demobilization of excavation and treatment equipment, removal of all above and below ground structures (excluding the Secure Containment Cell) and such other aspects of decommissioning as may be required by the Director in the circumstances, determined in accordance with CCME National Guidelines for Decommissioning Industrial Sites, dated March 1991;

“Director” means a director appointed under section 54 of the Act;

“End Use Development Plan” (or “EUDP”) means the Plan, to be prepared by Domtar pursuant to this Order and approved by the Director, with respect to the proposed end land use of the Site;

“Engineered Cap” means the layer of clean low permeability soil, no less than one metre in thickness, used to cover Residual Contaminated Soil located on the Site;

“Environment Officer” means an environment officer appointed under section 54 of the Act;

“Hazardous Waste” means hazardous waste as defined in The Dangerous Goods Handling and Transportation Act C.C.S.M. c. D12;

“HDPE Geomembrane ” means the High Density Polyethylene Geomembrane used in the construction of the Secure Containment Cell as described in the Proposed Remedial Plan and the RIP;

“Manitoba” means the Department of Environment of the Government of the Province of Manitoba;

“New Technology” means proven technology not available, or not demonstrated to be effective, at the time of issuance of the Order which offers an effective means of remediating the Site in whole or in part at the time of proposed use;

"PAH" means polycyclic aromatic hydrocarbons;

"PCP" means the wood preservative pentachlorophenol;

"ppm" means parts per million;

“Perpetual Care” means all post remediation operations and maintenance, post remediation performance monitoring, surface and stormwater management, including activities associated with contingencies and Decommissioning activities, identified in this Order and other matters determined by the Director to be necessary for providing for the maintenance and monitoring of the Remedial Works on and off of the Site for the duration of the Term of the Perpetual Care Security Fund;

“Perpetual Care Security Fund” (or “PCSF”) means a dedicated fund to be established by the Province of Manitoba from funds paid to it by Domtar for the purpose of securing the funding of the Perpetual Care of the Site and the Remedial Works on and off of the Site for the duration of the Term of the Perpetual Care Security Fund and as contemplated by this Order;

“Post Remediation Performance Monitoring Plan” means the Plan, to be prepared by Domtar pursuant to this Order and approved by the Director, which will be adhered to by Domtar in monitoring the performance of the Remedial Works after the Completion Date, for the Term of the PCSF;

“Proposed Remedial Plan” means the document entitled “DOMTAR - Proposed Remedial Plan”, submitted to Manitoba on behalf of Domtar by UMA Environmental, dated April 1996, containing Domtar’s proposal for remediating the Site. A copy of the Proposed Remedial Plan is attached as Schedule “E”;

“Remedial Implementation Plan” (or “RIP”) means the detailed plan prepared by Domtar pursuant to the Proposed Remedial Plan submitted to Manitoba on behalf of Domtar by UMA Environmental, dated April 1998, which will be adhered to by Domtar in carrying out all Site Remedial Activities. A copy of the RIP is attached as Schedule “F”;

“Remedial Works” means the Secure Containment Cell, Engineered Cap and all associated infrastructure located on and off of the Site, including all groundwater monitoring wells, surface and stormwater management structures and fencing which are the end result of Domtar’s completion of the Site Remedial Activities as contemplated by the Proposed Remedial Plan, the RIP and this Order and that are required to remediate the Site;

“Residual Contaminated Soil” means soil impacted by PCP at concentrations less than 100 ppm;

“Secure Containment Cell” means the Secure Containment Cell as described in the Proposed Remedial Plan and the RIP;

“Site” means the entire 45 hectare site presently owned by Domtar, situated south of Gunn Road, north of the CNR track, west of Day Street and east of the allowance identified as Bellavance Road, in the City of Winnipeg, Province of Manitoba, which was under the control of Domtar as part of the company's wood preservative plant operation, which Site is highlighted in yellow on a sketch attached as Schedule “D” and is more particularly described as Lots 1 to 4, Plan 20840 WLTO in E ½ 8-11-4 EPM under Certificate of Title No.’s 1394944; 1394945; 1394946; 1394947;

“Site Remedial Activities” means all activities on and off of the Site necessary for the completion of the Remedial Works, including excavation, transport and appropriate placement of Contaminated Soil and Residual Contaminated Soil, management of Contaminated Debris, equipment and personnel decontamination, backfilling of excavated areas, construction of the Secure Containment Cell, construction of the Engineered Cap and monitoring of soil, air and water as contemplated by the Proposed Remedial Plan and the RIP;

“Soil Transportation Routes” means all routes, on and off of the Site, used to transport Contaminated Soil, Residual Contaminated Soil, Contaminated Debris and clean low permeability soil for purposes of backfill, or for construction of the Engineered Cap or the Secure Containment Cell; and

“Technical Advisory Committee” means the committee appointed by the Director to review the Proposed Remedial Plan.

Remedial Implementation Plan Project Organizational Structure

2. (1) Domtar shall prepare and submit in writing 6 copies of an Addendum to the RIP, with respect to the proposed Project Organizational Structure to be used to carry out Site Remedial Activities, to the Director for approval at least 30 days prior to the initiation of Site Remedial Activities and in any event the Addendum shall be submitted to the Director by no later than June 1, 1998, provided that where the Director is satisfied that this date cannot be met, the Director in his sole discretion may set a different date for submission of the Addendum and adjust any other dates set herein accordingly;
- (2) Domtar shall ensure the proposed Project Organizational Structure is satisfactory in form and content to the Director and that in particular the proposed Project Organizational Structure includes a Site Project Manager, an Environmental Consultants Group and a Health and Safety Officer that meet the requirements of this Order;

(3) Domtar shall ensure that Site Remedial Activities are carried out in such a manner that they are under the direct supervision of a Project Site Manager, satisfactory to the Director and meeting the following requirements:

- (a) Site Manager shall be a professional engineer registered or licensed in the Province of Manitoba,
- (b) Site Manager shall have a minimum of 10 years of experience as a project manager of projects similar in type and scope to that contemplated on the Site,
- (c) Site Manager shall have a 40 hour OSHA Hazardous Waste Worker Certification or equivalent,
- (d) Site Manager shall have working knowledge of legislative requirements applicable to the proposed project in the Province of Manitoba,
- (e) Site Manager shall have a minimum of 10 years experience in supervision and direction of technical staff, and
- (f) Site Manager shall have proven communication skills;

(4) Domtar shall ensure that Site Remedial Activities are carried out in such a manner that they are undertaken by an Environmental Consultants Group satisfactory to the Director and having staff meeting the following requirements:

- (a) field engineers shall be professional engineers registered or licensed in the Province of Manitoba,
- (b) field engineers shall have a minimum of 5 years of field experience in projects similar in type and scope to that contemplated on the Site,
- (c) field engineers shall have 40 hour OSHA Hazardous Waste Worker Certification or equivalent,
- (d) field technicians shall be certified environmental technologists in the Province of Manitoba, or equivalent,
- (e) field technicians shall have a minimum of 2 years field experience in projects similar in type and scope to that contemplated on the Site,
- (f) field technicians shall work under the direct supervision of the Site Manager or a field engineer, or have 40 hour OSHA Hazardous Waste Worker Certification or equivalent, and
- (g) HDPE Geomembrane installation technicians shall meet the minimum requirements of the RIP and the Manufacturer's Requirements; and

(5) Domtar shall ensure that the Site Remedial Activities are carried out in such a manner that the Health and Safety Plan is under the direct supervision of a Health and Safety Officer satisfactory to the Director and meeting the following requirements:

- (a) Health and Safety Officer shall be a Registered Occupational Hygienist or Certified Occupational Hygienist in the Province of Manitoba,
- (b) Health and Safety Officer shall have a minimum of 5 years of field experience in projects similar in type and scope to that contemplated on the Site,
- (c) Health and Safety Officer shall have a 40 hour OSHA Hazardous Waste Worker Certification or equivalent,
- (d) Health and Safety Officer shall have experience in co-ordination and delivery of training programs similar in type and scope to that contemplated in the RIP,
- (e) Health and Safety Officer shall have experience in selection, purchase and operation of safety and air monitoring equipment as contemplated in the RIP,
- (f) Health and Safety Officer shall have experience in workplace hazard recognition, assessment and inspection relevant to Site Remedial Activities, and
- (g) Health and Safety Officer shall have experience in preparation and execution of site specific site safety plans relevant to Site Remedial Activities.

Site Remedial Activities

3. (1) Domtar shall complete all Site Remedial Activities in accordance with the Proposed Remedial Plan, the RIP and this Order. A copy of the Proposed Remedial Plan is attached as Schedule "E". A copy of the RIP is attached as Schedule "F";
- (2) Subject to Section 3(3) of this Order, Domtar shall initiate Site Remedial Activities by no later than July 1, 1998, provided that where the Director is satisfied that Site Remedial Activities cannot be initiated as of that date, the Director in his sole discretion may set a different date for the initiation of Site Remedial Activities and adjust any other dates set herein accordingly;
- (3) Domtar shall not initiate Site Remedial Activities until it has received written approval to do so from the Director. Written approval will be provided upon receipt by the Director of satisfactory proof that all matters preliminary to the start of Site Remedial Activities have been addressed in accordance with the Proposed Remedial Plan, the RIP, this Order and as determined by the Director;
- (4) Domtar shall complete all Site Remedial Activities, including any Decommissioning of the Site that may be required by the Director, by no later than November 15, 1998, provided that where the Director is satisfied that Site Remedial Activities cannot be completed as of that date, the Director in his sole discretion may set a different date for the completion of Site Remedial Activities and adjust any other dates set herein accordingly;

(5) Domtar shall ensure that the excavation of Contaminated Soil and Residual Contaminated Soil is conducted in accordance with the Proposed Remedial Plan, the RIP and this Order. All dry excavated soil shall be managed to minimize dust generation. Adjacent areas shall be graded to promote positive surface drainage away from excavations;

(6) Domtar shall ensure that all Contaminated Soil and Residual Contaminated Soil identified in the Proposed Remedial Plan and the RIP for inclusion in the Secure Containment Cell are excavated and transported to the Secure Containment Cell in accordance with the Proposed Remedial Plan, the RIP and this Order;

(7) Domtar shall ensure that all Contaminated Soil and Residual Contaminated Soil identified in the Proposed Remedial Plan and the RIP for inclusion in the Secure Containment Cell are placed in the Secure Containment Cell in accordance with the Proposed Remedial Plan, the RIP and this Order;

(8) Domtar shall ensure that backfilling of excavations is completed in accordance with the Proposed Remedial Plan, the RIP and this Order;

(9) Domtar shall ensure that all Hazardous Waste is managed in accordance with any and all applicable legislation of Manitoba, Canada and By-Laws of the City of Winnipeg;

(10) Domtar shall ensure that all Contaminated Debris greater than .5 M³ in size and 2 kilograms in weight is managed by means of collection and removal from the Site. No Contaminated Debris greater than .5 M³ in size and 2 kilograms in weight shall be permitted in the Secure Containment Cell. Contaminated Debris removed from the Site shall be disposed of in accordance with any and all applicable legislation of Manitoba, Canada, or By-Laws of the City of Winnipeg; and

(11) On completion of Site Remedial Activities, Domtar shall prepare and submit to the Director, within 90 days of the completion of Site Remedial Activities, a Closure Report satisfactory in form and content to the Director, summarizing all Site Remedial Activities and include in that Report such reports as may be required by section 5(5), and sections 7, 8 and 12 of this Order.

Soil Transportation and Safety Requirements

4. (1) Domtar shall ensure that Soil Transportation Routes both on and off of the Site used during Site Remedial Activities are maintained in a manner consistent with the Proposed Remedial Plan and the RIP such that Soil Transportation Routes are free from any Contaminated Soil, Residual Contaminated Soil or Contaminated Debris;
- (2) Domtar shall collect, remove and dispose of as soon as possible, all Contaminated Soil, Residual Contaminated Soil and Contaminated Debris and other wastes resulting from spills and leaks from vehicles in accordance with this Order;
- (3) Domtar shall ensure that any dust generated during soil transportation activities is minimized through dust suppression measures approved by the Director in writing; and
- (4) Domtar shall take appropriate measures to ensure the health and safety of workers, neighbouring residents, members of the public and Authorized Personnel are protected during soil transportation activities.

Secure Containment Cell

5. (1) Domtar shall construct a Secure Containment Cell in accordance with the design specifications as set out in the Proposed Remedial Plan and the RIP;
- (2) Upon completion of the Secure Containment Cell, Domtar shall ensure the Cell is enclosed within a perimeter security fence located at the base of the Cell. A perimeter buffer zone 30 metres in width, measured outward from the security fence at the base of the Secure Containment Cell, shall be maintained and kept free of any deep rooted vegetation;
- (3) Access to the area of the Secure Containment Cell within the security fence shall be limited to Authorized Personnel only;
- (4) The Secure Containment Cell shall be based on recommended US EPA design for hazardous waste landfills and will utilize a cover system, as described in the Proposed Remedial Plan and the RIP, to reduce infiltration of precipitation, a double liner system to intercept and allow for recovery of leachate and a monitoring system to ensure long term integrity and performance of the system;

(5) The Secure Containment Cell double liner system shall be installed using a construction quality assurance plan as described in the Proposed Remedial Plan and the RIP and in conformance with any requirements of the manufacturer's warranty referenced in section 20 of this Order. Domtar shall ensure that the construction quality assurance plan is documented and is included in the Closure Report; and

(6) Domtar shall place in the Secure Containment Cell, all Contaminated Soil, Contaminated Debris as permitted in section 3(10) of this Order, and all Residual Contaminated Soil identified in the Proposed Remedial Plan and the RIP that cannot be capped because of its location along the westerly drainage ditch of the Site, and such other Residual Contaminated Soil as may be identified by the Director during Site Remedial Activities.

Engineered Cap

6. (1) Domtar shall ensure that the areas of the Site where Residual Contaminated Soil remains are covered with the Engineered Cap which shall consist of a minimum layer of one metre of clean low permeability soil, as described in the Proposed Remedial Plan and the RIP;

(2) Domtar shall ensure that the location, size and dimensions of the Engineered Cap are in accordance with the Proposed Remedial Plan and the RIP and as approved by the Director, which approval shall be obtained by Domtar during Site Remedial Activities; and

(3) Subject to section 5(6) of this Order, Domtar shall ensure that any Residual Contaminated Soil located in the former debris disposal area (identified in the Domtar-Proposed Remedial Plan at page 3-12 as being in the southeast corner of the Site), is included in the area covered by the Engineered Cap.

Air, Noise and Soil Monitoring and Sampling

7. (1) Domtar shall conduct air, noise and soil monitoring and sampling in accordance with the RIP;

(2) Domtar shall ensure that written records, satisfactory in form and content to the Director, of real time ambient air and noise monitoring are maintained and are made available for inspection and review at the Site by an Environment Officer for the duration of the Site Remedial Activities. A copy of these records shall be included in the Closure Report;

(3) Domtar shall ensure that written records, satisfactory in form and content to the Director, of analytical results of the identification and quantification of specific wood preservation chemicals in the air, are made available for inspection and review at the Site by an Environment Officer for the duration of Site Remedial Activities. A copy of these records shall be included in the Closure Report;

(4) Domtar shall ensure that written records, satisfactory in form and content to the Director, of analytical results of the confirmatory testing of specific wood preservation chemicals in the soil, are made available for inspection and review at the Site by an Environment Officer for the duration of Site Remedial Activities. A copy of these records shall be included in the Closure Report; and

(5) Domtar shall ensure that all analytical test results from the monitoring of air, soil and water (including surface water, stormwater and groundwater) are provided by facilities accredited by the Standards Council of Canada (SCC), or facilities accredited by another accrediting agency recognized by Manitoba to be the equivalent to SCC. The analytical facility should be able to demonstrate to Manitoba, upon request, that it has quality assurance/quality control procedures in place equivalent to accreditation based on the Canadian Standard CAN/CSA-Z753, extension of International Standard ISO 9000, Guide 25.

Water Disposal

8. (1) Domtar shall ensure that prior to disposal of any water from the Site, the water is analysed by Domtar for the purpose of determining whether the water meets criteria established by the City of Winnipeg Water and Waste Department, or is treated to meet that criteria; and

(2) Domtar shall ensure that written records, satisfactory in form and content to the Director, of analytical results of the identification and quantification of specific wood preservation chemicals in the water, including volumes of water disposed of, are made available for inspection and review at the Site by an Environment Officer for the duration of Site Remedial Activities. A copy of these records shall be included in the Closure Report.

Emergencies

9. (1) Domtar shall prepare and submit in writing 6 copies of a Contingency Plan to be used in the event of an Emergency during Site Remedial Activities, consistent with the Contingency Plan Guideline attached as Schedule "A" to this Order, to the Director for approval at least 30 days prior to the initiation of Site Remedial Activities and in any event the Contingency Plan shall be submitted to the Director by no later than June 1, 1998, provided that where the Director is satisfied that this date cannot be met, the Director in his sole discretion may set a different date for submission of the Contingency Plan and adjust any other dates set herein accordingly;

(2) In the event of an emergency which:

(a) is beyond the reasonable control of Domtar;

(b) prevents Domtar from complying with the terms and conditions of this Order during Site Remedial Activities or at any time thereafter during the Term of the PCSF; or

(c) may have an impact off of the Site;

Domtar shall immediately invoke its Contingency Plan as required by this Order and inform Manitoba immediately of the emergency by phoning the Environmental Accident line at 944-4888.

Site Security

10. Domtar shall ensure that on a 24 hour basis, 7 days a week during Site Remedial Activities, access to the Active Area is restricted to Authorized Personnel and all reasonable steps, including the installation of fencing, are taken to ensure public and workplace safety, consistent with the health and safety provisions referred to in the RIP.

Hours of Operation

11. Domtar shall conduct Site Remedial Activities only between the hours of 7:00 a.m. to 8:00 p.m., local time, Monday to Friday inclusive, and between the hours of 9:00 a.m. to 8:00 p.m., local time, Saturday, Sunday and on statutory holidays unless otherwise approved in writing by the Director.

Records of Inspections

12. Domtar shall ensure that written records of all field measurements and tests described in the RIP, including HDPE Geomembrane construction quality control inspections, and soil placement density tests are completed in form and content satisfactory to the Director and are maintained and available at the Site at all times for review by an Environment Officer for the duration of the Site Remedial Activities. A copy of these records shall be included in the Closure Report.

End Use Development Plan

13. (1) Domtar shall prepare and submit 6 copies of an End Use Development Plan (EUDP) in writing to the Director for approval at least 30 days prior to the initiation of Site Remedial Activities and in any event the EUDP shall be submitted to the Director by no later than June 1, 1998, provided that where the Director is satisfied that this date cannot be met, the Director in his sole discretion may set a different date for submission of the EUDP and adjust any other dates set herein accordingly;
- (2) Domtar shall ensure the end land use of the Site is consistent with the EUDP for the duration of the Term of the PCSF;
- (3) Domtar shall ensure the end land use of the Site is restricted to a use which is consistent with a parkland/recreational land use;
- (4) Domtar shall ensure the EUDP includes a conceptual Site layout plan for the proposed end land use of the Site;
- (5) Domtar shall include in the EUDP proposed measures for ensuring that any development that occurs on the Site will not have an adverse impact on the integrity of the Remedial Works;
- (6) The EUDP shall include a schedule for EUDP activities, including the proposed start date, duration and completion date of proposed activities. EUDP activities shall start by no later than May 1, 1999, provided that where the Director is satisfied that this date cannot be met, the Director in his sole discretion may set a different date for the initiation of EUDP activities and adjust any other dates set herein accordingly;
- (7) Domtar shall not initiate or permit the initiation of any EUDP activities on the Site without the prior written approval of the Director; and

(8) Domtar shall ensure that any approved EUDP activities occurring during Site Remedial Activities do not conflict with the completion of the Remedial Works in accordance with this Order.

Post Remediation Performance Monitoring Plan

14. (1) Domtar shall prepare and submit 6 copies of a Post Remediation Performance Monitoring Plan to the Director for approval at least 30 days prior to the initiation of Site Remedial Activities and in any event the Post Remediation Performance Monitoring Plan shall be submitted to the Director by no later than June 1, 1998, provided that where the Director is satisfied that this date cannot be met, the Director in his sole discretion may set a different date for submission of the Post Remediation Performance Monitoring Plan and adjust any other dates set herein accordingly;
- (2) Domtar shall comply with the Post Remediation Performance Monitoring Plan as approved by the Director;
- (3) Domtar shall include in the Post Remediation Performance Monitoring Plan proposed measures for ensuring that any activities that occur on the Site will not have an adverse impact on the integrity of the Remedial Works;
- (4) The Post Remediation Monitoring Plan shall include groundwater monitoring on and off of the Site, and an inspection program of the Remedial Works for the duration of the Term of the PCSF;
- (5) The groundwater monitoring program shall include monitoring wells on and off of the Site designed, completed, developed, sampled and maintained in accordance with the Proposed Remedial Plan, the RIP and the Post Remediation Performance Monitoring Plan;
- (6) Domtar shall ensure that monthly inspections of the Remedial Works, commencing at a time determined by the Director, are carried out in accordance with the Proposed Remedial Plan and the Post Remediation Performance Monitoring Plan for the duration of the Term of the PCSF. The Director, in his or her sole discretion, may change the frequency of such inspections in the future should data from inspections indicate a change is warranted;

(7) Domtar shall record the results of the Post Remediation Performance Monitoring Plan as described in sections 14(4) and 14(6) of this Order, and submit these reports in writing satisfactory in form and content to the Director by no later than 30 days after each inspection date; and

(8) Domtar shall compile all data collected during the Post Remediation Performance Monitoring of the Site in a single annual report. The report shall be submitted to the Director by no later than April 1 of each year for the duration of the Term of the PCSF.

Post Remediation Surface and Stormwater Management

15. (1) Domtar shall ensure that the EUDP and the Post Remediation Performance Monitoring Plan address post remediation surface and stormwater management in accordance with the Proposed Remedial Plan for the duration of the Term of the PCSF; and

(2) Domtar shall ensure that surface and stormwater is directed away from the Secure Containment Cell and the Engineered Cap in order to reduce infiltration, erosion and potential contact with Contaminated Soil and Residual Contaminated Soil.

Post Remediation Operations and Maintenance

16. (1) The EUDP and the Post Remediation Performance Monitoring Plan shall address all post remediation operations and maintenance in accordance with the Proposed Remedial Plan and this Order for the duration of the Term of the PCSF;

(2) Domtar shall maintain the vegetative layer on the Secure Containment Cell cover system and the Engineered Cap by taking such measures as may be necessary to prevent exposure of Contaminated Soil, Residual Contaminated Soil or Contaminated Debris;

(3) Domtar shall conduct regular inspections of the Secure Containment Cell cover system and Engineered Cap material in order to identify any physical deterioration caused by erosion, desiccation, frost heave, animal infestation or other biological changes or settlement of the Secure Containment Cell or Engineered Cap, as well as any other damage resulting from any cause whatsoever and submit a report of its findings in writing satisfactory in form and content to the Director by no later than 30 days after each inspection date. Domtar shall take appropriate maintenance steps to address problems identified including replacement of the Secure Containment Cell cover system;

(4) Domtar shall ensure that any accumulated leachate collected from the Secure Containment Cell is removed as required and properly disposed;

(5) Domtar shall keep records of the volume and analytical test results of leachate collected and shall submit these records to the Director, satisfactory in form and content to the Director by no later than 30 days after the inspection date;

(6) Domtar shall ensure that the Post Remediation Performance Monitoring Plan includes a Contingency Plan in accordance with the Proposed Remedial Plan and consistent with the requirements of the attached “Contingency Plan Guideline” in Schedule “A”. The Post Remediation Performance Monitoring Plan Contingency Plan shall establish action levels, acceptable to the Director, to assess the integrity of the double liner system of the Secure Containment Cell as well as a response protocol which will include the replacement of the double liner system and repair of the leachate collection system and leak detection system in the event the action levels are exceeded;

(7) Domtar shall provide to the Director “as-built” drawings, maintenance and other records, documents, research, materials, information and data as required under this Order or as may be reasonably requested by the Director;

(8) Domtar shall establish and maintain, in Winnipeg, a central repository that is accessible to the public at reasonable hours for any drawings, maintenance and other records, documents, research, materials, information and data associated with the completed Remedial Works for the duration of the Term of the PCSF; and

(9) Domtar shall compile all data collected during the Post Remediation Operations and Maintenance of the Site in a single annual report. The report shall be submitted to the Director by no later than April 1 of each year for the duration of the Term of the PCSF.

Perpetual Care of Site and Remedial Works

17. (1) After the Completion Date, Domtar shall ensure the Site and the Remedial Works are maintained thereafter for the duration of the Term of the PCSF in accordance with the Proposed Remedial Plan, the EUDP, the Post Remediation Performance Monitoring Plan and the requirements of this Order and for that purpose Domtar shall pay all Perpetual Care costs in accordance with this Order;

(2) After the Completion Date, Domtar shall ensure that no development of any portion of the Site occurs including any construction, installation or placement of buildings, structures, facilities or other works temporary or permanent in nature whether in connection with the EUDP or otherwise, without the prior written approval of the Director;

(3) After the Completion Date, Domtar shall ensure that no excavation or alteration of the landscape occurs except as may be contemplated in the EUDP or the requirements of the Post Remediation Performance Monitoring Plan or which may expose or increase the risk of exposure of Contaminated Soil or Residual Contaminated Soil or without the prior written approval of the Director; and

(4) Domtar shall ensure that no changes are made respecting the end land use of the Site before the Completion Date or at any time thereafter for the duration of the Term of PCSF, which are inconsistent with the EUDP or the requirements of the Post Remediation Performance Monitoring Plan, without the prior written approval of the Director.

Performance Bond

18. (1) Domtar shall obtain and provide to the Director a Performance Bond in favour of Her Majesty the Queen in Right of the Province of Manitoba, issued by a surety licensed to do business in Manitoba, satisfactory in form and content to the Director, based on the amount determined by the Director to be necessary to complete the Remedial Works as of 30 days prior to the initiation of Site Remedial Activities. The Performance Bond shall be for the purpose of ensuring that all Site Remedial Activities are carried out and the Remedial Works are completed in accordance with this Order, the time schedules in the RIP and this Order and in a manner acceptable to the Director; and

(2) Domtar shall provide the Performance Bond to Manitoba at least 30 days prior to the initiation of any Site Remedial Activities. Domtar shall ensure that the Performance Bond remains in effect while the Site Remedial Activities are being carried out and until the Completion Date.

Contractor Warranty

19. (1) Domtar shall require a written warranty from the contractor or contractors hired to complete the Remedial Works, satisfactory in form and content to the Director, respecting all of the Remedial Works which warranty shall include without limitation a warranty associated with the installation of the HDPE Geomembrane, leachate collection system, leak detection system and the construction of the Secure Containment Cell. At least 30 days prior to the initiation of any Site Remedial Activities, Domtar shall provide to the Director for review and approval, the terms and conditions of all contractor warranties;
- (2) Domtar shall secure the maximum warranty protection available;
- (3) Domtar shall not initiate any Site Remedial Activities until the Director has advised Domtar that the contractor warranties are satisfactory; and
- (4) Notwithstanding any warranties provided by contractors to Domtar, Domtar shall retain primary responsibility in accordance with this Order for carrying out all required Site Remedial Activities and ensuring the adequacy of the Remedial Works. Domtar shall at all times have primary responsibility for correcting any construction related problems where the Remedial Works are not completed or functioning to the satisfaction of the Director.

Manufacturer's Warranty

20. (1) Domtar shall ensure that a written product warranty, satisfactory in form and content to the Director, is provided by the manufacturer of the HDPE Geomembrane to be used in the construction of the Secure Containment Cell component of the Remedial Works. At least 30 days prior to the initiation of any Site Remedial Activities, Domtar shall provide to the Director for review and approval the terms and conditions of the manufacturer's warranty;
- (2) Domtar shall secure the maximum product warranty protection available;
- (3) Domtar shall not initiate any Site Remedial Activities until the Director has advised Domtar in writing that the manufacturer's warranty is satisfactory; and

(4) Notwithstanding any warranties provided by the manufacturer to Domtar, Domtar shall retain primary responsibility in accordance with this Order for ensuring the adequacy of the Remedial Works including in particular the HDPE Geomembrane for containing the Contaminated Soil and Residual Contaminated Soil and shall at all times have primary responsibility for correcting any problems associated with the adequacy of the HDPE Geomembrane used in the Secure Containment Cell.

Insurance

21. (1) Domtar shall, at least 30 days prior to the initiation of any Site Remedial Activities, provide satisfactory Certificates of Insurance as written proof of Comprehensive General Liability Insurance with a minimum limit of \$5.0 million per occurrence providing coverage for Site Remedial Activities, the Remedial Works, and the Site, for the duration of the Term of the PCSF. The terms and conditions of coverage shall be satisfactory in form and content to the Director, and without limitation shall include coverage for bodily injury (including death), personal injury, accidental property damage, blanket contractual, broad form property damage, completed operations, and non-owned automobile coverage's. The Government of Manitoba shall be added as an Additional Insured on the policy. The policy shall provide for 30 days notice of cancellation to the Director;
- (2) Domtar shall, at least 30 days prior to the initiation of any Site Remedial Activities, provide satisfactory Certificates of Insurance as written proof of Automobile Liability Insurance for all owned or leased licensed vehicles by Domtar used in connection with the Site Remedial Activities and which provides coverage against liability arising from third party bodily injury or property damage for a minimum of \$5.0 million per occurrence; and
- (3) Domtar shall provide satisfactory Certificates of Insurance to the Director, as written evidence of the above insurance coverage's, as contemplated by sections 21(1) and 21(2) of this Order, at least 30 days prior to the initiation of any Site Remedial Activities; and annually upon the renewal date of the insurance policies thereafter, for the duration of the Site Remedial Activities and with respect to the policy referred to in section 21(1), for the duration of the Term of the PCSF and Domtar shall advise the Director in writing at least 90 days prior to changing or cancelling any insurance policy because of adverse market conditions.

Payment of Security

22. Domtar shall pay to the Government of Manitoba funds in the amount set out herein for the purpose of providing security in accordance with section 17(2)(c)(iii) of the Act, which security shall be used by Manitoba to establish a dedicated fund to be known as the PCSF. The PCSF shall be used in accordance with the requirements of this Order by Manitoba to secure the funding of the Perpetual Care of the Site and the Remedial Works for the duration of the Term of the PCSF.

Conditions of Security

23. (1) The PCSF shall be established for a term of 100 years commencing with the Completion Date (the “Term”);
- (2) Domtar shall provide security to Manitoba for the purpose of establishing the PCSF on the following basis:
- (a) The PCSF shall be fully funded by Domtar within 10 years after the Completion Date;
 - (b) The amount of security to be paid by Domtar to Manitoba to fund the PCSF (the “Principal Amount”) shall be determined as of 30 days prior to the date of the first instalment payment in accordance with the PCSF Assumptions/Calculations Financial Assurance Model as adjusted by Manitoba during the 10 years after the Completion Date in its sole discretion to ensure the PCSF is sufficient for the purpose of providing for the Perpetual Care of the Site and the Remedial Works (referred to as “Assumptions”) and being attached as Schedule “B” to this Order, which Principal Amount is presently estimated to be \$571,383.00;
 - (c) Domtar shall fund the PCSF by not more than 5 annual instalment payments, the first instalment payment to be made in the 6th year after the Completion Date, on or before January 31;
 - (d) Annual instalment payments in years 6 through 9 for the funding of the PCSF shall be in an amount equal to at least 20% of the Principal Amount;
 - (e) Annual instalment payments in years 7 through 10 shall be made within 12 months of the previous instalment payment; and

(f) Domtar may make instalment payments at a greater frequency than annually, provided that the total annual payment in each year of the years 6 through 9 is equal to at least 20% of the Principal Amount and provided that the PCSF is fully funded by no later than 10 years after the Completion Date;

(3) (a) Domtar shall be reimbursed from the security held by Manitoba for actual expenditures incurred with respect to the Perpetual Care of the Site and the Remedial Works, including in particular the following:

- (i) post remediation performance monitoring,
- (ii) post remediation surface and stormwater management,
- (iii) post remediation operations and maintenance,
- (iv) replacement of Secure Containment Cell cover system,
- (v) repair of leachate collection system and leakage detection system,
- (vi) replacement of the double liner system,
- (vii) Decommissioning, and
- (viii) such further expenditures as may be determined necessary by the Director to provide for the Perpetual Care of the Site and the Remedial Works for the duration of the term of the PCSF;

(b) In addition to expenditures contemplated under section 23(3)(a), Domtar may be reimbursed for expenditures incurred for the purpose of supporting New Technology used in the remediation of the Site in whole or in part;

(c) Domtar shall prior to incurring any expenditures with respect to New Technology obtain the prior written approval of the Director;

(d) (i) Notwithstanding anything to the contrary contained herein, Domtar shall not be reimbursed for any expenditures associated with the Perpetual Care of the Site and the Remedial Works until the expiry of the 10 year period after the Completion Date, unless Manitoba, in its sole discretion, determines that it is appropriate to reimburse Domtar for an expenditure from the PCSF prior to the expiry of the 10 year period after the Completion Date, and

(ii) Domtar shall provide the details of any expenditures, referred to in section 23(3)(a), incurred for the first 10 years after the Completion Date to the Director in writing on an annual basis satisfactory in form and content to the Director;

- (4) (a) Claims by Domtar for reimbursement pursuant to section 23(3)(a) of this Order shall be made in writing, on an annual basis, unless otherwise agreed by Manitoba. All claims shall be accompanied by copies of appropriate supporting documents satisfactory in form and content to Manitoba (including where applicable receipts, copies of invoices, and other similar records) and shall be submitted to the Director of Administration, Manitoba Environment;
- (b) Domtar shall make its records in respect of claims submitted available in the City of Winnipeg, Manitoba, at no cost to Manitoba for the purpose facilitating an audit of any claims submitted that Manitoba wishes to conduct,
- (5) If Domtar either prior to completion of funding the PCSF or at any time thereafter during the Term of the PCSF for any reason refuses or fails to carry out its obligations under this Order with respect to the Perpetual Care of the Site and the Remedial Works and refuses or fails to act on a written instruction from the Director to do so, any costs incurred by the Director with respect to the Perpetual Care of the Site and the Remedial Works shall be funded out of the PCSF to the limits of the PCSF;
- (6) (1) The security comprising the PCSF or any portion thereof held by Manitoba for the Perpetual Care of the Site and the Remedial Works shall be forfeited by Domtar to Manitoba if:
- (a) Domtar or its lawful successor either prior to completion of funding the PCSF or at any time thereafter during the Term of the PCSF for any reason refuses or fails to carry out its obligations under this Order with respect to the Perpetual Care of the Site and the Remedial Works and refuses or fails to act on a written instruction from the Director to do so and Manitoba has reasonably incurred costs for the purpose of carrying out Domtar's unfulfilled obligations,
- (b) Domtar is dissolved or becomes bankrupt or insolvent, or
- (c) a successor responsible for the Site and the Remedial Works cannot be clearly identified;
- (7) In the event security has been forfeited to Manitoba in the circumstances described herein, Manitoba shall retain and use the PCSF or any portion thereof for the continued Perpetual Care of the Site and the Remedial Works without any obligation to account to Domtar for its exclusive use of the funds;

(8) If at the expiry of the 100 year Term of the PCSF there are any funds remaining in the PCSF, the Director will review the Perpetual Care needs of the Site and the Remedial Works in order to determine whether the funds should be retained as security for future anticipated expenditures for the Perpetual Care needs of the Site and the Remedial Works. Where in the opinion of the Director there are funds remaining in the PCSF, at the expiry of the Term of the PCSF, which are not required for the Perpetual Care of the Site and the Remedial Works, then the said funds remaining shall be returned to Domtar.

Review of PCSF

24. In the 10th year after the Completion Date and not less than every 5 years thereafter, the Director will review the PCSF in light of anticipated expenditures as outlined in the Assumptions in order to determine whether the PCSF is sufficient for the purposes of providing for the Perpetual Care of the Site and the Remedial Works. Where after consideration of the matter, the Director is of opinion, that the PCSF is not adequate for the Perpetual Care needs of the Site and the Remedial Works, the Director may issue a further order requiring Domtar to make such further payments into the PCSF for the purpose of securing the funding of the Perpetual Care of the Site and the Remedial Works on and off of the Site as may be necessary in the circumstances.

Annual Report

25. Domtar shall, on an annual basis, until the PCSF is fully funded, provide the Director with a copy of its annual report, including audited financial statements, immediately upon it being available.

Letter of Credit

26. (1) Domtar shall, within 10 days of the receipt of this Order and in any event prior to initiating any Site Remedial Activities, post an Irrevocable Letter of Credit with Manitoba, effective as of the date of posting, satisfactory in form and content to the Director, for the purpose of ensuring the PCSF is fully funded in accordance with the terms of this Order. The Letter of Credit shall remain in place until the PCSF is fully funded as determined by the Director in accordance with this Order;

(2) Domtar shall ensure that the Letter of Credit is made payable to the Minister of Finance for the Province of Manitoba and is drawn on a Canadian Chartered Bank in the sum of \$500,000.00 in a form consistent with the Uniform Customs and Practices for Documentary Credits (1993 revision) I.C.C. Publication No. 500 (as amended from time to time);

(3) Domtar shall take steps necessary to obtain any extensions in duration or increase in value of the Letter of Credit as may be determined necessary by the Director in order to ensure that the PCSF is fully funded such as to provide for the Perpetual Care of the Site and the Remedial Works. Failure by Domtar to take such steps shall constitute a cause for Manitoba to exercise its right to make written demand for payment upon the drawer bank;

(4) Subject to the prior written approval of the Director, the Letter of Credit may be reduced in value on an annual basis in proportion to the amount of money paid into the PCSF by Domtar; and

(5) Failure by Domtar to fund the PCSF as required by this Order shall constitute a cause for Manitoba to exercise its right to make written demand for payment upon the drawer bank.

Restrictive Covenant

27. Domtar shall, at least 30 days prior to the initiation of any Site Remedial Activities, execute the Restrictive Covenant in form and content substantially similar to that attached to this Order as Schedule "C" to be registered in the Winnipeg Land Titles Office for the purpose of restricting the use and development of the Site in accordance with the terms and conditions of this Order.

Modifications and Alterations to Plans

28. Domtar shall not amend or revise the Proposed Remedial Plan, the RIP, the Post Remediation Performance Monitoring Plan or the EUDP without the prior written approval of the Director.

Director's Costs

29. Domtar shall contribute, in accordance with the Act, to the costs of remediation of the Site incurred or expected to be incurred by Manitoba or any other person acting for and on behalf of Manitoba.

Further Orders and Amendments

30. The Director reserves the right to amend this Order or issue a further Order in accordance with section 17(3) of the Act.

Order Binds Successors

31. This Order shall be binding upon the successors and permitted assigns of Domtar.

Order Governs Over Other Documents

32. (1) In the event there is a conflict between the terms of this Order and any of the documents referenced in or attached as schedules to this Order, this Order shall govern, unless otherwise determined by the Director; and
- (2) In the event there is a conflict between any of the documents referenced in or attached as schedules to this Order, the Director shall determine which document shall govern.

In accordance with section 32 of the Act, if any of the requirements of this Order are not complied with by Domtar within the time specified in the Order, in my capacity as Director, I may do or direct another person to do any or all things required by the Order, without relieving any obligation of Domtar hereunder.

David L. Wotton
Director, The Contaminated Sites Remediation Act

Date

SCHEDULE “A”: CONTINGENCY PLAN GUIDELINE

CONTINGENCY PLAN GUIDELINE

1. GENERAL POLICY STATEMENT

Provide a general statement on the company's policies as they relate to emergency planning and the way in which the contingency plan addresses these policies.

2. HAZARD IDENTIFICATION

Describe the types of situations this plan will address (hazardous materials releases, fire, severe weather, power outages, etc.).

3. COMPANY EMERGENCY PERSONNEL LIST

List the company personnel who are assigned specific functions in the case of an emergency. Include job titles, home and office phone numbers, and a description of the person's emergency response duties.

4. OUTSIDE CONTACTS

List any agencies or individuals outside the company who may have to be contacted in the case of an emergency. Include 24-hour numbers and a description of the agency's function in an emergency. Typical listings in this section would include local fire and police departments, local ambulance and/or hospital, provincial and federal environmental agencies, contractors and suppliers and any other agency that may be of assistance in responding to and mitigating an emergency situation.

5. EVACUATION PLAN

Describe how employees would be evacuated from various parts of the operation, including alarm or warning procedures, assembly points, rescue operations. This section should address procedures for determining how many employees are in a work area and how those employees can be accounted for during an evacuation. Evacuation co-ordinators for each area should also be identified.

6. EMERGENCY RESPONSE PROCEDURES

For each of the hazard types identified in section 2, an outline of the steps to be taken to contain, control and correct the situation should be prepared. The outline should identify who is responsible for initiating the action and some brief statements that can be used to determine what initial actions are required (example methods for containing and recovering a petroleum spill).

7. EMPLOYEE SAFETY AND HEALTH

Describe procedures for minimizing the threat to workers who are responding to an emergency. Include description of protective clothing, monitoring equipment and safe work practices. Also reference the MSDS sheets for identifying the specific hazards of materials on Site.

8. EQUIPMENT LISTING

List any equipment and supplies available on or off Site which may be useful during response to an emergency. This might include spill absorbents, monitoring equipment, communications gear, patching kits, etc. For each item identify where they are stored and how they can be mobilized.

9. MAPS/DRAWINGS

Provide Site maps, building plans and any other material which may be required during an emergency to identify evacuation routes, hazardous material storage areas, and any other pertinent Site information.

10. HAZARDOUS MATERIALS LIST

Provide a complete list of materials stored or used on Site which may present a hazard to the environment or public health or safety if they are involved on a release or impacted by a fire. Where possible, describe the type of containment used, usual volumes on Site and where they are stored.

GENERAL COMMENTS

A contingency plan should be a quick reference to be used as an information source either for preplanning or during an emergency. The sections of the plan should be written in point form in clear, concise wording with clear headings and a comprehensive table of contents. Since some of the information in the plan will change periodically, it is important that the plan be reviewed and updated on a regular basis. A current distribution list for plan copies should be kept with the original. The contingency plan should not be used as a "how to" manual for responding to an incident. This should be addressed in company training and pre-planning procedures.

**SCHEDULE “B”: PERPETUAL CARE SECURITY FUND (PCSE),
ASSUMPTIONS/CALCULATIONS/FINANCIAL ASSURANCE MODEL
 (“ASSUMPTIONS”)**

SCHEDULE “B”
PERPETUAL CARE SECURITY FUND (PCSF),
ASSUMPTIONS/CALCULATIONS/FINANCIAL ASSURANCE MODEL
(“ASSUMPTIONS”)
(For Illustrative Purposes Only)

The following assumptions have been used to calculate the value of the PCSF as of April 27, 1998:

- (1) The estimated level of funding required respecting the PCSF is based on the net present value of costs to be incurred in the future, along with specific assumptions respecting inflation and interest rates.
- (2) The assumed inflation rate is 2%. The inflation rate represents the rate at which future expenses are expected to grow.
- (3) The following estimated interest rates have been used in the net present value calculation: Year 1 - 3.520%, Year 2 - 4.120%, Year 3 - 4.720%, Year 4 - 5.080%, Year 5 - 5.450%, Years 6 - 10 - 5.780%, Year 11 - 15 - 6.100%, Years 16 - 20 - 6.430%, Years 21 - 25 - 6.740%, Years 26 - 30 - 6.740%, Years 31 - 100 - 6.800%. Interest rates represent the yields available on low risk Government of Canada bonds. These rates have been used to discount to present value the estimated future monetary requirements needed to manage the site for 90 years (Domtar is directly responsible for all post remediation performance monitoring, post remediation stormwater management, post remediation operations and maintenance, replacement of Secure Containment Cell cover system, repair of leak detection system and leachate collection system, replacement of the double liner system and Decommissioning costs incurred for 10 years after the Completion Date).
- (4) Estimated costs for post remediation operations and maintenance of the Remedial Works are \$10,000/annum - to be carried out annually for the duration of the term of the PCSF.
- (5) Estimated costs for post remediation performance monitoring of the Remedial Works are \$20,000/annum - to be carried out as follows: starting in the 2nd year after the Completion Date and continuing annually up to and including Year 10, following which groundwater monitoring shall be carried out every 2 years, commencing in Year 12 and continuing to Year 24, following which groundwater monitoring shall be carried out every 3 years, starting in Year 27 and continuing to Year 99.

(6) Estimated Secure Containment Cell cover system replacement/reworking costs are \$200,000 per event - estimated to be required in Year 50 and Year 100 (exclusive of contractor warranty).

(7) Estimated repair costs for the Secure Containment Cell double liner system (leakage detection system and leachate collection system) are \$25,000 per event - it is assumed this activity shall be first carried out in Year 20 and continue each 10 years thereafter to Year 100 (exclusive of manufacturer's warranty and contractor warranty).

(8) Estimated replacement of Secure Containment Cell double liner system costs are \$200,000 per event - it is assumed that this activity will have to be carried out in Year 50 and Year 100 (exclusive of manufacturer's warranty and contractor warranty).

(9) Estimated Decommissioning of the Site costs are \$25,000. This is a one-time event occurring in Year 100.

(10) These Assumptions and cost estimates for the Perpetual Care of the Site and the Remedial Works may be adjusted by Manitoba during the 10 years after the Completion Date, in accordance with section 23(2)(b) of the Order, in its sole discretion to ensure the PCSF is sufficient for the purpose of providing for the Perpetual Care of the Site and Remedial Works. Adjustments to the Assumptions commencing with the 10th year after Completion Date shall be made in accordance with section 24 of the Order. Cost estimates for Perpetual Care of the Site and the Remedial Works used in these Assumptions are based upon cost estimates contained in the UMA Environmental Letter dated May 31, 1996 to Domtar, which figures are in 1996 dollars.

SCHEDULE "C": RESTRICTIVE COVENANT

RESTRICTIVE COVENANT

BETWEEN:

**HER MAJESTY THE QUEEN IN
RIGHT OF THE PROVINCE OF MANITOBA
as represented by the Minister of Environment**

(“Manitoba”),

and

**DOMTAR INC.
a corporation incorporated under the laws of Canada
with its head office in Montreal, Quebec
 (“Domtar”).**

WHEREAS Domtar Inc. is the registered owner of the lands under Certificate of Title Nos. 1394944; 1394945; 1394946; 1394947 legally described as follows:

Lots 1, 2, 3 and 4, Plan 20840, WLTO in E ½ 8-11-4 EPM (“the Site”);

AND WHEREAS the Site is contaminated, which contamination is to be addressed in accordance with Director’s Remediation Order No. D1-019 (“the Order”) issued under The Contaminated Sites Remediation Act C.C.S.M. c. C205 (“the Act”);

AND WHEREAS in the Domtar - Proposed Remedial Plan, Domtar proposed that a Restrictive Covenant be registered against the Site, which proposal was accepted by Manitoba as indicated in the Order;

AND WHEREAS Domtar agrees to execute and deliver to Manitoba this Restrictive Covenant in order to facilitate the registration of a Caveat against the title to the Site for the purpose of providing notice as to the contamination of the Site and for the purpose of restricting use and development of the Site;

THEREFORE for ten (\$10.00) dollars and other good and valuable consideration now paid by each party to the other the receipt and sufficiency of which is hereby acknowledged, Manitoba and Domtar agree as follows:

1. Domtar covenants and agrees that unless authorized in writing by Manitoba:
 - (a) No excavation or alteration of the landscape occurs except as may be contemplated in the End Use Development Plan (EUDP) or the requirements of the Post Remediation Performance Monitoring Plan or which may expose or increase the risk of exposure of Contaminated Soil or Residual Contaminated Soil or without the prior written approval of the Director;
 - (b) No development of any portion of the Site occurs including any construction, installation or placement of buildings, structures, facilities or other works temporary or permanent in nature whether in connection with the EUDP or otherwise without the prior written approval of the Director;
 - (c) No changes are made respecting the end land use of the Site before the Completion Date or at any time thereafter for the duration of the Term of Perpetual Care Security Fund (PCSF), which are inconsistent with the EUDP or the requirements of the Post Remediation Performance Monitoring Plan without the prior written approval of the Director; and
 - (d) Domtar shall be entitled, without seeking approval from Manitoba, to carry out routine maintenance activities on and off of the Site as contemplated by the Order.

2. Domtar covenants and agrees:
 - (a) This Agreement and the Covenants contained herein run with and bind the land legally described herein as the Site;
 - (b) Domtar acknowledges that the provisions of this Agreement and the Covenants contained herein are without prejudice to the rights and powers of Manitoba to make such further Orders or to require such additional remedial measures as in Manitoba's sole opinion may be necessary in accordance with applicable laws, and nothing herein shall in any way restrict or impair Manitoba's rights and powers in that regard;
 - (c) This Agreement and the Covenants contained herein shall enure to the benefit of Manitoba and be binding upon Domtar, its successors in title and assigns;

- (d) This Agreement and the Covenants contained herein shall be interpreted, performed and enforced in accordance with the laws of Manitoba and any and all Orders issued under The Contaminated Sites Remediation Act in respect of the Site and the Remedial Works; and
- (e) Domtar acknowledges that this Agreement confers on Manitoba a registerable interest in the Site and Domtar consents to Manitoba registering a caveat against title to the Site in the Winnipeg Land Titles Office, giving notice of this Agreement and the Covenants contained herein.

3. In the event Domtar is released from its obligations pursuant to this Agreement and the Covenants herein, Manitoba shall provide Domtar with a discharge of caveat.

IN WITNESS WHEREOF this Restrictive Covenant has been duly signed and delivered this day of _____, 1998.

FOR THE GOVERNMENT OF MANITOBA

Minister of Environment

Witness

Date: _____

DOMTAR INC.

Per: _____

Witness

Date: _____

SCHEDULE "D" - SITE MAP

FINAL_DOMTAR_ORDER
June 16, 2011