



FOREST LICENCE
A84120



THIS LICENCE, dated for reference January 12, 2009

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF BRITISH COLUMBIA,
as represented by the REGIONAL MANAGER,
MINISTRY OF FORESTS AND RANGE

2100 LABIEUX ROAD
NANAIMO, BRITISH COLUMBIA
V9T 6E9

Phone: (250) 751-7001 Fax: (250) 751-7190

(the "Regional Manager")

AND:

KLAHOOSE FORESTRY LIMITED PARTNERSHIP
C/O KLAHOOSE FIRST NATION TREATY OFFICE
PO BOX 9
SQUIRREL COVE, BRITISH COLUMBIA
V0P 1T0
Phone: (250) 935-6536 Fax: (250) 935-6997
(the "Licensee")

WHEREAS:

- A. The parties have entered into this Licence pursuant to Section 47.3(1)(a) of the *Forest Act* in furtherance of Section 3.1.2 of the Klahoose First Nation Interim Agreement on Forest Opportunities (the Agreement) between the Klahoose First Nation and the Government of British Columbia, dated January 23, 2008.

"The Table of Contents and headings in this Licence are included for convenience only and do not form a part of this Licence and in no way define, limit, alter or enlarge the scope or meaning of any provision of this Licence."

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THE PARTIES agree as follows:

1.00 GRANT OF RIGHTS AND TERM

- 1.01 The term of this Licence is **5 years** beginning January 12, 2009
- 1.02 Subject to this Licence, the Licensee:
- (a) may harvest an allowable annual cut of **10,000 m³** per year of Crown timber during the term of this Licence from areas of Crown land within the Sunshine Coast Timber Supply Area which are specified in cutting permits and road permits; and
 - (b) has the right to enter and use Crown land within the Sunshine Coast Timber Supply Area to exercise rights and fulfill obligations under this Licence.
- 1.03 The maximum harvestable volume under this Licence is **50,000 m³**
- 1.04 This Licence is not replaceable under the *Forest Act*.
- 1.05 The Klahoose First Nation and the Government have entered into an agreement dated for reference, **January 23, 2008**, of the Interim Agreement on Forest Opportunities respecting treaty-related measures, interim measures or economic measures (the "Interim Agreement"). This Licence is entered into with the Klahoose Forestry Limited Partnership to implement or further the Interim Agreement, between the Klahoose First Nation and the Government. It is a condition of this Licence that the Klahoose First Nation comply with the Interim Agreement.
- 1.06 In accordance with the Interim Agreement and without limiting the actions that may be taken by the Minister or the Government, the Minister, or person authorized by the Minister, may suspend or cancel this Licence if the Minister, or person authorized by the Minister determines that the Klahoose First Nation is not in compliance with the Interim Agreement.

2.00 OTHER CONDITIONS AND REQUIREMENTS

- 2.01 The Licensee must not harvest timber if the timber is specified as reserved timber in a cutting permit, or under an applicable operational plan.
- 2.02 The Regional Manager or District Manager, in a notice given to the Licensee, may advise the Licensee that after the date specified in the notice the Licensee may only submit applications for cutting permits for areas of Crown land meeting the requirements set out in the notice.

- 2.03 The requirements referred to in paragraph 2.02 must in the opinion of the Regional Manager or the District Manager, be consistent with the rationale employed by the Chief Forester in making the most recent determination of the allowable annual cut for the timber supply area which may restrict the areas of land for which the Licensee may submit applications for cutting permits to any or all of the following:
- (a) a part of the timber supply area;
 - (b) a type of terrain within the timber supply area; or
 - (c) a type of timber within the timber supply area.
- 2.04 Before giving notice under paragraph 2.02, the Regional Manager or District Manager will consult with the Licensee and will consider its comments.

3.00 TIMBER VOLUME CHARGED TO THE LICENCE

- 3.01 The definition of the volume of timber harvested in part 4, division 3.1 of the *Forest Act* applies to this Licence.
- 3.02 The determination of the volume of timber harvested will incorporate the volume of waste determined under part 4.00.
- 3.03 The Coast Timber Merchantability Specifications in the *Provincial Logging Residue and Waste Measurement Procedures Manual* that was in effect on the date of issuance of the cutting permit or road permit shall govern.

4.00 WASTE ASSESSMENTS FOR MERCHANTABLE CROWN TIMBER

- 4.01 The Licensee must conduct a waste assessment of the volume of merchantable Crown timber, whether standing or felled, that was authorized to be cut and removed under the Licence but, at the Licensee's discretion, was not cut and removed.
- 4.02 A waste assessment conducted under paragraph 4.01 must be in accordance with the *Provincial Logging Residue and Waste Measurement Procedures Manual*, as amended or replaced from time to time.
- 4.03 A waste assessment made under paragraph 4.01 must be:
- (a) done within 60 days of the Licensee declaring that primary logging on the area has been completed for each cut block, allowing for ground to be sufficiently free of snow to permit an adequate assessment to be carried out; or
 - (b) if primary logging on the area is not completed before the expiry of the cutting permit, within 60 days after the expiry of the cutting permit, allowing the ground to be sufficiently free of snow to permit for an adequate assessment to be carried out.

- 4.04 If the Licensee fails to comply with paragraph 4.01 the District Manager may, after the expiry of the term of a cutting permit or Licence, conduct a waste assessment of the volume of merchantable timber could have been cut and removed under the Licence but, at the Licensee's discretion, is not cut and removed.
- 4.05 A waste assessment conducted under paragraph 4.04 must be in accordance with the *Provincial Logging Residue and Waste Measurement Procedures Manual*, as amended or replaced from time to time.
- 4.06 If the District Manager carries out a waste assessment under paragraph 4.04, the District Manager, in a notice given to the Licensee, may require the Licensee to pay the costs incurred by the District Manager in carrying out the assessment.

5.00 CUTTING PERMITS

- 5.01 Subject to paragraph 5.02, the Licensee may submit an application to the District Manager for a cutting permit or for an amendment to a cutting permit, meeting the requirements referred to in parts 1.00 and 2.00 and the Appraisal Manual in effect on the date of submission of the application for a cutting permit, an application to amend a cutting permit, or a road permit, to authorize the Licensee to operate upon one or more proximate areas of Crown land, that are:
 - (a) identified on an approved forest development plan; or
 - (b) exempted under the *Forest Practices Code of British Columbia Act* from the requirement of a forest development plan, or exempted under the *Forest and Range Practices Act* from the requirement for a forest stewardship plan; or
 - (c) located within a forest development unit of an approved forest stewardship plan.
- 5.02 For those areas to be included in the application under paragraph 5.01, the Licensee must ensure that cruise and appraisal data submitted is gathered and compiled according to that Appraisal Manual.
- 5.03 An application under paragraph 5.01 must:
 - (a) be in a form established by the District Manager;
 - (b) state a proposed term that does not exceed four years;
 - (c) include:
 - (i) a map to a scale acceptable to the District Manager showing the areas referred to in the application;
 - (ii) the cruise data and appraisal data referred to in paragraph 5.02; and

- (iii) a description acceptable to the District Manager of any timber that is reserved from cutting.
- 5.04 The areas of land shown on the map referred to in clause 5.03 (c) (i) must be:
 - (a) the areas referred to in subparagraph 5.01 (a);
 - (b) the areas referred to in subparagraph 5.01 (b); or
 - (c) located within a forest development unit referred to in subparagraph 5.01 (c);allowing for any difference in scale between maps used in the forest development plan, forest stewardship plan, or exemption and the map referred to in clause 5.03 (c) (i).
- 5.05 Subject to paragraphs 5.06 through 5.09 inclusive and 5.04, upon receipt of an application under paragraph 5.01, the District Manager will issue a cutting permit to the Licensee if the District Manager is satisfied that:
 - (a) the requirements of paragraphs 5.01, 5.02, 5.03, and 5.04 have been met; and
 - (b) the areas of land referred to in the application for the cutting permit meet the requirements referred to in part 2.00.
- 5.06 The District Manager may consult aboriginal group(s) who may be exercising or claiming to hold an aboriginal interest(s) or proven aboriginal right(s), including aboriginal title, or treaty right(s) if in the opinion of the District Manager, issuance of the cutting permit or an amendment to a cutting permit as submitted and/or operations under the cutting permit may result in:
 - (a) an impact to an aboriginal interest(s) that may require consideration of accommodation; or
 - (b) an infringement of a proven aboriginal right(s), including aboriginal title, or treaty right(s) that may require justification.
- 5.07 The District Manager may impose conditions in a cutting permit to address an aboriginal interest(s), or proven aboriginal right, including aboriginal title, or a treaty right(s) if in the opinion of the District Manager, issuance of the cutting permit as submitted would result in:
 - (a) an impact to an aboriginal interest(s) that would require consideration of accommodation; or
 - (b) an infringement of a proven aboriginal right(s), including aboriginal title, or treaty right(s) that would require justification.
- 5.08 The District Manager may refuse to issue a cutting permit or to amend a cutting permit if in the opinion of the District Manager issuance of the cutting permit or an amendment to a cutting permit would result in:

- (a) an impact to an aboriginal interest(s) or treaty right(s) that could not be reasonably accommodated; or
- (b) an impact to a proven aboriginal right(s), including aboriginal title, or a treaty right(s) that could not be justified.

5.09 If the District Manager:

- (a) determines that a cutting permit may not be issued because the requirements of paragraph 5.05 have not been met;
- (b) is carrying out consultations under paragraph 5.06; or
- (c) refuses to issue a cutting permit under paragraph 5.08;

the District Manager will notify the Licensee within 45 days of the date on which the application for the cutting permit, or an amendment to the cutting permit, was received.

5.10 A cutting permit must:

- (a) identify the boundaries of the areas of Crown land which, subject to this Licence, the Licensee is authorized to conduct operations;
- (b) specify the term stated in the application;
- (c) specify a timber mark to be used in conjunction with the timber removal carried on under the cutting permit;
- (d) specify whether, for the purpose of determining the amount of stumpage payable in respect of timber removed under the cutting permit, the volume and quantity of timber is to be determined using information provided by:
 - (i) a scale of the timber; or
 - (ii) a cruise of the timber conducted before the timber is cut;
- (e) specify any timber that is reserved from cutting; and
- (f) include such other provisions, consistent with this Licence, as determined by the District Manager.

5.11 The District Manager may amend a cutting permit only with the consent of the Licensee.

5.12 The Licensee may only make application to the District Manager for a cutting permit extension at least 45 days before the expiry of the cutting permit and in a form acceptable to the District Manager.

5.13 A cutting permit is deemed to be part of this Licence.

6.00 CONTRACTORS

6.01 This Licence does not require that a portion of the volume of timber harvested under this Licence during a calendar year be harvested by persons under contract with the Licensee.

7.00 COURT DETERMINED ABORIGINAL RIGHTS AND/OR TITLE

7.01 Notwithstanding any other provision of this Licence, if a court of competent jurisdiction:

- (a) determines that activities or operations under or pursuant to this Licence will unjustifiably infringe an aboriginal right and/or title, or treaty right;
- (b) grants an injunction further to a determination referred to in subparagraph (a); or
- (c) grants an injunction pending a determination of whether activities or operations under or pursuant to this Licence will unjustifiably infringe an aboriginal right and/or title, or treaty right;

the Regional Manager or District Manager, in a notice given to the Licensee, may vary or suspend, or refuse to issue a cutting permit or road permit to the Licensee so as to be consistent with the court determination.

7.02 Subject to this Licence, if:

- (a) under paragraph 7.01, the Regional Manager or District Manager has varied a cutting permit or road permit to the Licensee;
- (b) a court of competent jurisdiction subsequently overturns, sets aside or dissolves the determination or injunction referred to in that paragraph; and
- (c) it is practical to do so;

the Regional Manager or District Manager, at the request of the Licensee, will vary the permit to reflect as closely as possible, for the remainder of its term, the terms and conditions of the permit prior to the variation under paragraph 7.01.

7.03 Subject to this Licence, if:

- (a) under paragraph 7.01, the Regional Manager or District Manager has suspended a cutting permit or road permit issued to the Licensee;
- (b) a court of competent jurisdiction subsequently overturns, sets aside or dissolves the determination or injunction referred to in that paragraph; and
- (c) it is practical to do so;

the Regional Manager or District Manager, at the request of the Licensee, will reinstate the permit for the remainder of its term.

7.04 Subject to this Licence, if:

- (a) under paragraph 7.01, the Regional Manager or District Manager has refused to issue to the Licensee a cutting permit or road permit;

(b) a court of competent jurisdiction subsequently overturns, sets aside or dissolves the determination or injunction referred to in that paragraph; and

(c) it is practical to do so;

the Regional Manager or District Manager, at the request of the Licensee, will issue the permit.

8.00 REPORTING

- 8.01 The Regional Manager or District Manager, in a notice given to the Licensee by April 1 of any year, may require the Licensee to submit a report containing such information as the Regional Manager or District Manager requires regarding the Licensee's performance of its obligations under or in respect of this Licence in the previous calendar year if the information is not included in any other reports which the Licensee must submit under the forestry legislation.
- 8.02 Upon receipt of a notice referred to in paragraph 8.01, the Licensee, on or before the date specified in the notice, must submit a report to the Regional Manager or District Manager containing the required information.
- 8.03 Subject to paragraph 8.04, the Regional Manager or District Manager may include the information contained in a report submitted under paragraph 8.02 in any reports prepared by the Ministry of Forests and Range for public review.
- 8.04 Subject to the *Freedom of Information and Protection of Privacy Act*, the Regional Manager or District Manager will not disclose information provided in confidence by the Licensee in a report submitted under paragraph 8.02.

9.00 FINANCIAL AND DEPOSITS

- 9.01 In addition to any money payable in respect of this Licence or a road permit, the Licensee must pay to the Government:
- (a) upon receipt of a notice, statement or invoice issued on behalf of the Government; stumpage under part 7 of the *Forest Act* at rates determined, redetermined and varied under section 105 of that Act in respect of timber removed under a cutting permit or road permit.
- 9.02 The Regional Manager or District Manager, in a notice given to the Licensee, may require the Licensee to pay waste assessments under part 4 of this Licence calculated in accordance with the *Provincial Logging Residue and Waste Measurement Procedures Manual*.

- 9.03 During the term of this Licence, the Licensee must maintain with the Government a deposit in the amount prescribed under the *Forest Act* and the regulations made under that Act, in a form acceptable to the Minister, as security for the Licensee's performance of its obligations under or in respect of this Licence or a road permit.
- 9.04 If the Regional Manager or District Manager gives the Licensee a notice that an amount has been taken under this part from the deposit, the Licensee, within four weeks of the date on which the notice is given, must pay to the Government, in a form acceptable to the Minister, an amount sufficient to replenish the deposit.
- 9.05 If the Licensee fails:
- (a) to pay money that the Licensee is required to pay to the Government under:
 - (i) this Licence or a road permit; or
 - (ii) the forestry legislation in respect of this Licence or a road permit; or
 - (b) to otherwise perform its obligations under:
 - (i) this Licence or a road permit; or
 - (ii) the forestry legislation in respect of this Licence or a road permit;

the Regional Manager or District Manager, after at least four weeks notice to the Licensee, may instruct the Ministry of Small Business and Revenue to take from the deposit:

- (c) an amount equal to the money which the Licensee failed to pay;
- (d) an amount sufficient to cover all costs incurred by the Regional Manager or District Manager in remedying the Licensee's failure to perform its obligations; or
- (e) an amount equal to the Regional Manager's or District Manager's estimate of the costs which the Regional Manager or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations; and

for that purpose a security included in the deposit may be realized.

- 9.06 A notice referred to in paragraph 9.05 must specify:
- (a) the money which the Licensee has failed to pay or the obligation which the Licensee has failed to perform; and
 - (b) the amount the Regional Manager or District Manager intends to instruct be taken from the deposit.
- 9.07 Subject to paragraphs 9.09, 9.10 and 9.11, if:

- (a) the Ministry of Small Business and Revenue, under paragraph 9.05, takes from the deposit an amount equal to the Regional Manager's or District Manager's estimate of the costs which the Regional Manager or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations; and
- (b) the costs incurred by the Regional Manager or District Manager in remedying the Licensee's failure to perform its obligations are less than the amount taken from the deposit;

the Government will as soon as feasible return to the Licensee an amount equal to the difference between the amount taken from the deposit and the costs incurred by the Regional Manager or District Manager.

9.08 If:

- (a) the Ministry of Small Business and Revenue, under paragraph 9.05, takes from the deposit an amount equal to the Regional Manager's or District Manager's estimate of the costs which the Regional Manager or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations; and
- (b) the costs incurred by the Regional Manager or District Manager in remedying the Licensee's failure to perform its obligations are greater than the amount taken from the deposit;

the Ministry of Small Business and Revenue may take from the deposit an additional amount equal to the difference between the costs incurred by the Regional Manager or District Manager and the amount originally taken from the deposit, and for that purpose a security included in the deposit may be realized.

9.09 If the Ministry of Small Business and Revenue, under paragraph 9.05, takes from the deposit an amount equal to the Regional Manager's or District Manager's estimate of the costs which the Regional Manager or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations, the Regional Manager or District Manager is under no obligation to remedy the Licensee's failure.

9.10 If:

- (a) the Ministry of Small Business and Revenue, under paragraph 9.05, takes from the deposit an amount equal to the Regional Manager's or District Manager's estimate of the costs which the Regional Manager or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations;
- (b) the Regional Manager or District Manager does not remedy the Licensee's failure to perform its obligations; and

- (c) the Regional Manager or District Manager gives a notice to the Licensee indicating that the Government will not be remedying the Licensee's failure to perform its obligations;

subject to paragraph 9.11, the Government may retain the amount taken from the deposit under paragraph 9.05.

9.11 If, after receiving a notice referred to in paragraph 9.10, the Licensee:

- (a) remedies the failure to perform its obligations; and
- (b) gives a notice to that effect to the Regional Manager or District Manager within three months of the date on which the notice referred to in paragraph 9.10 is given to the Licensee, or within such longer period as the Regional Manager may approve;

the Government will return to the Licensee an amount equal to the difference between the amount taken from the deposit and any costs incurred by the Regional Manager or District Manager in respect of the Licensee's failure to perform its obligations.

9.12 Subject to the *Forest Act* and the regulations made under that Act, the Government will return to the Licensee the deposit, less deductions made under paragraphs 9.05 and 9.08, when:

- (a) this Licence expires, or is surrendered; and
- (b) the Regional Manager is satisfied that the Licensee has fulfilled its obligations under this Licence.

10.00 REPRESENTATIONS

10.01 The Licensee represents and warrants to the Regional Manager that:

- (a) it has the ability to undertake and complete its obligations under the Licence;
- (b) there is no legal or other reason why it cannot enter into the Licence, and
- (c) it is a legal entity appointed by Klahoose First Nation as its representative.

11.00 LIABILITY AND INDEMNITY

11.01 The Licensee must indemnify the Government against and save it harmless from all claims, demands, suits, actions, causes of action, costs, expenses and losses faced, incurred or suffered by the Government as a result, directly or indirectly, of any act or omission of:

- (a) the Licensee;
- (b) an employee or agent of the Licensee;

- (c) a contractor of the Licensee who engages in any activity or carries out any operation under or associated with this Licence or a road permit; or
 - (d) any other person who on behalf of or with the consent of the Licensee engages in any activity or carries out any operation under or associated with this Licence or a road permit.
- 11.02 For greater certainty, the Licensee has no obligation to indemnify the Government under paragraph 11.01 in respect of any act or omission of:
- (a) an employee, agent or contractor of the Government, in the course of carrying out his or her duties as employee; agent or contractor of the Government; or
 - (b) a person, other than the Licensee, to whom the Government has granted the right to use or occupy Crown land, in the course of exercising those rights.
- 11.03 Amounts taken under part 9.00 from the deposit and, any payments required under parts 4.00 or 9.00 and reductions in the allowable annual cut made under the *Forest Act* and regulations are in addition to and not in substitution for any other remedies available to the Government in respect of a default of the Licensee.
- 11.04 The Government is not liable to the Licensee for injuries, losses, expenses, or costs incurred or suffered by the Licensee as a result, directly or indirectly, of an act or omission of a person who is not a party to this Licence, including but not restricted to an act or omission of a person disrupting, stopping or otherwise interfering with the Licensee's operations under this Licence by road blocks or other means.

12.00 TERMINATION

- 12.01 If this Licence expires or is surrendered, cancelled or otherwise terminated:
- (a) all cutting permits will immediately terminate; and
 - (b) timber, including logs and special forest products, cut under the authority of this Licence and which are still located on Crown land, vest in the Crown, without right of compensation to the Licensee; and
 - (c) unless otherwise agreed to between the District Manager and the Licensee prior to the surrender, cancellation or termination of this Licence, title to all improvements, including roads and bridges, constructed by the Licensee on Crown land under the authority of this Licence vest in the Crown, without right of compensation to the Licensee; and

- (d) subject to subparagraph (b) and (c), the Licensee may continue to enter and use Crown land for a period of one month after the expiry or termination of this Licence for the purpose of removing the Licensee's property.
- 12.02 The Licensee will not take away any improvements or remove any timber referred to in subparagraph 12.01 (b), unless authorized to do so by the Regional Manager.
- 12.03 If the Licensee commits an act of bankruptcy, makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency, the Licensee is deemed to have failed to perform an obligation under this Licence.

13.00 WAIVER

- 13.01 No waiver by the Crown of any default non-compliance by the Licensee in the strict and literal performance of or compliance with any provision of the Licence will be deemed to be a waiver of the strict and literal performance of or compliance with any other provision, condition or requirement of the Licence or to be a waiver of, or in any manner release the Licensee from compliance with any provision, condition or requirement in the future, nor will any delay or omission by the Crown in the exercising of any right hereunder in any manner with respect to non-compliance impair the exercise of any such rights in the future.

14.00 NOTICE

- 14.01 A notice given under this Licence must be in writing.
- 14.02 A notice given under this Licence may be:
 - (a) delivered by hand;
 - (b) sent by mail; or
 - (c) subject to paragraph 14.05, sent by facsimile transmission;to the address or facsimile number, as applicable, specified on the first page of this Licence, or to such other address or facsimile number as is specified in a notice given in accordance with this part.
- 14.03 If a notice is given under this Licence, it is deemed to have been given:
 - (a) if it is given in accordance with subparagraph 14.02 (a) on the date it is delivered by hand;
 - (b) if it is given in accordance with subparagraph 14.02 (b), subject to paragraph 14.04, on the eighth day after its deposit in a Canada Post Office at any place in Canada; and

- (c) if it is given in accordance with subparagraph 14.02 (c), subject to paragraph 14.05, on the date it is sent by facsimile transmission.
- 14.04 If, between the time a notice is mailed in accordance with subparagraph 14.02 (b) and the time it is actually received, there occurs a postal strike, lockout or slowdown that might reasonably affect delivery of the notice, the notice is not deemed to be given until the party actually receives it.
- 14.05 If a notice is sent by facsimile transmission, the party sending the notice must take reasonable steps to ensure that the transmission has been successfully completed.
- 14.06 Either party may, from time to time, advise the other party by notice in writing, of any change of address of the party giving such notice and, from and after the giving of such notice, the address specified will, for purposes of this Licence, be considered to be the address of the party giving such notice.

15.00 MISCELLANEOUS

- 15.01 This Licence will inure to the benefit of, and be binding on, the parties and its respective heirs, executors, successors and permitted assigns.
- 15.02 The laws of British Columbia will govern the interpretation of this Licence and the performance of the Licensees' obligations under this Licence.
- 15.03 Any power conferred or duty imposed on the Regional Manager under this Licence may be exercised or fulfilled by a person authorized to do so by the Regional Manager.
- 15.04 The Schedules, if any, to this Licence are deemed to be part of this Licence.
- 15.05 Nothing in this Licence authorizes the Licensee to in any way restrict the Government's right of access to the areas defined in a cutting permit or a road permit or the right of any other authorized entrant, user or occupier of these areas.
- 15.06 The Licensee must ensure that its employees, agents and contractors comply with the forestry legislation when engaging in or carrying out activities or operations under or associated with the Licence.

16.00 INTERPRETATION & DEFINITIONS

- 16.01 This Licence is divided into parts, paragraphs, subparagraphs, clauses and subclauses, illustrated as follows:
- 1.00 part;
- 1.01 paragraph;

- (a) subparagraph;
- (i) clause;
- (a) subclause;

and a reference to a subparagraph, clause or subclause is to be construed as a reference to a subparagraph, clause or subclause of the paragraph, subparagraph or clause, as the case may be, in which the reference occurs.

16.02 In this Licence, unless the context otherwise requires:

"aboriginal interest" means a potential aboriginal right and/or aboriginal title that has not been proven through a court process;

"allowable annual cut (AAC)" means the allowable annual cut referred to in paragraph 1.02;

"Appraisal Manual" means the policies and procedures approved by the Minister from time to time under section 105 of the *Forest Act* for the forest region in which the timber supply area is located;

"cutting permit" means a cutting permit issued under this Licence or an amendment for a cutting permit as the content requires;

"District Manager" means:

- (a) a District Manager appointed under the *Ministry of Forests and Range Act*, for a forest district in which all or part of the timber supply area is situated; and
- (b) any person authorized by the District Manager to exercise a power or fulfill a duty under this Licence;

"*Forest Act*" means the *Forest Act*, R.S.B.C. 1996, c. 157, as amended from time to time, or the successor to this Act if it is repealed;

"*Forest and Range Practices Act*" means the *Forest and Range Practices Act*, S.B.C. 2002, c. 69 as amended from time to time, or the successor to this Act, if it is repealed;

"forest development plan" means a forest development plan referred to in the *Forest Practices Code of British Columbia Act* that is approved by the District Manager in respect of this Licence;

"forestry legislation" includes, but is not restricted to:

- (a) the *Forest Act*;
- (b) the *Forest Practices Code of British Columbia Act*;
- (c) the *Forest and Range Practices Act*;
- (d) the *Wildlife Act*;

and the regulations under those Acts;

"*Forest Practices Code of British Columbia Act*" means the *Forest Practices Code of British Columbia Act*, R.S.B.C. 1996, c. 159, as amended from time to time, or the successor to this Act, if it is repealed;

"Forest stewardship plan" means a forest stewardship plan referred to in the *Forest and Range Practices Act*, that is prepared or approved by the Minister in respect of the Licence;

"Government" means the Government of the Province of British Columbia;

"harvest" means:

- (a) cut;
- (b) remove;
- (c) cut and remove;

"merchantable timber" means timber that meets or exceeds the timber merchantability specifications described in the Provincial Logging Residue and Waste Measurements Procedures Manual, as amended from time to time;

"Minister" means the Minister responsible for administering the *Forest Act*;

"person" includes a corporation and a partnership;

"primary logging" includes felling timber and yarding or forwarding the timber to central landings or road sides, but does not including the removal of the timber from these landings or road sides;

"Regional Manager" means a Regional Manager appointed under the *Ministry of Forests and Range Act*, for the forest region in which all or part of the timber supply area is situated and who is identified on page one of this Licence;

"road permit" means a road permit granted to the Licensee under the *Forest Act*; and

"timber supply area" means the timber supply area identified in paragraph 1.02;

16.03 Unless otherwise provided in paragraph 16.02, if a word or phrase used in this Licence is defined in the *Forest Act*, the *Forest and Range Practices Act* or the *Forest Practices Code of British Columbia Act*, the definition in the Act applies to this Licence, and where the word or phrase in the Act is replaced by a new word or phrase, this Licence is deemed to have been amended accordingly.

16.04 If a provision of the *Forest Act* or the *Forest Practices Code of British Columbia Act* or the *Forest and Range Practices Act* referred to in this Licence is renumbered, the reference in this Licence is to be construed as a reference to the provision as renumbered.

16.05 In this Licence, unless the context otherwise requires:

- (a) the singular includes the plural and the plural includes the singular;
and
- (b) the masculine, the feminine and the neuter are interchangeable.

IN WITNESS WHEREOF this Licence has been executed by the Regional Manager and the Licensee on the date first written above.

SIGNED by the)
Regional Manager)
on behalf of Her Majesty)
the Queen in Right of)
the Province of)
British Columbia)
in the presence of:)

S. Humar)
Signature)

SANGITA KUMAR)
Printed Name)

THE COMMON SEAL of)
the Licensee was affixed)
in the presence of:)

)
Signature)

)
Printed Name)

(or)

SIGNED by the Licensee)
in the presence of:)

Kathy Francis)
Signature)

KATHY FRANCIS)
Printed Name)

Jim Gowmluk
Jim Gowmluk, Regional Manager
Coast Forest Region

January 12, 2009
Dated

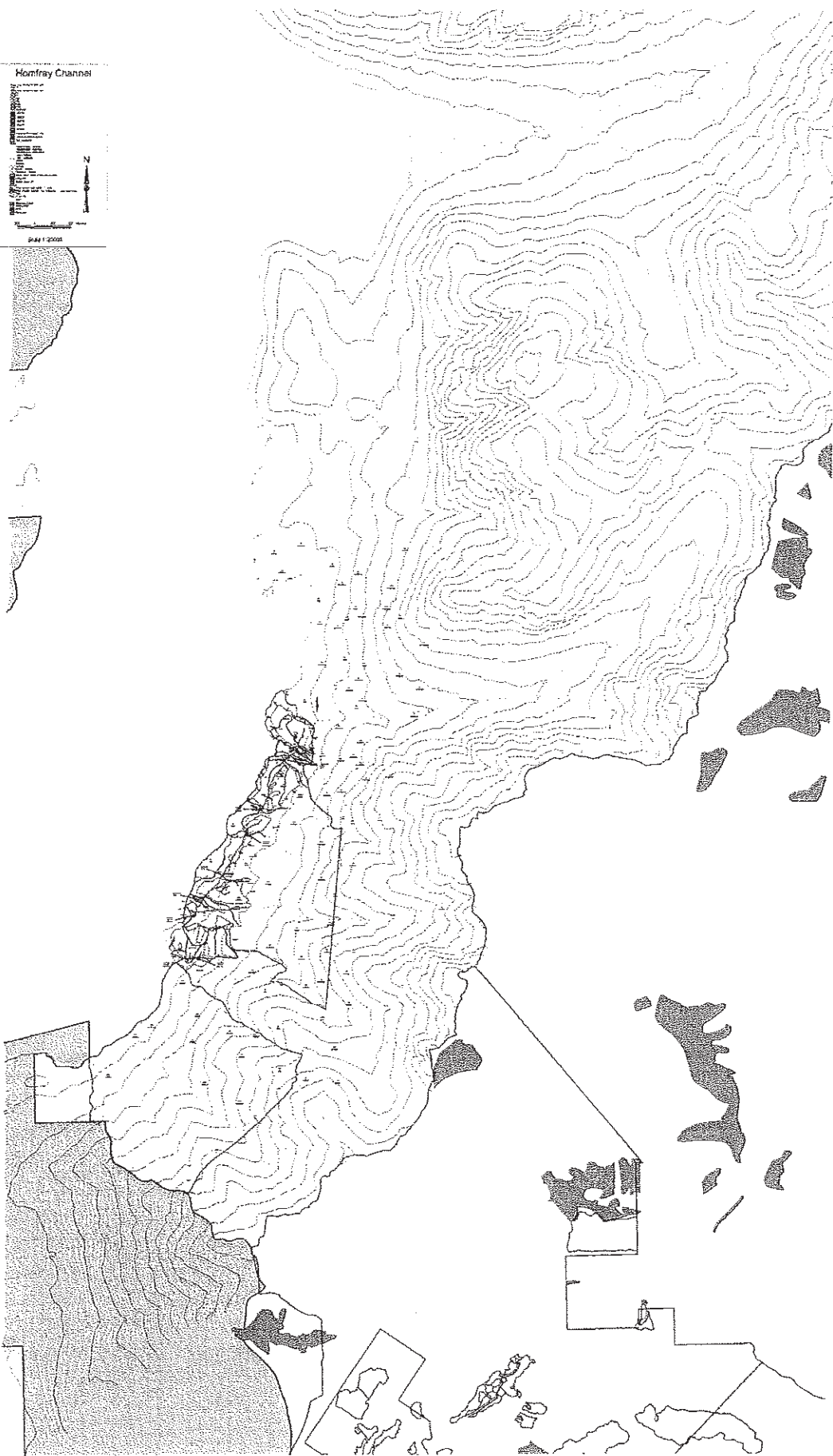
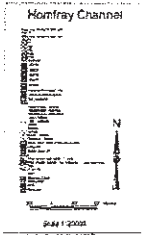
c/s

K B m
Licensee

per Ken Brown President
Printed Name and Title

Dec 12, 2008
Dated

SCHEDULE "A"





FOREST LICENCE NO. A84120

CUTTING PERMIT NO. 1



PURSUANT TO Forest Licence No. A84120 (the "Licence"), this Cutting Permit is issued to:

**KLAHOOSE FORESTRY LIMITED PARTNERSHIP
C/O KLAHOOSE FIRST NATION TREATY OFFICE
PO BOX 9
SQUIRREL COVE, BRITISH COLUMBIA
V0P 1T0
PHONE: 250 935-6536 FAX: 250 935-6997
(the "Licensee")**

1.00 PERMIT AREA AND TERM

- 1.01 Subject to the Licence, the Licensee is authorized to cut and remove the Crown timber from the areas of land as shown on the map attached as Exhibit "A" of this Cutting Permit (the "harvest area").
- 1.02 Subject to the term of the Licence, the term of this Cutting Permit **begins on December 1, 2010 and ends January 11, 2014.**
- 1.03 The Licensee must make application for extension of this Cutting Permit to the District Manager at least 60 days before the expiry of the Cutting Permit and in a form as acceptable to the District Manager.

2.00 OTHER CONDITIONS AND REQUIREMENTS

- 2.01 The Licensee must comply with the conditions and requirements set out in Schedule "A" to this Cutting Permit.

3.00 TIMBER MARK

- 3.01 The timber mark for timber removed under this Cutting Permit is:
**DC4
001**
- 3.02 If directed to do so by the District Manager, the Licensee must erect signs at all exits from areas of land referred to in paragraph 1.01, clearly showing the timber mark referred to in paragraph 3.01.

4.00 SCALE-BASED STUMPAGE

- 4.01 For the purpose of determining the amount of stumpage payable in respect of timber removed from the harvest area, the volume or quantity of timber removed will be determined using information provided in a scale of the timber.
- 4.02 The Licensee must ensure that:
- (a) all timber removed from the harvest area is scaled, and
 - (b) the scale of the timber is conducted properly in accordance with the requirements of the *Forest Act* and the regulations made under that Act.

5.00 ROADS

- 5.01 Subject to the Licence and the forestry legislation, the Licensee may use, construct, maintain or deactivate roads on the area covered by this Cutting Permit.

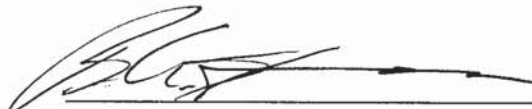
6.00 TIMBER HARVEST AND WASTE ASSESSMENT

- 6.01 The timber described in Schedule "B" is specified as reserved timber and the Licensee must not fell standing timber, and must not buck or remove felled or dead and down timber, as the case may be, of the species and description set out in Schedule "B".

7.00 MISCELLANEOUS

- 7.01 The Schedules and Exhibit "A" map(s) are deemed to be part of this Cutting Permit.
- 7.02 As provided in the Licence, this Cutting Permit is deemed to be part of the Licence.
- 7.03 The Licence will govern the interpretation of this Cutting Permit.
- 7.04 The Licensee must notify the District Manager in writing in a form acceptable to the District Manager, when primary logging is complete and again when removal is complete.

DATED December 1, 2010



Brian A. Hawrys, R.P.F.
District Manager
Sunshine Coast Forest District

SCHEDULE "A"

1.00 OTHER CONDITIONS AND REQUIREMENTS

- 1.01 The Licensee must not erect or operate a sawmill or wood processing plant on an area of land referred to in paragraph 1.01 of this Cutting Permit.
- 1.02 The Licensee must not allow the manufacture of special forest products on the area of land described in paragraph 1.01 of this Cutting Permit.
- 1.03 The Licensee may fell trees outside of the cutblock boundary(s) identified on the attached map as Exhibit "A", for the purposes of tree felling to eliminate a safety hazard, if the person conducting tree felling or rigging tail hold/anchor trees determines that the tree is a dangerous tree according to Workers' Compensation Board regulations and it is within 80 metres beyond the cutting authority area.
- 1.04 The Licensee must not buck or utilize a tree felled under paragraph 1.03 without the consent of the District Manager.
- 1.05 If consent is granted under paragraph 1.04, felled dangerous tree(s) shall be subject to the Waste Assessment Policy 13.6 found in the Ministry of Forest and Range Policy Manual Volume 1 Chapter 13.

SCHEDULE "B"

1.00 RESERVED TIMBER

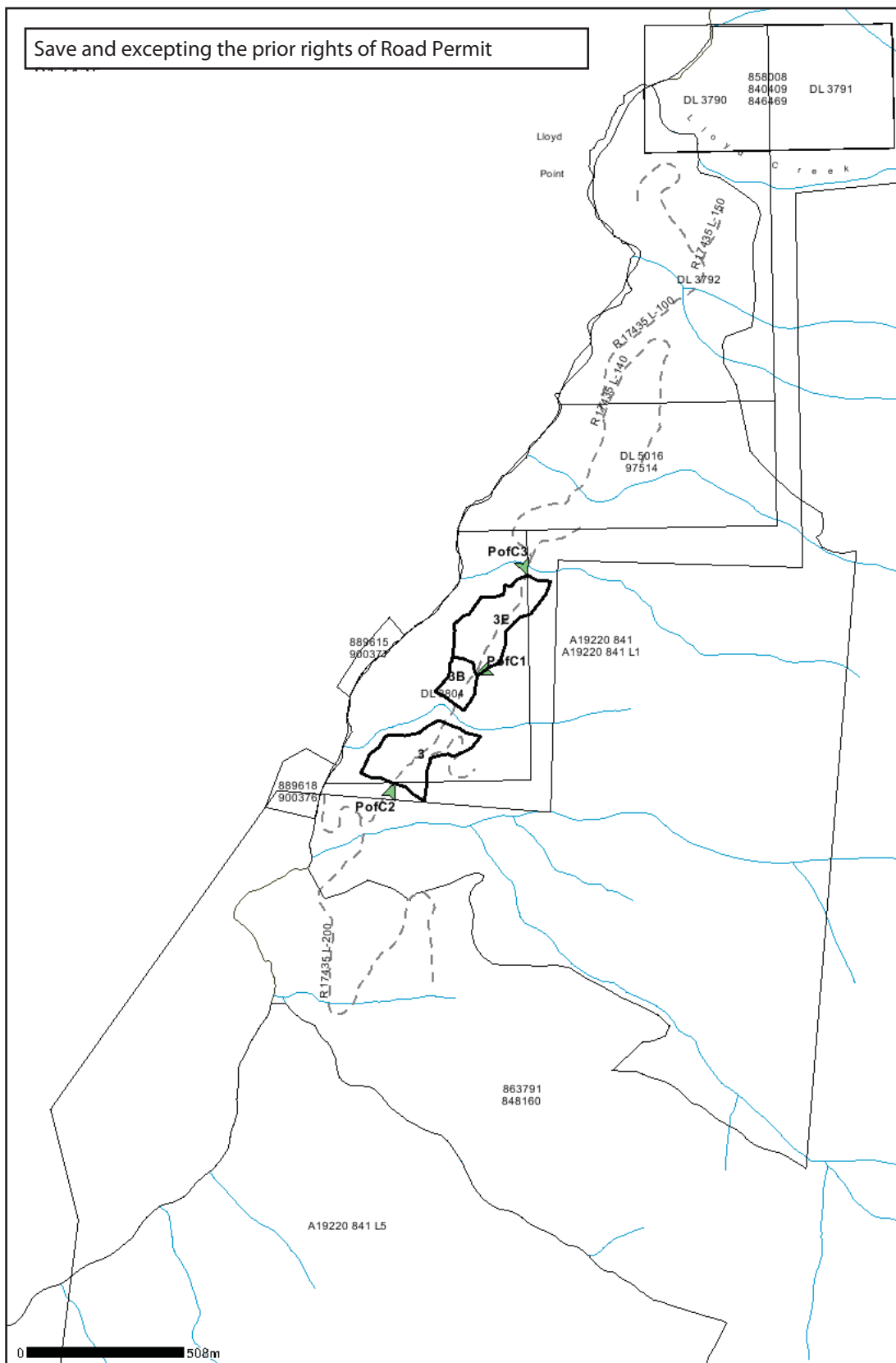
1.01 The following is reserved timber under this Cutting Permit:

Within the "Basal Retention" areas (1.1 hectares), as identified on the Appraisal Map for Block 3
























Species	Description (size, etc.)
All Species	Less than 30 centimetres diameter at breast height (DBH)



MAP OF : A84120 CP 001 (shown in bold black)			
FOREST REGION : RCO FOREST DISTRICT : DSC	TSA : 39 LAND DISTRICT : NEW WESTMINSTER DISTRICT	PULPWOOD AGREEMENT :	MGT UNIT TYPE : TIMBER SUPPLY AREA MGT UNIT NO : 39
ESF SUBMISSION ID : 860924 BCGS MAPSHEET NO : 92K.017	SCALE : 1:20000 at A Size Area (Ha): 10.386	UTM : 10 NAD : NAD 83	DRAWN BY : FTA DATE : Nov 23, 2010



Legend

	Tenure Application
	Tenure Road Application
	Retired Tenure Road
	P of C
	P of T
	Tenure Feature
	Range
	TFL
	Provincial Forest
	Forest Service Road
	Highway
	Municipal Road
	Non Status Road
	Recreation Trails
	Road Permit
	SUP Road
	Right of Way
	Schedule B CP Road
	Mineral Tenure Points
	Cities
	Waterbodies
	River/Stream
	Coastline / Island

3B (1.368 Ha)
PoFC1 UTM10 384356, 5559340
3 (4.393 Ha)
PoFC2 UTM10 384078, 5558999
3E (4.624 Ha)
PoFC3 UTM10 384535, 5559651



FOREST LICENCE NO. A84120

CUTTING PERMIT NO. 2



PURSUANT TO Forest Licence No. A84120 (the "Licence"), this Cutting Permit is issued to:

**KLAHOOSE FORESTRY LIMITED PARTNERSHIP
C/O KLAHOOSE FIRST NATION TREATY OFFICE
PO BOX 9
SQUIRREL COVE, BRITISH COLUMBIA
V0P 1T0
PHONE: 250 935-6536 FAX: 250 935-6997
(the "Licensee")**

1.00 PERMIT AREA AND TERM

- 1.01 Subject to the Licence, the Licensee is authorized to cut and remove the Crown timber from the areas of land as shown on the map attached as Exhibit "A" of this Cutting Permit (the "harvest area").
- 1.02 Subject to of the term of the Licence, the term of this Cutting Permit **begins on December 6, 2010 and ends January 11, 2014.**
- 1.03 The Licensee must make application for extension of this Cutting Permit to the District Manager at least 60 days before the expiry of the Cutting Permit and in a form as acceptable to the District Manager.

2.00 OTHER CONDITIONS AND REQUIREMENTS

- 2.01 The Licensee must comply with the conditions and requirements set out in Schedule "A" to this Cutting Permit.

3.00 TIMBER MARK

- 3.01 The timber mark for timber removed under this Cutting Permit is:

**DC4
002**
- 3.02 If directed to do so by the District Manager, the Licensee must erect signs at all exits from areas of land referred to in paragraph 1.01, clearly showing the timber mark referred to in paragraph 3.01.

4.00 SCALE-BASED STUMPAGE

- 4.01 For the purpose of determining the amount of stumpage payable in respect of timber removed from the harvest area, the volume or quantity of timber removed will be determined using information provided in a scale of the timber.
- 4.02 The Licensee must ensure that:
- (a) all timber removed from the harvest area is scaled, and
 - (b) the scale of the timber is conducted properly in accordance with the requirements of the *Forest Act* and the regulations made under that Act.

5.00 ROADS

- 5.01 Subject to the Licence and the forestry legislation, the Licensee may use, construct, maintain or deactivate roads on the area covered by this Cutting Permit.


6.00 TIMBER HARVEST AND WASTE ASSESSMENT

- 6.01 The timber described in Schedule "B" is specified as reserved timber and the Licensee must not fell standing timber, and must not buck or remove felled or dead and down timber, as the case may be, of the species and description set out in Schedule "B".

7.00 MISCELLANEOUS

- 7.01 The Schedules and Exhibit "A" map(s) are deemed to be part of this Cutting Permit.
- 7.02 As provided in the Licence, this Cutting Permit is deemed to be part of the Licence.
- 7.03 The Licence will govern the interpretation of this Cutting Permit.
- 7.04 The Licensee must notify the District Manager in writing in a form acceptable to the District Manager, when primary logging is complete and again when removal is complete.

DATED December 6, 2010



Brian A. Hawrys, R.P.F.
District Manager
Sunshine Coast Forest District

SCHEDULE "A"

1.00 OTHER CONDITIONS AND REQUIREMENTS

- 1.01 The Licensee must not erect or operate a sawmill or wood processing plant on an area of land referred to in paragraph 1.01 of this Cutting Permit.
- 1.02 The Licensee must not allow the manufacture of special forest products on the area of land described in paragraph 1.01 of this Cutting Permit.
- 1.03 The Licensee may fell trees outside of the cutblock boundary(s) identified on the attached map as Exhibit "A", for the purposes of tree felling to eliminate a safety hazard, if the person conducting tree felling or rigging tail hold/anchor trees determines that the tree is a dangerous tree according to Workers' Compensation Board regulations and it is within 80 metres beyond the cutting authority area.
- 1.04 The Licensee must not buck or utilize a tree felled under paragraph 1.03 without the consent of the District Manager.
- 1.05 If consent is granted under paragraph 1.04, felled dangerous tree(s) shall be subject to the Waste Assessment Policy 13.6 found in the Ministry of Forest and Range Policy Manual Volume 1 Chapter 13.

SCHEDULE “B”

1.00 RESERVED TIMBER

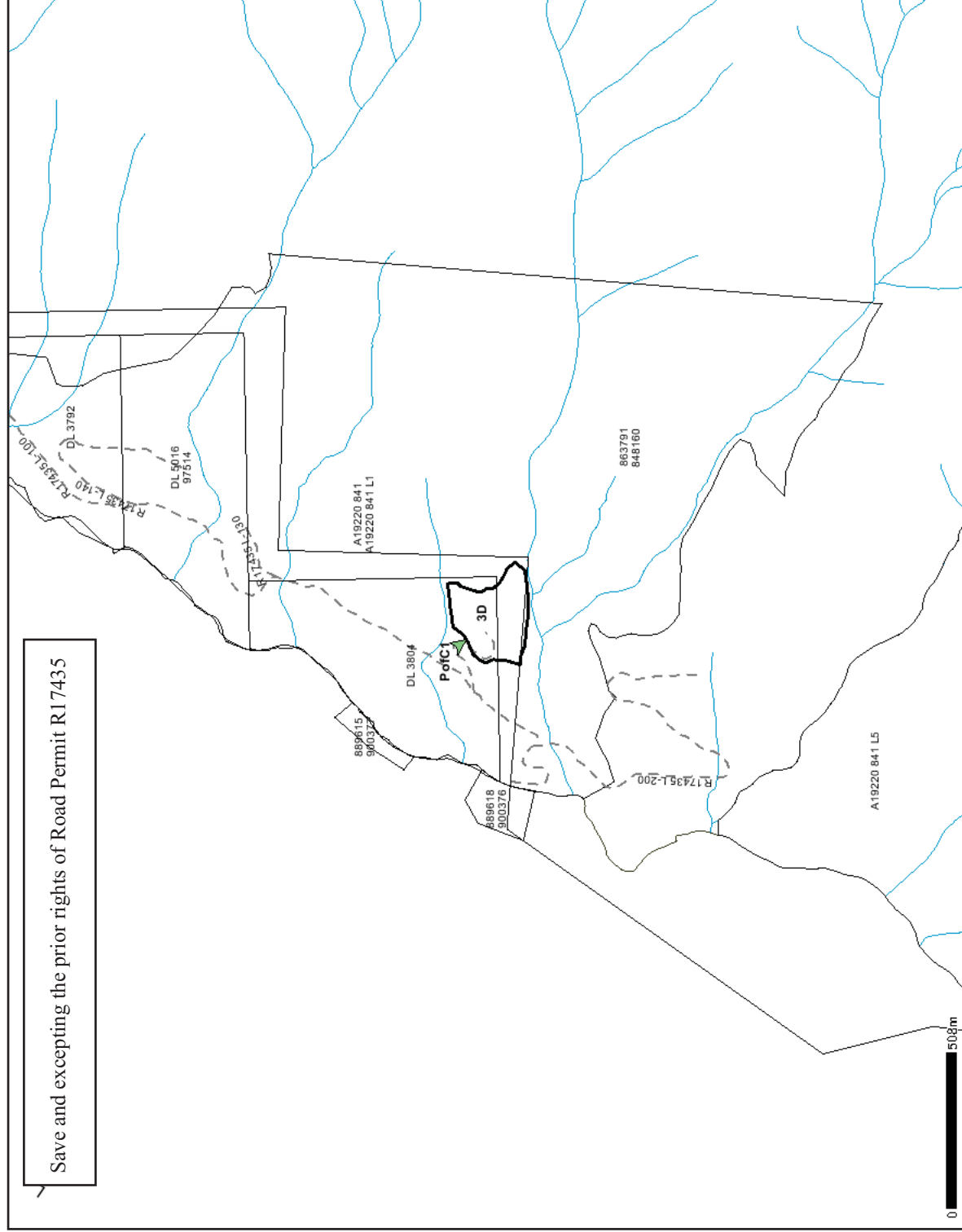
1.01 The following is reserved timber under this Cutting Permit:

Within the 25 metre wide “Basal Retention” area along the southern boundary of the cutblock, as identified on the Appraisal Map for Block 3D

Species	Description (size, etc.)
All Species	Less than 30 centimetres diameter at breast height (DBH)



MAP OF : A84120 CP 002 (shown in bold black)			
FOREST REGION : RCO	TSA : 39	MGT UNIT TYPE : TIMBER SUPPLY AREA	
FOREST DISTRICT : DSC	LAND DISTRICT : NEW WESTMINSTER DISTRICT	MGT UNIT NO : 39	
ESF SUBMISSION ID : 860926	SCALE : 1:20000 at A Size	DRAWN BY : FTA	
BCGS MAPSHEET NO : 92K.017	Area (Ha): 5,756	DATE : Nov 23, 2010	
	UTM : 10		
	NAD : NAD 83		



Legend	
	Tenure Application
	Tenure Road Application
	Retired Tenure Road
	P of C
	P of T
	Tenure Feature
	Range
	TFL
	Provincial Forest
	Forest Service Road
	Highway
	Municipal Road
	Non Status Road
	Recreation Trails
	Road Permit
	SUP Road
	Right of Way
	Schedule B CP Road
	Mineral Tenure Points
	Cities
	Waterbodies
	River/Stream
	Coastline / Island
3D (5,756 Ha) PofC1 UTM10 384320, 5559098	



FOREST LICENCE NO. A84120

CUTTING PERMIT NO. 3



PURSUANT TO Forest Licence No. A84120 (the "Licence"), this Cutting Permit is issued to:

**KLAHOOSE FORESTRY LIMITED PARTNERSHIP
C/O KLAHOOSE FIRST NATION TREATY OFFICE
PO BOX 9
SQUIRREL COVE, BRITISH COLUMBIA
V0P 1T0
PHONE: 250 935-6536 FAX: 250 935-6997
(the "Licensee")**

1.00 PERMIT AREA AND TERM

- 1.01 Subject to the Licence, the Licensee is authorized to cut and remove the Crown timber from the areas of land as shown on the map attached as Exhibit "A" of this Cutting Permit (the "harvest area").
- 1.02 Subject to the term of the Licence, the term of this Cutting Permit **begins on December 7, 2010 and ends January 11, 2014.**
- 1.03 The Licensee must make application for extension of this Cutting Permit to the District Manager at least 60 days before the expiry of the Cutting Permit and in a form as acceptable to the District Manager.

2.00 OTHER CONDITIONS AND REQUIREMENTS

- 2.01 The Licensee must comply with the conditions and requirements set out in Schedule "A" to this Cutting Permit.

3.00 TIMBER MARK

- 3.01 The timber mark for timber removed under this Cutting Permit is:
**DC4
003**
- 3.02 If directed to do so by the District Manager, the Licensee must erect signs at all exits from areas of land referred to in paragraph 1.01, clearly showing the timber mark referred to in paragraph 3.01.

4.00 SCALE-BASED STUMPAGE

- 4.01 For the purpose of determining the amount of stumpage payable in respect of timber removed from the harvest area, the volume or quantity of timber removed will be determined using information provided in a scale of the timber.
- 4.02 The Licensee must ensure that:
 - (a) all timber removed from the harvest area is scaled, and
 - (b) the scale of the timber is conducted properly in accordance with the requirements of the *Forest Act* and the regulations made under that Act.

5.00 ROADS

- 5.01 Subject to the Licence and the forestry legislation, the Licensee may use, construct, maintain or deactivate roads on the area covered by this Cutting Permit.

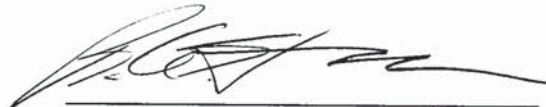
6.00 TIMBER HARVEST AND WASTE ASSESSMENT

- 6.01 The timber described in Schedule "B" is specified as reserved timber and the Licensee must not fell standing timber, and must not buck or remove felled or dead and down timber, as the case may be, of the species and description set out in Schedule "B".

7.00 MISCELLANEOUS

- 7.01 The Schedules and Exhibit "A" map(s) are deemed to be part of this Cutting Permit.
- 7.02 As provided in the Licence, this Cutting Permit is deemed to be part of the Licence.
- 7.03 The Licence will govern the interpretation of this Cutting Permit.
- 7.04 The Licensee must notify the District Manager in writing in a form acceptable to the District Manager, when primary logging is complete and again when removal is complete.

DATED December 7, 2010



Brian A. Hawrys, R.P.F.
District Manager
Sunshine Coast Forest District

SCHEDULE "A"

1.00 OTHER CONDITIONS AND REQUIREMENTS

- 1.01 The Licensee must not erect or operate a sawmill or wood processing plant on an area of land referred to in paragraph 1.01 of this Cutting Permit.
- 1.02 The Licensee must not allow the manufacture of special forest products on the area of land described in paragraph 1.01 of this Cutting Permit.
- 1.03 The Licensee may fell trees outside of the cutblock boundary(s) identified on the attached map as Exhibit "A", for the purposes of tree felling to eliminate a safety hazard, if the person conducting tree felling or rigging tail hold/anchor trees determines that the tree is a dangerous tree according to Workers' Compensation Board regulations and it is within 80 metres beyond the cutting authority area.
- 1.04 The Licensee must not buck or utilize a tree felled under paragraph 1.03 without the consent of the District Manager.
- 1.05 If consent is granted under paragraph 1.04, felled dangerous tree(s) shall be subject to the Waste Assessment Policy 13.6 found in the Ministry of Forest and Range Policy Manual Volume 1 Chapter 13.

SCHEDULE "B"

1.00 RESERVED TIMBER

1.01 Not Applicable

MAP OF : A84120 CP 003 (shown in bold black)

FOREST REGION : RCO
FOREST DISTRICT : DSC

TSA : 39
LAND DISTRICT : NEW
WESTMINSTER DISTRICT

PULPWOOD AGREEMENT :

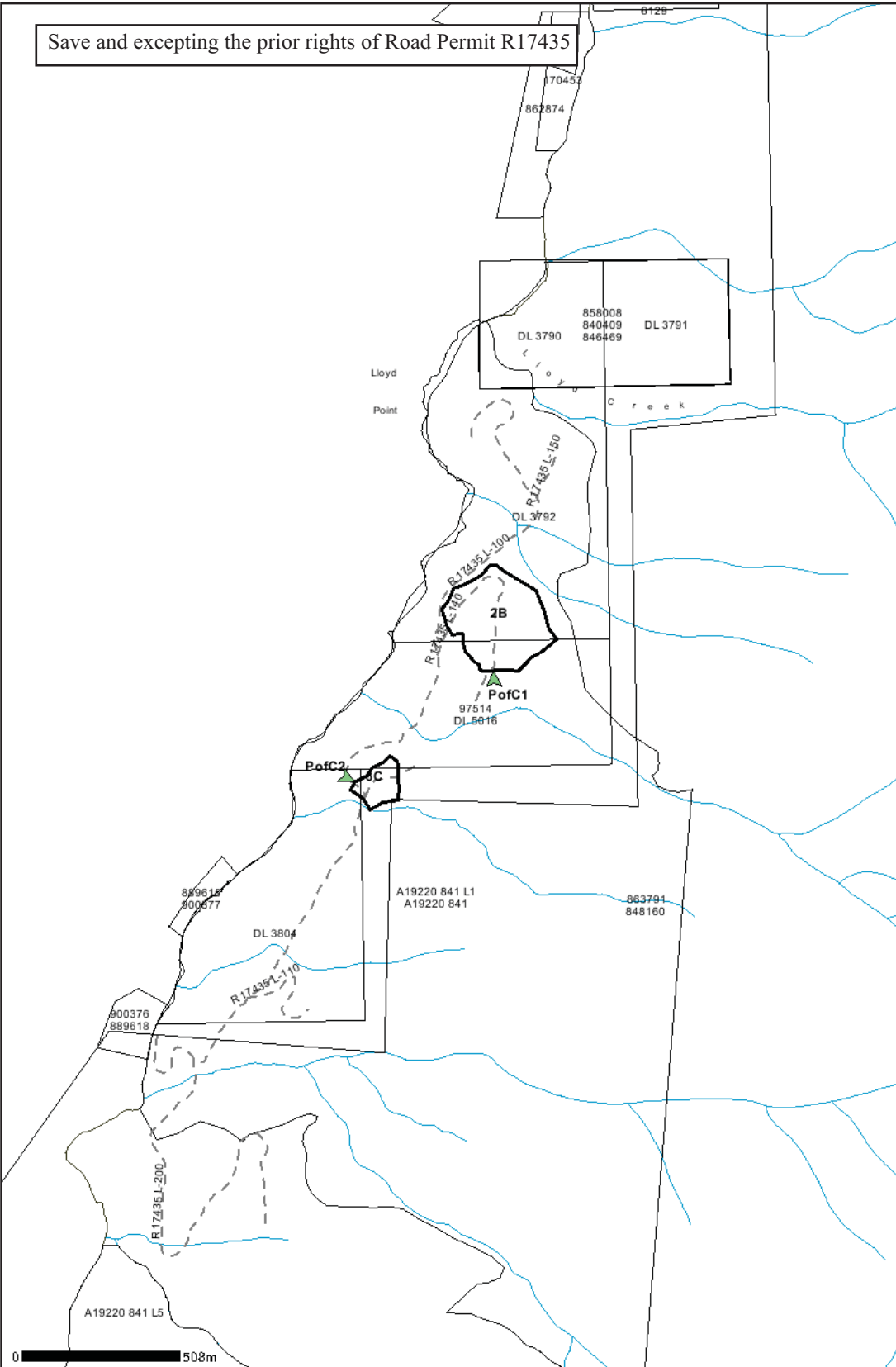
MGT UNIT TYPE : TIMBER
SUPPLY AREA
MGT UNIT NO : 39

ESF SUBMISSION ID : 860841
BCGS MAPSHEET NO : 92K.017

SCALE : 1:20000 at A Size
Area (Ha): 9.574

UTM : 10
NAD : NAD 83

DRAWN BY : FTA
DATE : Nov 23, 2010

Save and excepting the prior rights of Road Permit R17435

Legend

-  Tenure Application
-  Tenure Road Application
-  Retired Tenure Road
-  P of C
-  P of T
-  Tenure Feature
-  Range
-  TFL
-  Provincial Forest
-  Forest Service Road
-  Highway
-  Municipal Road
-  Non Status Road
-  Recreation Trails
-  Road Permit
-  SUP Road
-  Right of Way
-  Schedule B CP Road
-  Mineral Tenure Points
-  Cities
-  Waterbodies
-  River/Stream
-  Coastline / Island

2B (8.016 Ha)
PofC1 UTM10 384977, 5560093
3C (1.557 Ha)
PofC2 UTM10 384519, 5559756



FOREST LICENCE NO. A84120

CUTTING PERMIT NO. 4



PURSUANT TO Forest Licence No. A84120 (the "Licence"), this Cutting Permit is issued to:

**KLAHOOSE FORESTRY LIMITED PARTNERSHIP
C/O KLAHOOSE FIRST NATION TREATY OFFICE
PO BOX 9
SQUIRREL COVE, BRITISH COLUMBIA
V0P 1T0
PHONE: 250 935-6536 FAX: 250 935-6997
(the "Licensee")**

1.00 PERMIT AREA AND TERM

- 1.01 Subject to the Licence, the Licensee is authorized to cut and remove the Crown timber from the areas of land as shown on the map attached as Exhibit "A" of this Cutting Permit (the "harvest area").
- 1.02 Subject to the term of the Licence, the term of this Cutting Permit **begins on December 8, 2010 and ends January 11, 2014.**
- 1.03 The Licensee must make application for extension of this Cutting Permit to the District Manager at least 60 days before the expiry of the Cutting Permit and in a form as acceptable to the District Manager.

2.00 OTHER CONDITIONS AND REQUIREMENTS

- 2.01 The Licensee must comply with the conditions and requirements set out in Schedule "A" to this Cutting Permit.

3.00 TIMBER MARK

- 3.01 The timber mark for timber removed under this Cutting Permit is:

**DC4
004**

- 3.02 If directed to do so by the District Manager, the Licensee must erect signs at all exits from areas of land referred to in paragraph 1.01, clearly showing the timber mark referred to in paragraph 3.01.

4.00 SCALE-BASED STUMPAGE

- 4.01 For the purpose of determining the amount of stumpage payable in respect of timber removed from the harvest area, the volume or quantity of timber removed will be determined using information provided in a scale of the timber.
- 4.02 The Licensee must ensure that:
 - (a) all timber removed from the harvest area is scaled, and
 - (b) the scale of the timber is conducted properly in accordance with the requirements of the *Forest Act* and the regulations made under that Act.

5.00 ROADS

- 5.01 Subject to the Licence and the forestry legislation, the Licensee may use, construct, maintain or deactivate roads on the area covered by this Cutting Permit.

6.00 TIMBER HARVEST AND WASTE ASSESSMENT

- 6.01 The timber described in Schedule "B" is specified as reserved timber and the Licensee must not fell standing timber, and must not buck or remove felled or dead and down timber, as the case may be, of the species and description set out in Schedule "B".

7.00 MISCELLANEOUS

- 7.01 The Schedules and Exhibit "A" map(s) are deemed to be part of this Cutting Permit.
- 7.02 As provided in the Licence, this Cutting Permit is deemed to be part of the Licence.
- 7.03 The Licence will govern the interpretation of this Cutting Permit.
- 7.04 The Licensee must notify the District Manager in writing in a form acceptable to the District Manager, when primary logging is complete and again when removal is complete.

DATED December 8, 2010



Brian A. Hawrys, R.P.F.
District Manager
Sunshine Coast Forest District

SCHEDULE "A"

1.00 OTHER CONDITIONS AND REQUIREMENTS

- 1.01 The Licensee must not erect or operate a sawmill or wood processing plant on an area of land referred to in paragraph 1.01 of this Cutting Permit.
- 1.02 The Licensee must not allow the manufacture of special forest products on the area of land described in paragraph 1.01 of this Cutting Permit.
- 1.03 The Licensee may fell trees outside of the cutblock boundary(s) identified on the attached map as Exhibit "A", for the purposes of tree felling to eliminate a safety hazard, if the person conducting tree felling or rigging tail hold/anchor trees determines that the tree is a dangerous tree according to Workers' Compensation Board regulations and it is within 80 metres beyond the cutting authority area.
- 1.04 The Licensee must not buck or utilize a tree felled under paragraph 1.03 without the consent of the District Manager.
- 1.05 If consent is granted under paragraph 1.04, felled dangerous tree(s) shall be subject to the Waste Assessment Policy 13.6 found in the Ministry of Forest and Range Policy Manual Volume 1 Chapter 13.

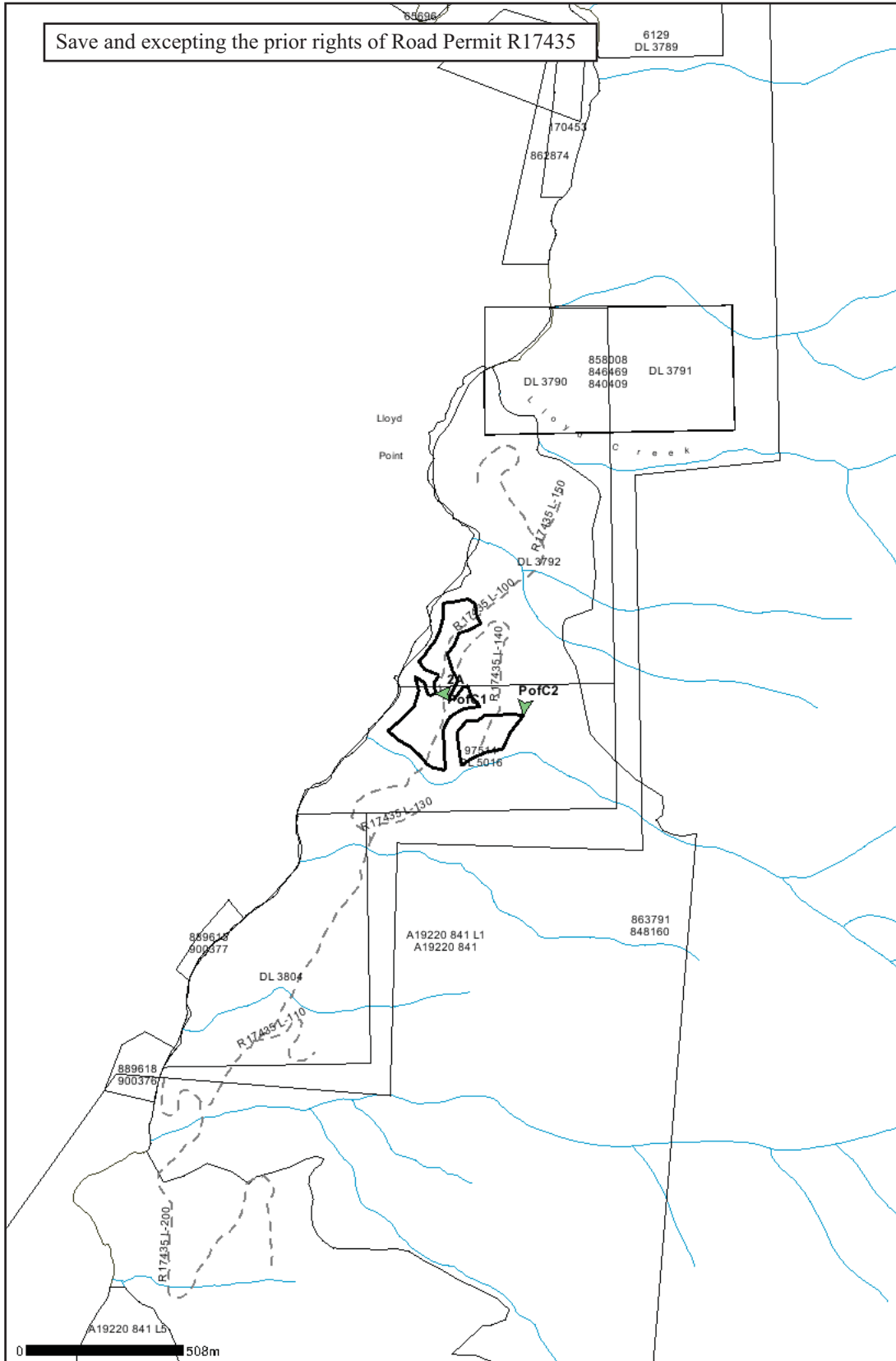
SCHEDULE "B"

1.00 RESERVED TIMBER

1.01 Not Applicable

MAP OF : A84120 CP 004 (shown in bold black)

FOREST REGION : RCO FOREST DISTRICT : DSC	TSA : 39 LAND DISTRICT : NEW WESTMINSTER DISTRICT	PULPWOOD AGREEMENT :	MGT UNIT TYPE : TIMBER SUPPLY AREA MGT UNIT NO : 39
ESF SUBMISSION ID : 860928 BCGS MAPSHEET NO : 92K.017	SCALE : 1:20000 at A Size Area (Ha): 7.937	UTM : 10 NAD : NAD 83	DRAWN BY : FTA DATE : Nov 23, 2010


Legend

-  Tenure Application
-  Tenure Road Application
-  Retired Tenure Road
-  P of C
-  P of T
-  Tenure Feature
-  Range
-  TFL
-  Provincial Forest
-  Forest Service Road
-  Highway
-  Municipal Road
-  Non Status Road
-  Recreation Trails
-  Road Permit
-  SUP Road
-  Right of Way
-  Schedule B CP Road
-  Mineral Tenure Points
-  Cities
-  Waterbodies
-  River/Stream
-  Coastline / Island

2A (7.937 Ha)
 PofC1 UTM10 384775, 5560171
 PofC2 UTM10 385056, 5560089



FOREST LICENCE NO. A84120

CUTTING PERMIT NO. 005



PURSUANT TO Forest Licence No. A84120 (the "Licence"), this Cutting Permit is issued to:

**KLAHOOSE FORESTRY LIMITED PARTNERSHIP
C/O KLAHOOSE FIRST NATION TREATY OFFICE
PO BOX 9
SQUIRREL COVE, BRITISH COLUMBIA
V0P 1T0
PHONE: 250 935-6536 FAX: 250 935-6997
(the "Licensee")**

1.00 PERMIT AREA AND TERM

- 1.01 Subject to the Licence, the Licensee is authorized to cut and remove the Crown timber from the areas of land as shown on the map attached as Exhibit "A" of this Cutting Permit (the "harvest area").
- 1.02 Subject to of the term of the Licence, the term of this Cutting Permit **begins on April 5, 2011 and ends January 11, 2014.**
- 1.03 The Licensee must make application for extension of this Cutting Permit to the District Manager at least 60 days before the expiry of the Cutting Permit and in a form as acceptable to the District Manager.

2.00 OTHER CONDITIONS AND REQUIREMENTS

- 2.01 The Licensee must comply with the conditions and requirements set out in Schedule "A" to this Cutting Permit.

3.00 TIMBER MARK

- 3.01 The timber mark for timber removed under this Cutting Permit is:
**DC4
005**
- 3.02 If directed to do so by the District Manager, the Licensee must erect signs at all exits from areas of land referred to in paragraph 1.01, clearly showing the timber mark referred to in paragraph 3.01.

4.00 SCALE-BASED STUMPAGE

- 4.01 For the purpose of determining the amount of stumpage payable in respect of timber removed from the harvest area, the volume or quantity of timber removed will be determined using information provided in a scale of the timber.
- 4.02 The Licensee must ensure that:
- (a) all timber removed from the harvest area is scaled, and
 - (b) the scale of the timber is conducted properly in accordance with the requirements of the *Forest Act* and the regulations made under that Act.

5.00 ROADS

- 5.01 Subject to the Licence and the forestry legislation, the Licensee may use, construct, maintain or deactivate roads on the area covered by this Cutting Permit.

6.00 TIMBER HARVEST AND WASTE ASSESSMENT

- 6.01 The timber described in Schedule "B" is specified as reserved timber and the Licensee must not fell standing timber, and must not buck or remove felled or dead and down timber, as the case may be, of the species and description set out in Schedule "B".

7.00 MISCELLANEOUS

- 7.01 The Schedules and Exhibit "A" map(s) are deemed to be part of this Cutting Permit.
- 7.02 As provided in the Licence, this Cutting Permit is deemed to be part of the Licence.
- 7.03 The Licence will govern the interpretation of this Cutting Permit.
- 7.04 The Licensee must notify the District Manager in writing in a form acceptable to the District Manager, when primary logging is complete and again when removal is complete.

DATED April 5, 2011



Brian A. Hawrys, R.P.F.
District Manager
Sunshine Coast District

SCHEDULE "A"

1.00 OTHER CONDITIONS AND REQUIREMENTS

- 1.01 The Licensee must not erect or operate a sawmill or wood processing plant on an area of land referred to in paragraph 1.01 of this Cutting Permit.
- 1.02 The Licensee must not allow the manufacture of special forest products on the area of land described in paragraph 1.01 of this Cutting Permit.
- 1.03 The Licensee may fell trees outside of the cutblock boundary(s) identified on the attached map as Exhibit "A", for the purposes of tree felling to eliminate a safety hazard, if the person conducting tree felling or rigging tail hold/anchor trees determines that the tree is a dangerous tree according to Workers' Compensation Board regulations and it is within 80 metres beyond the cutting authority area.
- 1.04 The Licensee must not buck or utilize a tree felled under paragraph 1.03 without the consent of the District Manager.
- 1.05 If consent is granted under paragraph 1.04, felled dangerous tree(s) shall be subject to the Waste Assessment Policy 13.6 found in the Ministry of Forest and Range Policy Manual Volume 1 Chapter 13.

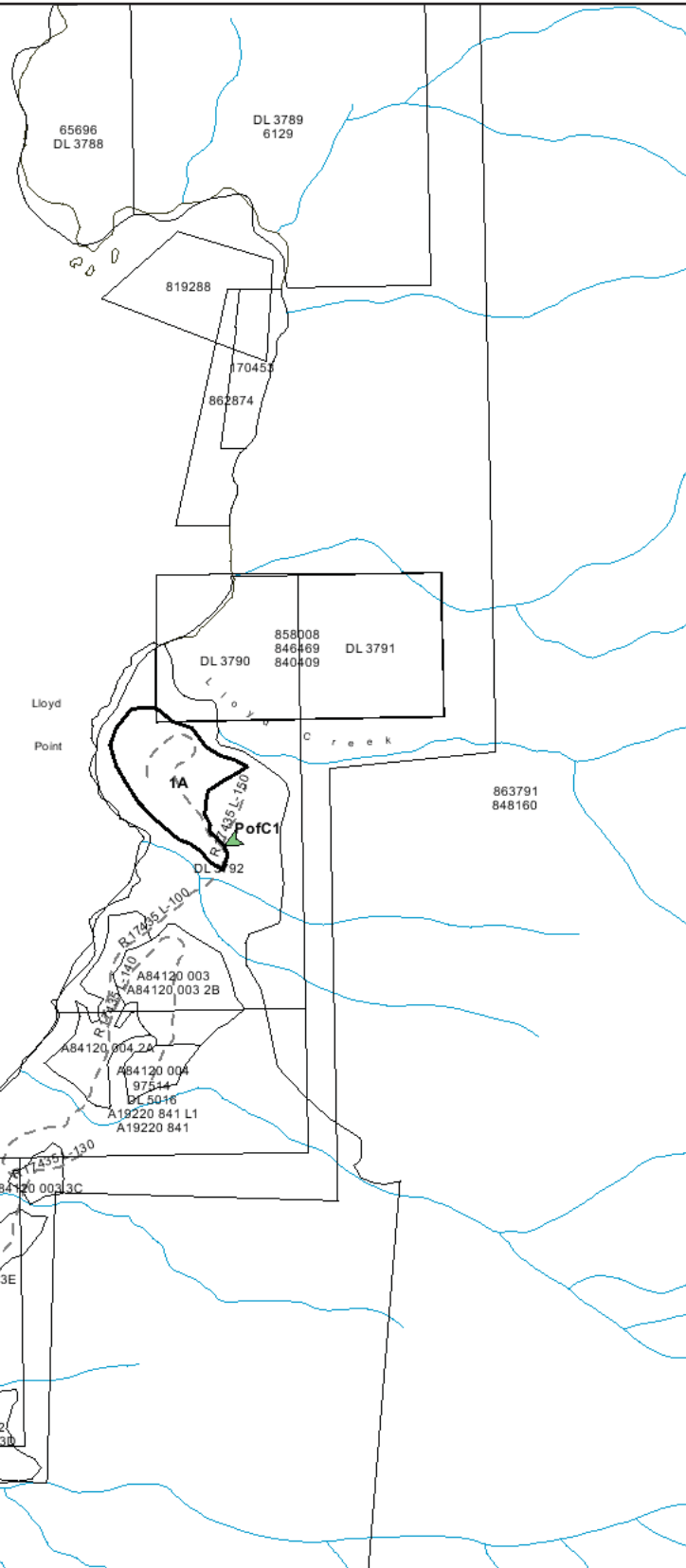
SCHEDULE "B"

1.00 RESERVED TIMBER

1.01 Not Applicable

DRAWN BY : FTA
DATE : Mar 21, 2011

Save and excepting the prior rights of R17435.



Legend

-  Tenure Application
-  Tenure Road Application
-  Retired Tenure Road
-  P of C
-  P of T
-  Tenure Feature
-  Range
-  TFL
-  Provincial Forest
-  Forest Service Road
-  Highway
-  Municipal Road
-  Non Status Road
-  Recreation Trails
-  Road Permit
-  SUP Road
-  Right of Way
-  Schedule B CP Road
-  Mineral Tenure Points
-  Cities
-  Waterbodies
-  River/Stream
-  Coastline / Island

1A (8.297 Ha)
PofC1 UTM10 385145, 5560641



FOREST LICENCE NO. A84120

CUTTING PERMIT NO. 006



PURSUANT TO Forest Licence No. A84120 (the "Licence"), this Cutting Permit is issued to:

**KLAHOOSE FORESTRY LIMITED PARTNERSHIP
C/O KLAHOOSE FIRST NATION TREATY OFFICE
PO BOX 9
SQUIRREL COVE, BRITISH COLUMBIA
V0P 1T0
PHONE: 250 935-6536 FAX: 250 935-6997
(the "Licensee")**

1.00 PERMIT AREA AND TERM

- 1.01 Subject to the Licence, the Licensee is authorized to cut and remove the Crown timber from the areas of land as shown on the map attached as Exhibit "A" of this Cutting Permit (the "harvest area").
- 1.02 Subject to the term of the Licence, the term of this Cutting Permit **begins on April 5, 2011 and ends January 11, 2014.**
- 1.03 The Licensee must make application for extension of this Cutting Permit to the District Manager at least 60 days before the expiry of the Cutting Permit and in a form as acceptable to the District Manager.

2.00 OTHER CONDITIONS AND REQUIREMENTS

- 2.01 The Licensee must comply with the conditions and requirements set out in Schedule "A" to this Cutting Permit.

3.00 TIMBER MARK

- 3.01 The timber mark for timber removed under this Cutting Permit is:
**DC4
006**
- 3.02 If directed to do so by the District Manager, the Licensee must erect signs at all exits from areas of land referred to in paragraph 1.01, clearly showing the timber mark referred to in paragraph 3.01.

4.00 SCALE-BASED STUMPAGE

- 4.01 For the purpose of determining the amount of stumpage payable in respect of timber removed from the harvest area, the volume or quantity of timber removed will be determined using information provided in a scale of the timber.
- 4.02 The Licensee must ensure that:
 - (a) all timber removed from the harvest area is scaled, and
 - (b) the scale of the timber is conducted properly in accordance with the requirements of the *Forest Act* and the regulations made under that Act.

5.00 ROADS

- 5.01 Subject to the Licence and the forestry legislation, the Licensee may use, construct, maintain or deactivate roads on the area covered by this Cutting Permit.

6.00 TIMBER HARVEST AND WASTE ASSESSMENT

- 6.01 The timber described in Schedule "B" is specified as reserved timber and the Licensee must not fell standing timber, and must not buck or remove felled or dead and down timber, as the case may be, of the species and description set out in Schedule "B".

7.00 MISCELLANEOUS

- 7.01 The Schedules and Exhibit "A" map(s) are deemed to be part of this Cutting Permit.
- 7.02 As provided in the Licence, this Cutting Permit is deemed to be part of the Licence.
- 7.03 The Licence will govern the interpretation of this Cutting Permit.
- 7.04 The Licensee must notify the District Manager in writing in a form acceptable to the District Manager, when primary logging is complete and again when removal is complete.

DATED April 5, 2011



Brian A. Hawrys, R.P.F.
District Manager
Sunshine Coast District

SCHEDULE "A"

1.00 OTHER CONDITIONS AND REQUIREMENTS

- 1.01 The Licensee must not erect or operate a sawmill or wood processing plant on an area of land referred to in paragraph 1.01 of this Cutting Permit.
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SCHEDULE "B"

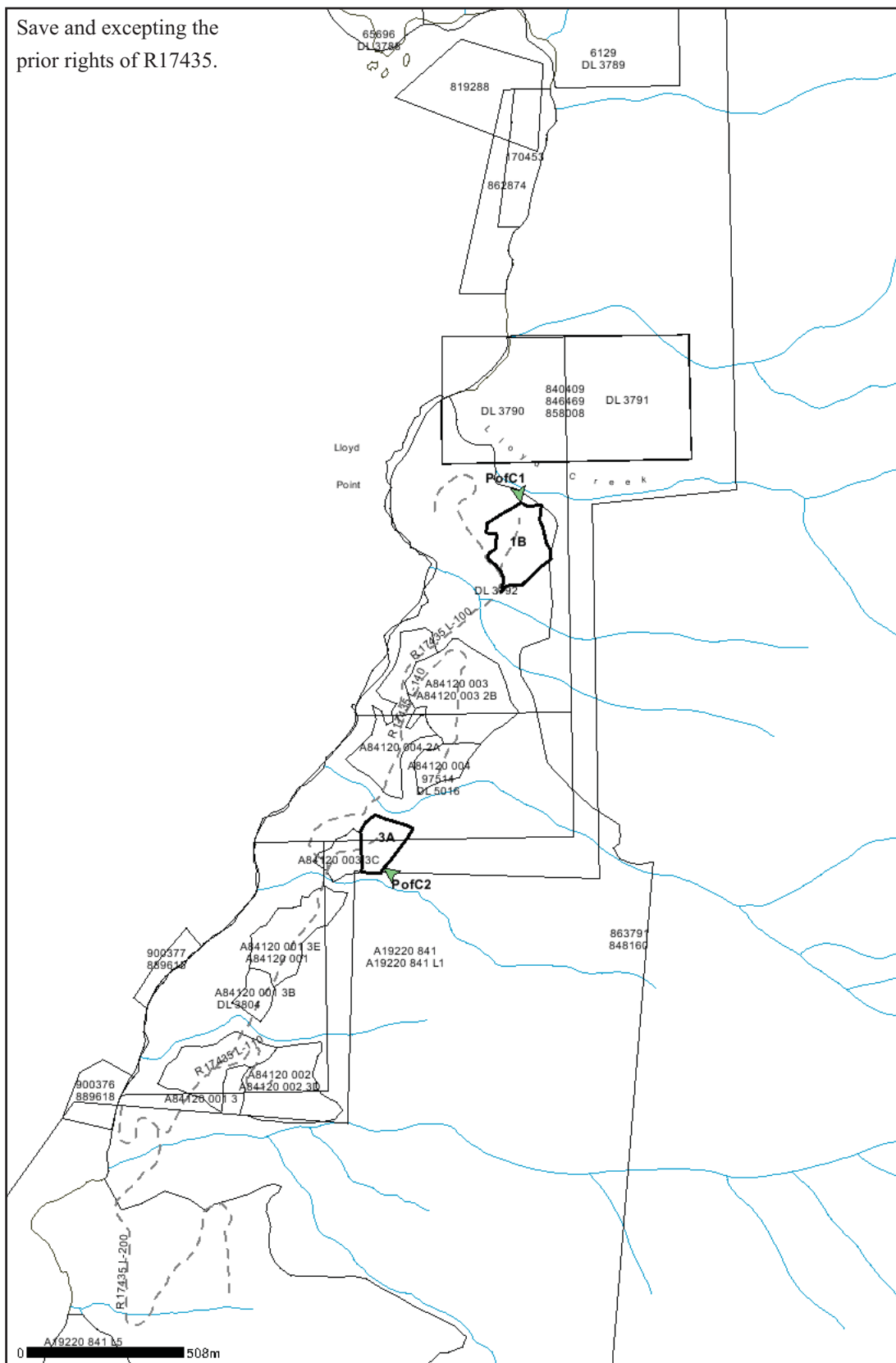
1.00 RESERVED TIMBER

1.01 Not Applicable




MAP OF : A84120 CP 006 (shown in bold black)			
FOREST REGION : RCO FOREST DISTRICT : DSC	TSA : 39 LAND DISTRICT : NEW WESTMINSTER DISTRICT	PULPWOOD AGREEMENT :	MGT UNIT TYPE : TIMBER SUPPLY AREA MGT UNIT NO : 39
ESF SUBMISSION ID : 899017 BCGS MAPSHEET NO : 92K.017	SCALE : 1:20000 at A Size Area (Ha): 5.853	UTM : 10 NAD : NAD 83	DRAWN BY : FTA DATE : Mar 21, 2011

Save and excepting the prior rights of R17435.



Legend

-  Tenure Application
-  Tenure Road Application
-  Retired Tenure Road
-  P of C
-  P of T
-  Tenure Feature
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-  Provincial Forest
-  Forest Service Road
-  Highway
-  Municipal Road
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-  Road Permit
-  SUP Road
-  Right of Way
-  Schedule B CP Road
-  Mineral Tenure Points
-  Cities
-  Waterbodies
-  River/Stream
-  Coastline / Island

1B (3.795 Ha)
PofC1 UTM10 385218, 5560860
3A (2.059 Ha)
PofC2 UTM10 384728, 5559702