



RECEIVED

JUN 03 2003

PEACE FOREST DISTRICT
Ministry
of Forests



Province of British Columbia
Ministry of Forests
Grazing Licence

This agreement is dated for reference this 1st day of January, 2003

For Ministry Use Only:

| | | | |
|-------------|--------------|-----------------------|-------------------|
| FILE Number | RAN075556 | AGREEMENT Number | RAN075556 |
| STOCK RANGE | Dawson Creek | RANGE UNIT AND Number | Dawson Creek (47) |

BETWEEN: HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF BRITISH COLUMBIA
c/o: THE DISTRICT MANAGER
Dawson Creek Forest District
9000 17 Street
Dawson Creek British Columbia
V1G 4A4

("the Province")

AND: Penalty Ranch Ltd. and
Box 2310
Chetwynd, British Columbia V0C 1J0
("the Agreement Holder")

The Province hereby grants rights to the Agreement Holder over Crown range in accordance with the *Range Act* on the following terms and conditions:

1. TERM

The Term of this Agreement will be as follows:

| | | | |
|---------|------|----------|------|
| | Year | Month | Day |
| Start: | 2003 | January | 1st |
| Expiry: | 2012 | December | 31st |

("the Term")

2. AGREEMENT AREA

The area over which the rights are granted is the Crown range outlined in bold black on the attached Exhibit A map, less any of the following:

- exclusions noted on the Exhibit A
 - exclusions arising from Exhibit B conditions
 - exclusions arising from the Range Use Plan associated with this agreement.
- ("the Agreement Area")

3. RIGHTS

The Agreement Holder will have the right to graze livestock on the Agreement Area under the terms and conditions of this Agreement and its associated Range Use Plan.

4. PRIVATE LAND

a) Appurtenancy

This Agreement will be appurtenant to the private lands shown on Exhibit C of this Agreement. If there is no Exhibit C, the Agreement will be appurtenant to the private lands held by the Agreement Holder (the "Private Land") as shown on the Application giving rise to this Agreement ("the Application")

5. AMOUNT OF FORAGE

The Agreement Holder will graze livestock which consume 450 animal unit months ("AUMs") per year (Authorized Yearly Use) on the Agreement Area, unless otherwise authorized (in writing) by the District Manager.

6. RANGE USE PLAN

The Agreement Holder will prepare and maintain a Range Use Plan as required in the *Range Act* and the *Forest Practices Code of British Columbia Act*.

7. PERIODIC REPORTS

The District Manager, acting reasonably, may request the Agreement Holder from time to time to prepare and send a report on specified matters associated with the Agreement. The Agreement Holder will comply with the request.

8. INCREASE IN GRAZING USE

The District Manager may increase the number of AUMs in Authorized Yearly Use (paragraph 5) in return for range management services performed on the Agreement Area.

9. FINANCIAL

- a) The Agreement Holder will pay ground rent, grazing fees, fines and any other financial assessments as required under the *Range Act*.
- b) The Agreement Holder will pay the interest on overdue accounts and any other financial assessments provided for by law and arising from the use of Crown range.
- c) Fees and all other financial assessments must be paid as specified on the Province's invoices or statements. The District Manager may require payment of fees in advance of livestock turnout.

10. COMPLIANCE WITH LAWS

The Agreement Holder will comply with all provisions of the following Acts and their regulations: the *Range Act*, the *Forest Practices Code of British Columbia Act*, the *Livestock Act* and the *Animal Disease Control Act*. Any breach of these Acts or their regulations will be considered to be a breach of this Agreement.

11. TEMPORARY REDUCTION IN GRAZING USE FOR ENVIRONMENTAL REASONS

- a) The District Manager may, by issuing a written order, require a temporary reduction or adjustment in grazing use because of the adverse effects of weather, fire, flood or other environmental factors.
- b) If the District Manager issues an order pursuant to (a) and the order results in a reduction of 20% or more of Net Authorized Yearly Use, the amount of fees will be reduced proportionately.
- c) Paragraph (b) above will not apply if the agreement holder is entitled to a reduction of fees according to section 10.1 of the Range Regulations.

12. LIVESTOCK OWNERSHIP AND CONTROL

The Agreement Holder will graze on the Agreement Area only livestock which the Agreement Holder owns or controls by lease. The Agreement Holder will not allow any livestock to be grazed on the Agreement Area which are owned or controlled by lease by any other person. The District Manager must approve any livestock lease agreements. The District Manager may grant an exemption to the provisions of this paragraph.

13. INFECTIOUS OR CONTAGIOUS DISEASES

- a) The Agreement Holder will not allow any livestock to be on the Agreement Area or on any Unfenced Private Land, or on any land subject to a Private Land Requirement which has any infectious or contagious disease or other condition that is a material risk to other livestock, wildlife or humans.

14. COMPLIANCE WITH LIVESTOCK ASSOCIATION

Unless exempted by the District Manager, the Agreement Holder will comply with local Livestock Association's reasonable rules and fee assessments for the construction and maintenance of authorized range improvements on the Agreement Area, or for services on the Agreement Area.

15. CLAIMS

- a) The Agreement Holder will reimburse the Province for any loss caused to the Province as a result of the Agreement Holder's negligent or wilful default in the use of the Agreement Area.
- b) The Province will not be responsible for the death, injury, or theft of livestock, or theft or damage to property belonging to the Agreement Holder.

- c) The Province will not be responsible for any damage to range developments, except damage wilfully done by the Province or resulting from activities specifically authorized by the Province.
- d) The Agreement Holder will have no claim against the Province for reimbursement for loss arising from deficiencies in the quality or quantity of forage on the Agreement Area.

16. NOTICES

Any notices will be served in the manner provided in the *Range Act*.

17. SPECIAL CONDITIONS

Conditions set out on any Exhibit B will form part of this Agreement. If there is any contradiction between any such conditions and any other terms of this Agreement, the Special Conditions will prevail.

Notice to Agreement Holder on Obligations, Compliance and Enforcement

The obligations of the Agreement Holder in the use of Crown range arise both from this Agreement and from relevant legislation such as the *Range Act* and the *Forest Practices Code of British Columbia Act*. Lack of compliance could subject the Agreement Holder to a variety of remedies such as administrative penalties, tickets, suspension and cancellation of this Agreement or prosecution for offences. Among the topics requiring attention is the maintenance responsibility of the Agreement Holder for range developments.


District Manager's Signature

Signature of Witness

Name of Witness

s.22


Agreement Holder's Signature*

Signature of Witness

Name of Witness

s.22

* or Authorized Signatory if the Agreement Holder is a corporation

Exhibit B

Special Conditions

- 1) Problem stock must be removed from the range. If not removed the Ministry of Forests may remove at owner's expense.
- 2) Livestock to be confined to area outlined on tenure map.
- 3) Problem wildlife to be referred to the Conservation Officer and Ministry of Forests.
- 4) If burning is scheduled under this tenure, a burning plan must be submitted a minimum of 30 days prior to ignition for evaluation and consideration.
- 5) Noxious weed infestations are to be reported to the Ministry of Forests.
- 6) All livestock are to be branded with a registered brand.
- 7) Only livestock owned or leased by the tenure holder may be on the tenure. The lease agreement must be approved by the Ministry of Forests.
- 8) Range improvements must be authorized by the Ministry of Forests. Range use plans are not an approval to construct.
- 9) The Licencee/Permittee must overwinter at least 80% of the authorized livestock on the appurtenant ranch properties during the preceding winter unless they are in receipt of an amendment to the overwintering requirement by the District Manager.

Other tenure conditions:

Numerous Provincial Acts, Regulations, and Policies apply to this tenure, its related resource and resource users. If problems arise, legislation and policies will be called upon to settle disputes.



Province of British Columbia
Ministry of Forests

RAN 075556

PENALTY RANCH LTD. & KARL KIRSCHBAUM

EXHIBIT A

MANAGEMENT UNIT

TIMBER SUPPLY AREA

Pulpwood
Agreement

Cascades

Type S
Number 01

Number 07
Block
Sub-B

Last
West

Date 96/04/07
Ref Map 94A/SW/SE (d-6)
Base 94A/2e,f/3a,b,g

Scale 50,000

Area
Moberly Forest

Hectares

Forest Region Prince George - 04

Land District Peace River - 43

District Dawson Creek - 47

Outline

| Zone | East | North | Reg | Compt | L |
|----------|---------|--------|--------|--------|--------|
| 10615000 | 6225000 | 730013 | 730013 | 730013 | 730013 |

