

**SUBSCRIPTION AGREEMENT
FOR CLASS A LIMITED PARTNERSHIP UNITS IN
LIVING FOREST ONE LIMITED PARTNERSHIP**

TO: Living Forest GP Ltd. (the “General Partner”)

AND TO: Living Forest One Limited Partnership (the “Limited Partnership” or the “Issuer”)

By this Subscription Form:

The undersigned, _____, (the “Investor”) offers to subscribe for _____ Class A Limited Partnership Units (the “Units”) of the Limited Partnership at a price of \$1.00 for an aggregate subscription price of \$_____. (The minimum subscription is \$25,000 and in \$10,000 increments thereafter.)

The Investor tenders the aggregate subscription price for the Units by way of a cheque or bank draft made payable to “Jawl and Bundon in Trust”.

The Investor acknowledges that this subscription is subject to acceptance by the Issuer and is subject to rejection or allotment in whole or in part.

The Investor represents and warrants that the Investor:

- (a) the Investor is purchasing the Units as principal for the Investor’s own account, and not for the benefit of, or on behalf of, any other person;
- (b) the Investor was provided with an Offering Memorandum dated February 5, 2007 prepared in respect of the Units prior to having entered into this Subscription Agreement;
- (c) the Investor has signed the Risk Acknowledgement, attached as Schedule A hereto and forming part of this Subscription Agreement;
- (d) the Investor is not a “non-resident” of Canada within the meaning of the Income Tax Act (Canada); and
- (e) the Investor is a resident of the province indicated on the signature page hereto; and
- (f) If the Investor is a resident of Ontario, the Investor must be an “accredited investor” as that term is defined in the National instrument 45-106, an excerpt of which is attached as Appendix I to this Subscription Agreement, and hereby represents and warrants that the checked category is applicable to the Investor.

The Investor acknowledges that:

- (a) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Units;
- (b) there is no government or other insurance covering the Units;
- (c) I may lose all of my investment;

- (d) there are restrictions on my ability to resell the Units and it is my responsibility to find out what those restrictions are and to comply with them before selling the Units; and
- (e) I will not receive a prospectus under any *Securities Act* and that the Issuer is relying on a prospectus exemption.

The Issuer warrants and represents that:

- (a) the financial statements attached to the Offering Memorandum accurately reflect the financial position of the Issuer as at the date thereof, and no adverse material changes in the financial position of the Issuer has taken place since the date thereof, save in the ordinary course of business;
- (b) the Issuer has complied and will comply fully with the requirements of all applicable securities laws, including, without limitation, the *Securities Act* (British Columbia) and the *Securities Act* (Alberta) and the regulations thereunder in relation to the issue and trading of its securities and in all matters relating to the sale of Units to the Investor;
- (c) the issue and sale of the Units by the Issuer to the Investor does not and will not conflict with, and does not and will not result in a breach of the terms either of the Issuer's Limited Partnership Agreement or any agreement or instrument to which the Issuer is a party;
- (d) the Issuer is not a party to any actions, suits or proceedings which could materially affect its business or financial condition, and no such actions, suits or proceedings are contemplated or have been threatened;
- (e) no order ceasing or suspending trading in securities of the Issuer nor prohibiting the sale of such securities has been issued to the Issuer or its General Partner or promoters or to any other companies that have common directors, officers, principals or promoters and no investigations or proceedings for such purposes are pending or threatened; and
- (f) in the event this subscription is not accepted by the Issuer, this Subscription Agreement and the subscription funds will be returned to the Investor within 10 business days.

- (g) the Partnership will hold in trust all consideration received from the Investor in connection with the trade until midnight of the second business day after the Investor signed the agreements to purchase the security.

The Investor agrees that acceptance of this subscription will be effective upon the mailing of a written confirmation of such acceptance to the address stated below.

Signed at _____, Province of _____ this ____ day of _____, 2007.

Signature of Witness

Signature of Investor or, if the Investor is a company, signature of authorized signatory

Name of Witness

Name of Investor, or if the Investor is a company, legal company name (please print)

Address of Investor

Telephone (business/residential)

City, Province, Postal Code

Email address

Social Insurance Number or, if Investor is a company, Corporate Tax Account Number

ACCEPTANCE OF SUBSCRIPTION

This subscription is accepted by the Issuer on the ____ day of _____, 2007.

LIVING FOREST ONE LIMITED PARTNERSHIP

By its General Partner, Living Forest GP Ltd.

Per: Doug Makaroff, President and CFO

Risk Acknowledgement

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- The person selling me these securities is not registered with a securities regulatory authority and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.

I am investing \$_____ in total; this includes any amount I am obliged to pay in future. Living Forest One Limited Partnership will pay \$_____ [amount of fee or commission] of this to _____ [name of person selling the securities] as a fee or commission.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date

Signature of Purchaser

Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

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You have 2 business days to cancel your purchase

To do so, send a notice to Living Forest One Limited Partnership stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to Living Forest One Limited Partnership at its business address. Keep a copy of the notice for your records.

Issuer Name and Address:

Living Forest One Limited Partnership
21 – 21 Dallas Road

Victoria, BC V8V 4Z9

Fax: (250) 380-6791 E-mail: dmakaroff@sustainableforestry.com

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

You will receive an offering memorandum Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

You will not receive advice

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or investment dealer. In Alberta, Manitoba, Northwest Territories, Prince Edward Island, Québec and Saskatchewan to qualify as an eligible investor, you may be required to obtain that advice. Contact the Investment Dealers Association of Canada (website at www.ida.ca) for a list of registered investment dealers in your area.

The securities you are buying are not listed

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

The issuer of your securities is a non-reporting

A *non-reporting issuer* does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, call your local securities regulatory authority.

British Columbia Securities Commission

701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver, B.C. V7Y 1L2
Telephone: 604-899-6500
Fax: 604-899-6506
Website: www.bcsc.bc.ca

Alberta Securities Commission

4th Floor, 300-5th Ave SW
Calgary, AB T2P 3C4
Reception: (403) 297-6454
Main Fax: (403) 297-6156
Toll-Free: (877) 355-0585
Website: www.albertasecurities.com

[Instruction: The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.]

Schedule "B"
ACCREDITED INVESTOR FORM

(Capitalized terms not specifically defined in this Form have the meaning ascribed to them in the Subscription Agreement to which this Form is attached.)

In connection with the execution of the Subscription Agreement to which this Form is attached, the undersigned (the "Purchaser") represents and warrants to the Issuer that the Purchaser satisfies one or more of the categories indicated below (please place an "X" on the appropriate lines):

- ____ Category 1 a Canadian financial institution, or a Schedule III bank
- ____ Category 2 the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada)
- ____ Category 3 a subsidiary of any person referred to in Category 1 or 2, if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary
- ____ Category 4 a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, other than a person registered solely as a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador)
- ____ Category 5 an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in Category 4
- ____ Category 6 the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada
- ____ Category 7 a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montreal or an intermunicipal management board in Québec
- ____ Category 8 any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government
- ____ Category 9 a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada
- ____ Category 10 an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000
- ____ Category 11 an individual whose net income before taxes exceeded \$200,000 in each of the most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year
- ____ Category 12 an individual who, either alone or with a spouse, has net assets of at least \$5,000,000
- ____ Category 13 a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements
- ____ Category 14 an investment fund that distributes or has distributed its securities only to
- (a) a person that is or was an accredited investor at the time of the distribution;
 - (b) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 of National Instrument 45-106 [*Minimum amount investment*], and 2.19 of National Instrument 45-106 [*Additional investment in investment funds*]; or
 - (c) a person described in paragraph (a) or (b) that acquires or acquired securities under section 2.18 of National Instrument 45-106 [*Investment fund reinvestment*]
- ____ Category 15 an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Quebec, the securities regulatory authority, has issued a receipt

- ____ Category 16 a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be
- ____ Category 17 a person acting on behalf of a fully managed account managed by that person, if that person
- (a) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction; and
 - (b) in Ontario, is purchasing a security that is not a security of an investment fund
- ____ Category 18 a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded
- ____ Category 19 an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in Categories 1 to 4 or Category 9 in form and function
- ____ Category 20 a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors
- ____ Category 21 an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser
- ____ Category 22 a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as
- (a) an accredited investor; or
 - (b) an exempt purchaser in Alberta or British Columbia after National Instrument 45-106 comes into force