



BRITISH
COLUMBIA

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Distribution: Nadina

Document name: G:\Workgrp\Range\RANGE_NADINA\TENURES\15700-20 TENURE
HOLDERS\Palmer, Bea\2007\Fence 5319 repair ltr.doc NP

Contact: Nicole Pressey

Date typed: 2007/12/20 Date last saved: 2007-12-20 3:59 pm

File: 15700-20/Palmer (Lakes)

December 20, 2007

Larry and Bea Palmer
Box 426
Burns Lake, BC V0J 1E0

Dear Larry and Bea:

As we have discussed, the range fence on the north end of DL5319 is in disrepair. BC Timber Sales (BCTS) has identified damage to a corner portion of the fence as a result of one of their timber sales. BCTS has agreed to repair the portion of the fence damaged as a result of the sale by June 1, 2008.



You are required to ensure the remainder of the fence is repaired by June 1, 2008, as per your grazing license agreement.

I am enclosing the Nadina District fence specifications for your review. Should you have any questions regarding this letter please contact Bob Fowler at (250) 692-2275.

Yours truly,

Nicole Pressey, P. Ag.
District Range Agrologist
Nadina Forest District

Enclosure(s): Nadina 4 strand fence specifications

pc: Mike Buirs, BCTS, Houston

Ministry of Forests
and Range

Nadina Forest District

Location:
185 Yellowhead Hwy,
Burns Lake, BC

Mailing Address:
Box 3500
Burns Lake, BC V0J 1E0

Tel: (250) 692-2200
Fax: (250) 692-7461



Ministry
of Forests and Range



Grazing Licence

For Ministry Use Only:

FILE # 15700-20
STOCK RANGE Morice

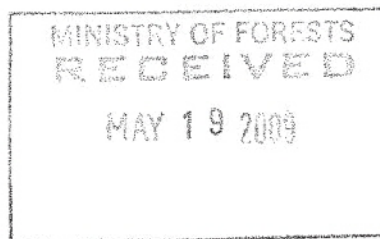
AGREEMENT #
RANGE UNIT AND
#

RAN074134
Clemretta
RU2210

BETWEEN: HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF BRITISH COLUMBIA c/o:
THE DISTRICT MANAGER

of: Nadina Forest District
Bag 3500
Burns Lake, British Columbia
V0J 1E0

("the Province")



AND: Elizabeth and Larry Palmer
Box 426
Burns Lake BC V0J 1E0

("the Agreement Holder")

This agreement is dated for reference this 01 day of January, 2010

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:	2010	January	01
Expiry:	2019	December	31

("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:

- (a) exclusions noted on the Exhibit A
- (b) exclusions arising from Exhibit B conditions
- (c) exclusions arising from the Range Use Plan or Range Stewardship 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) Appurtenance ()

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")

(b) Common Grazing of Unfenced Private Land ()

The Agreement Holder will make the Unfenced Private Land available for grazing by other Agreement Holders in the Range Unit on terms and conditions approved by the District Manager ("Private Land Requirement").

5. AMOUNT OF FORAGE

The Agreement Holder will graze livestock which consume 5 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 or RANGE STEWARDSHIP PLAN

The Agreement Holder will prepare and maintain a Range Use Plan or Range Stewardship Plan as required in the *Range Act* and the *Forest and Range Practices 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. 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 and Range Practices Act*, the *Livestock Act*, *Livestock Identification 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 10% or more of Net Authorized Yearly Use, the amount of fees will be reduced proportionately.

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 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

The Agreement Holder will not allow any livestock, which has any infectious or contagious disease or other condition that is a material risk to other livestock, wildlife or humans, on the Agreement Area or on any Private Land that is not separated from crown range by a fence or other barrier to livestock movement, or on any land subject to a Private Land Requirement.

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 willful 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 (See attached)

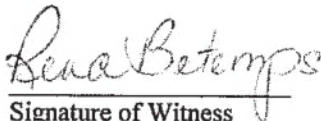
Conditions set out on any Exhibit B will form part of this Agreement. If there is any contradiction between any such conditions and any other terms of this Agreement, the Special Conditions will prevail.

Notice to Agreement Holder on Obligations, Compliance and Enforcement

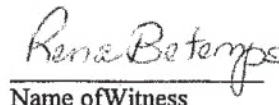
The obligations of the Agreement Holder in the use of Crown range arise both from this Agreement and from relevant legislation such as the *Range Act* and the *Forest and Range Practices Act*. Lack of compliance could subject the Agreement Holder to a variety of remedies such as administrative penalties, 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 Managers Signature



Signature of Witness



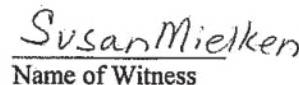
Name of Witness



Agreement Holder's Signature*



Signature of Witness



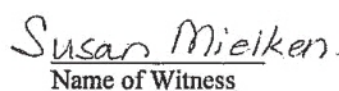
Name of Witness



Agreement Holder's Signature*



Signature of Witness



Name of Witness

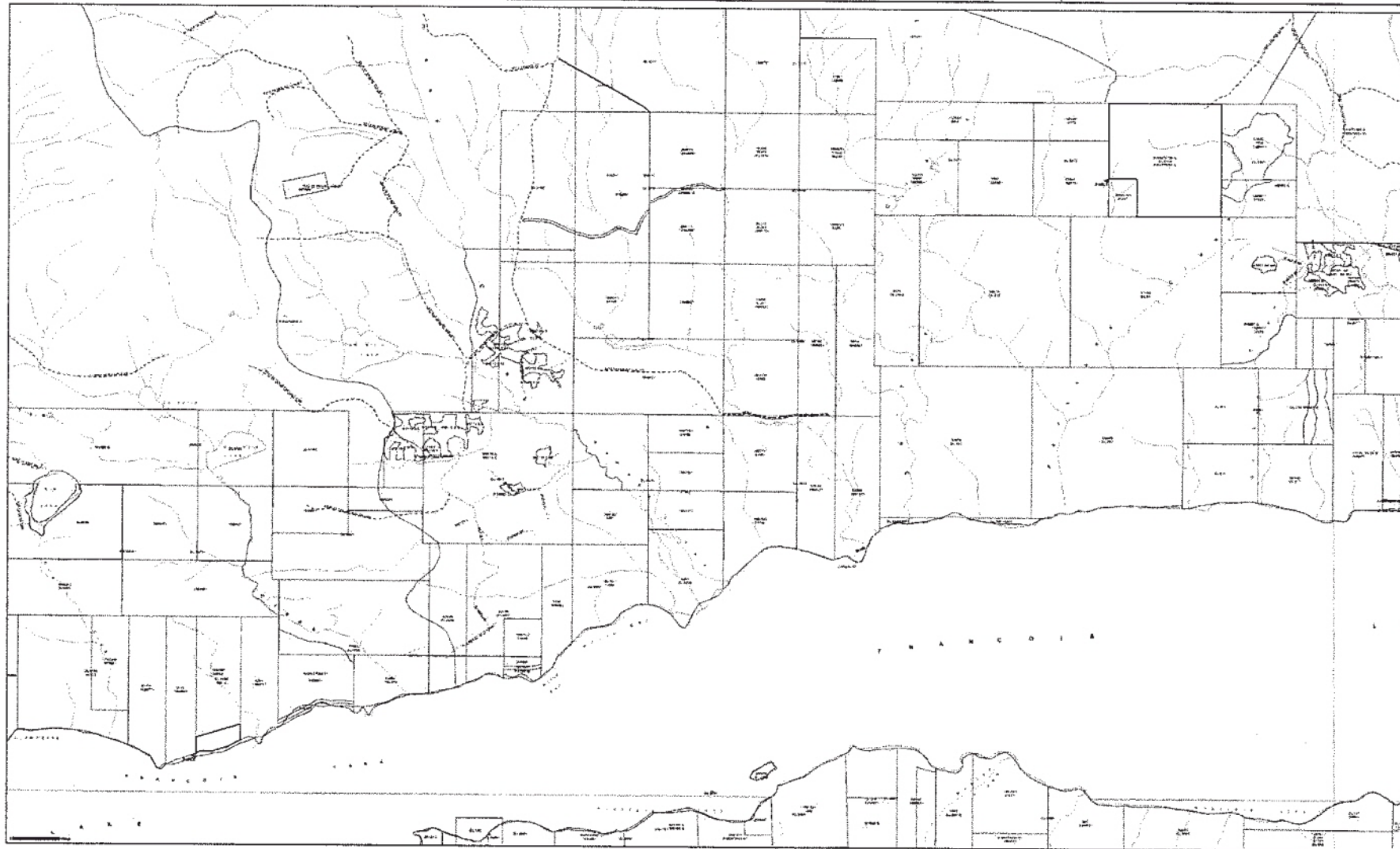
Agreement Holder's Signature*

Signature of Witness

Name of Witness



MAP OF : RAN074134 Amendment # 2665 (shown in bold black)			
FOREST REGION : RNI FOREST DISTRICT : DND	TSA : LAND DISTRICT :	PULPWOOD AGREEMENT :	MGT UNIT TYPE : Outside Managed Units MGT UNIT NO :
ERF SUBMISSION ID : 131083 BCGS MAPSHEET NO : 83L010	SCALE : 1:20000 at D Size Area (ha) : 141.81	UTM : 8 NAD : NAD83	DRAWN BY : PTA DATE : Mar 02, 2010



Legend	
	Tenure Application
	Tenure Road Application
	Private Tenure Field
	PFTC
	PFT
	Tenure Feature
	Range
	TFL
	Provincial Forest
	Forest Service Road
	Highway
	Municipal Road
	Non-Belton Road
	Reservation Road
	Town Road
	SLP Road
	Right of Way
	Schedule B CP Road
	Mineral Tenure Point
	Other
	Waterbody
	River/Stream
	Coastline (Island)

A (141.8104 ha)
PFTC: UTM 8 83017, 5804306
PFTC: UTM 8 83017, 5804306

RANGE USE PLAN

The minister, pursuant to section 37 of the *Forest and Range Practices Act*, has determined that this Range Use Plan is consistent with the agreement under the *Range Act* that pertains to the plan, and conforms to the *Forest and Range Practices Act*, the regulations and the standards.

NAME: Elizabeth Palmer Larry Joe Kirk Palmer	RANGE AGREEMENT: RAN074134
ADDRESS: P.O. Box 426 Burns Lake, BC VOJ 1E0	FILE #: 15700-55/Palmer
PHONE: s.22	STOCK RANGE: Morice
CELL PHONE:	RANGE UNIT: Clemretta
FAX:	BRAND(S) AND LOCATION: left shoulder
EMAIL: s.22	M S
Current tenure expires: December 31, 2019 Total crown currently authorized: 5 AUMs	
This plan is for the period of: January 1, 2016 to December 31, 2020	

Submitted by Kang Suen on 2016-06-27
signature of agreement holder(s) date

Approved by  on 2016-07-06
signature of Nadina District Manager date

GRAZING SCHEDULE

Pasture Name ¹	No. and Class of Livestock ²	Period of Use (Dates in and out)	Private land used with this pasture
#2	Yearlings	June 1 – September 30	DL4494 and 915A
	5 Cow/Calves		
	Bulls		
	Yearlings		
	Cow/Calves		
	Bulls		
	Yearlings		
	Cow/Calves		
	Bulls		
	Yearlings		
	Cow/Calves		
	Bulls		
	Yearlings		
	Cow/Calves		
	Bulls		

Private Land 145 AUMs

¹ put the pasture boundaries and names on the attached map

² enter the number for each livestock class

Range Readiness Criteria

Common Name	Leaf Stage
Bluegrasses	2.5
Bromes (introduced)	3.0
Bluejoint (Canada reedgrass)	3.0
Fescue, species	4.5
Hairgrass, tufted	4.0
Needlegrass species	3.0
Orchardgrass	3.0
Pinegrass	2.25 – 2.5 at nodding
Porcupine grass	3.0
Ricegrass, rough leaved	3.0
Wheatgrass, crested	3.5
Wheatgrass, slender	4.0
Wheatgrass, western	4.0
Wildrye, blue	4.0

Average Stubble Heights for Riparian Species

Species	Stubble Height
Baltic rush	10 cm
Bluegrasses	10 cm
Bullrushes	Incidental use
Bluejoint (Canada Reedgrass)	12 cm
Cattails	Incidental use
Foxtail barley	10 cm
Hairgrass, tufted	12 cm
Kobresia	8 cm
Sedges (large)	20 cm
Spikerush	15 cm

Average Stubble Heights for Upland Species

Species	Stubble Height
Bluegrasses	8 cm
Bromes (introduced)	10 cm)
Fescue, Altai	17 cm
Fescue, creeping red	7 cm
Fescue, Idaho	12 cm
Fescue, rough	17 cm
Needlegrasses	12 cm
Orchardgrass	10 cm
Pinegrass	15 cm
Ricegrass, rough-leaved	8 cm
Timothy, alpine	10 cm
Timothy (domestic)	8 cm
Wheatgrass, slender	15 cm
Wheatgrass, western	12 cm
Wildrye, blue	15 cm

Average Browse

All Species	25% of current annual Growth
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Practices to prevent spread and introduction of invasive species

The agreement holder will, over the agreement area and during the term of this plan

- visually inspect vehicles and equipment and remove any plant material lodged thereon prior to:
 - entering the tenure area for range management purposes or
 - leaving an infestation site
- on areas that have been disturbed due to range management practices that are equal to or exceed 100m², re-establish ground cover by seeding with mixtures that are quick to establish and free of weeds and non-invasive species (as evidenced in the "Certificate of Seed Analysis" for the seed used) within one year of disturbance and continue to monitor and seed until a minimum of 50% ground cover is achieved
- report invasive species to the Northwest Invasive Plant Council

The agreement holder will not, over the agreement area and during the term of this plan, promote livestock use within an invasive plant infestation.

ACTIONS TO DEAL WITH ISSUES IDENTIFIED BY THE MINISTER

Practices to minimize interference with Free-to-grow stand establishment (Cutblock Grazing)

Salt will not be placed within, or within 50 metres of the boundary of a plantation that is not yet free-to-grow. All salting is done on DL4494.



AMENDMENT TO RANGE AGREEMENT

File Number: 15700-20/Palmer
Agreement Number: RAN074134

BETWEEN: HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA
as represented by THE DISTRICT MANAGER

of: Ministry of Forests, Lands and Natural Resource Operations
Nadina District
P.O. Box 999, Burns Lake, British Columbia, V0J 1E0
(the "District Manager" and "the Province")

AND:

Elizabeth and Larry Palmer
P.O. Box 426
Burns Lake, British Columbia
V0J 1E0

("the Agreement Holder")

This agreement is dated for reference this 01 day of January, 2010.

WHEREAS:

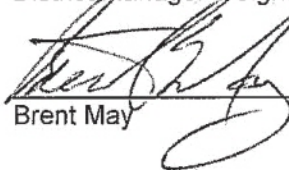
- A: The parties entered into a Grazing Licence dated the January 1, 2010; and
B: The parties have agreed to amend the Grazing Licence.

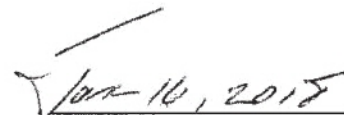
NOW, THEREFORE, the parties agree as follows: to amend **Exhibit C – to add DL220 and East ½ of DL4542.**

This Agreement forms an integral part of the Grazing Licence and should be attached to it.

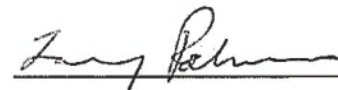

Subject to the foregoing, the parties confirm the Grazing Licence.

District Manager's Signature


Brent May


Date

Agreement Holder's Signature*

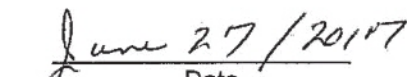
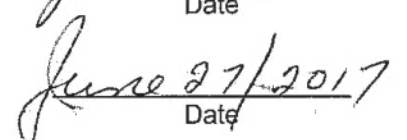

Date

Date

EXHIBIT C
ASSOCIATED PRIVATE LANDS
RANGE AGREEMENT RAN074134

[illegible]

Georg & Wolfgang Tuchlinski
38351 Colleymount Road
Burns Lake, BC
VOJ 1E2

June 30, 2017

RE: Cattle Grazing Rights at Clemretta Ranch

To whom it may concern,

Wolfgang and I hereby approve cattle grazing on all of Clemretta Ranch's land located at 38351 Colleymount Road. The legal descriptions of the property includes:

- District Lot 4544, Range 5, Coast Range 5 Land District (PID: 010-900-586)
- District Lot 915A, Range 5, Coast Range 5 Land District (PID: 011-238-879)

On behalf of myself and Wolfgang, please consider this legal approval to allow Barbara Tuchlinski, Elisabeth (Bee) Palmer, and Larry Palmer access to, and grazing rights on the aforementioned property.

If you have any questions please do not hesitate to contact me directly at **s.22**

Sincerely,


Georg Tuchlinski



LAND TITLE ACT
FORM C (Section 233) CHARGE

Nov-14-2011 13:56:49.004

CA2269640

GENERAL INSTRUMENT - PART 1 Province of British Columbia

PAGE 1 OF 10 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

William Warren
Chapman
WHG76G

Digitally signed by William Warren
Chapman WHG76G
DN: c=CA, cn=William Warren
Chapman WHG76G, o=Lawyer,
ou=Verify ID at www.juricert.com/
LKUP.cfm?id=WHG76G
Date: 2011.11.14 13:52:34 -08'00'

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

WARREN CHAPMAN BARRISTER & SOLICITOR

BOX 258

343 HIGHWAY 16

BURNS LAKE

BC V0J 1E0

5402 Martin fr Palmer

Tel 250 692 3339

Document Fees: \$71.90

Deduct LTSA Fees? Yes ☒

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID]

[LEGAL DESCRIPTION]

SEE SCHEDULE

STC? YES ☐

3. NATURE OF INTEREST

Lease

CHARGE NO.

ADDITIONAL INFORMATION

with one right of renewal for 5 years

4. TERMS: Part 2 of this instrument consists of (select one only)

(a) ☐ Filed Standard Charge Terms D.F. No.(b) ☒ Express Charge Terms Annexed as Part 2

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument.

5. TRANSFEROR(S):

LOIS CHRISTINE MARTIN

6. TRANSFEREE(S): (including postal address(es) and postal code(s))

SEE SCHEDULE

7. ADDITIONAL OR MODIFIED TERMS:

8. EXECUTION(S): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)

WARREN CHAPMAN

Barrister & Solicitor

BOX 258

BURNS LAKE BC

V0J 1E0

Execution Date		
Y	M	D
11	11	10

Transferor(s) Signature(s)

LOIS CHRISTINE MARTIN

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 3 OF 10 PAGES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID]

[LEGAL DESCRIPTION]

010-886-061**BLOCK A DISTRICT LOT 915A RANGE 5 COAST DISTRICT**

STC?

YES ☐

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID]

[LEGAL DESCRIPTION]

010-880-356**THE FRACTIONAL EAST 1/2 OF THE FRACTIONAL EAST 1/2 OF DISTRICT
LOT 915A RANGE 5 COAST DISTRICT EXCEPT PLAN 4207**

STC?

YES ☐

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID]

[LEGAL DESCRIPTION]

013-040-511**LOT 2 DISTRICT LOT 4494 RANGE 5 COAST DISTRICT PLAN 12268**

STC?

YES ☐

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 4 OF 10 PAGES

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM, OR GENERAL INSTRUMENT FORM.

6. TRANSFEREE(S): (including postal address(es) and postal code(s)):

LARRY JOE KIRK PALMER, RANCHER, and ELIZABETH FRANCES PALMER, RANCHER, and
STEVEN WILLIAM MYLES PALMER, RANCHER, all of BOX 426 BURNS LAKE, BC V0J 1E0
AS JOINT TENANTS

PASTURE LEASE

THIS AGREEMENT made this 14th day of November, 2011 (in pursuance of the Land Transfer Form Act - Part 2).

BETWEEN:

LOIS CHRISTINE MARTIN, VETERINARIAN,
of 2450 FOUNTAIN ROAD, BURNS LAKE
BRITISH COLUMBIA V0J 1E1

(hereinafter called the "Lessor")

OF THE FIRST PART

AND:

LARRY JOE KIRK PALMER, RANCHER, and
ELIZABETH FRANCES PALMER, RANCHER, and
STEVEN WILLIAM MYLES PALMER, RANCHER all of
BOX 426 BURNS LAKE, BC V0J 1E0
AS JOINT TENANTS

(hereinafter called the "Lessee")

OF THE SECOND PART

WHEREAS the Lessor is the legal and equitable owner of certain lands and premises located near the Village of Burns Lake, in the Province of British Columbia, more particularly known and described as:

PARCEL IDENTIFIER: 010-886-061
BLOCK A DISTRICT LOT 915A RANGE 5 COAST DISTRICT

PARCEL IDENTIFIER: 010-880-356
THE FRACTIONAL EAST 1/2 OF THE FRACTIONAL EAST 1/2 OF DISTRICT LOT 915A
RANGE 5 COAST DISTRICT EXCEPT PLAN 4207

PARCEL IDENTIFIER: 013-040-511
LOT 2 DISTRICT LOT 4494 RANGE 5 COAST DISTRICT PLAN 12268

(hereinafter referred to as the "said Lands")

AND WHEREAS the Lessee is desirous of leasing the said lands;

NOW THEREFORE WITNESSETH that for and in consideration of the grants, covenants, conditions and agreements hereinafter reserved and contained on the part of the Lessee to be paid, observed and performed, the Lessor hereby demises and leases unto the Lessee the said lands together with all erections and buildings thereon, and all ways, paths, passages, privileges and advantages whatsoever to the said lands and premises belonging or enjoyed therewith for the purposes of a grain farm.

TERM

To have and to hold the said lands for and during the term of years to be computed from the 14th day of November, 2011, and to be fully completed and ended on the 13th day of November, 2016.

RENT

Yielding and paying therefore unto the Lessor at Burns Lake, British Columbia or at such other place as the Lessor may direct in writing, rental for the said lands payable in yearly instalments of in an amount to be calculated as hereinafter set forth, the first of such yearly instalments to be paid on the 31st day of October, 2012 for the rental period commencing November 14, 2011 and ending on November 13, 2012, and subsequent instalments shall be paid on the 31st day of October for each of the four successive years thereafter, for the rental period commencing November 14 and ending on November 13 in each year thereafter during the term of this lease.

The rent shall be calculated as the number of cow / calf pairs X the monthly grazing rate charged by the British Columbia Ministry of Forests as it may vary from time to time X the number of months that cow / calf pairs are on the said Lands.

LESSEE'S COVENANTS

The Lessee covenants with the Lessor:

- i) To pay rent as aforesaid;
- ii) To prevent any liens, judgments, or other charges against the said lands, and further, in the event of the filing of any liens, judgments or charges against the said lands, the Lessee covenants within ten (10) days of being advised of same to have the said liens or charges removed by paying same in full or providing alternative security.
- iii) Not to assign or sublet in whole or in part without the Lessor's prior consent in writing, such consent not to be unreasonably withheld.

- iv) To keep down all noxious weeds and to prevent any field pests from having access to the said lands.
- v) To comply with all the laws, rules, regulations and ordinances and bylaws of any government or other body having jurisdiction over the said lands including, but without limiting the generality thereof, the Dominion of Canada, the Province of British Columbia, and any community planning area or Regional District, in the use and occupation of the said lands, and to indemnify and save harmless the Lessor from all liability, loss or damage in respect thereof.
- vi) To maintain the said lands and any fixtures thereon (without limiting the generality of the foregoing such maintenance shall include all fences, gates, ditches and water courses) in as good condition as in the beginning of the within term, normal wear and tear excepted and to use the said lands and premises hereby demised for the purposes of a grazing operation only.
- vii) Not to alter, improve, change, remodel, tear down or destroy any buildings erected upon the said lands without the prior written consent of the Lessor.
- vii) Not to alter, improve, change, remodel, tear down or destroy any buildings erected upon the said lands without the prior written consent of the Lessor.
- viii) To allow the Lessor or an agent or representative of the Lessor the right at all reasonable times to attend and inspect the said lands.
- ix) To operate the grazing operation in a good and husband like manner.
- x) Not to commit waste on, or damage the said lands and to use due care to prevent others from doing so;
- xi) To maintain water and salt;
- xii) Not to assign the Lessee's interest at all, unless the written consent of the Lessor is first obtained, which consent the Lessor may refuse to grant in his sole and unfettered discretion.

LESSOR'S COVENANTS

The Lessor hereby covenants and agrees with the Lessee:

- I) That in consideration of the Lessee paying the rent hereby reserved and performing all of the covenants herein on its part contained, the Lessee shall and may peaceably possess and enjoy the said lands for the term hereby granted without any interruption or disturbance from the Lessor or any other person or persons lawfully claimed by, from or under him.

- ii) To pay all taxes levied against the said lands.
- iii) To allow the Lessee to register the within lease, provided that the Lessor shall have the right to assign the lease to any new owner and provided, further, that if required by the Lessor to do so, the Lessee shall subordinate this lease to any mortgages which now or hereafter during the said term may affect or relate to this lease or to the said lands, and to all modifications or renewals thereof.

PROVIDED ALWAYS AND IT IS HEREBY AGREED BETWEEN THE LESSOR AND LESSEE AS FOLLOWS:

- 1) **DEFAULT** - If and where the rent hereby reserved or any part thereof, whether lawfully demanded or not, is not paid when due, or in the case of breach of non-observance or non-performance by the Lessee of any of the covenants, agreements, provisos, or conditions on the part of the Lessee to be kept, observed or performed and any such default on the part of the Lessee shall continue for fifteen (15) days after written notice thereof to the Lessee by the Lessor, and in every such case, the Lessor, in addition to any other remedy now or hereafter provided by law, may at its option, cancel this lease and re-enter and take possession of the said lands or any part thereof by force, if necessary, without any previous notice of intention to re-enter and may remove all persons and property therefrom and may use such force and assistance in making such removal as the Lessor may deem advisable and such re-entry shall not operate as a waiver or satisfaction in whole or in part of any right, claim or demand arising out of or connected with any breach or violation by the Lessee of any covenant or agreement on its part to be performed.
- 2) **INTEREST ON OVERDUE RENT** - Any instalment of rent not paid on the due date shall, without prejudice to any other rights of the Lessor arising from such breach, bear interest from such due date at the rate of 8.0 % per annum until paid.
- 3) **NON-WAIVER** - The failure of the Lessor to insist upon strict performance of any covenants or conditions in this lease or to exercise the right or option hereunder shall not be construed or operate as a waiver or relinquishment for the future of any such covenant, condition or option and no waiver shall be inferred from or implied by anything done or omitted by the Lessor, save only express waiver in writing. The acceptance of any rent or the performance of any obligation hereunder by a person other than the Lessee shall not be construed as an admission by the Lessor of any right, title or interest of any such persons as a sub-tenant, assignee, transferee or otherwise in place and stead of the Lessee.
- 4) **OVERHOLDING** - Should the Lessee continue to occupy the said lands after the expiration of the term granted hereby, the Lessor shall accept rent, and the new tenancy created thereby shall be deemed a yearly tenancy and shall be subject to the covenants and conditions contained in this lease insofar as the same are application to a tenancy from year to year, save and except that the rental payable shall be as determined by the Lessor.

- 5) **RENEWAL** - The Lessor and Lessee further agree that if the Lessee duly pays the said rent and keeps and performs all and every of the covenants, provisos and agreements herein and on the part of the Lessee to be paid, kept and performed, the Lessor will, upon the request of the Lessee made three months previous to the expiration of the term hereby granted and at the cost of the Lessee, grant to the Lessee a one time only renewal lease of the said lands for a further term of FIVE (5) years, subject to the same covenants, provisos and agreements as herein contained, with the exception of this clause, and with the exception of rent which shall be mutually agreed upon by the parties hereto and in the event that such parties are unable to agree, then it shall be mutually agreed by and between the parties hereto that a reasonable rent shall be determined by arbitration held pursuant to the Arbitration Act, Chapter 18 of the Revised Statutes of British Columbia, 1979 and amendments thereto.
- 6) **FAILURE TO PERFORM WORK** - Should the Lessee fail to perform any of the work as herein provided or meet any expenses when due or repair, then the Lessor may give to the Lessee seven (7) days notice to commence the said work and if the default shall continue, then the Lessor or its agent duly authorized in that behalf may enter upon the said lands with such agents, servants or workmen as he may consider necessary and proceed to do the said work and pay the said expenses all at the expense of the Lessee and the Lessee hereby covenants forthwith thereafter to pay the Lessor the costs of the same.
- 7) **ARBITRATION** - In the event that the parties hereto disagree as to whether or not the said lands are being operated in a proper and husband like manner, such disagreement shall be settled by arbitration pursuant to the provisions of the Arbitration Act of the Province of British Columbia, hereinbefore described. The arbitration shall be conducted by and before three (3) arbitrators, one to be chosen by each party hereto and the third by the two so chosen, provided that such arbitrators shall be persons experienced in the matters of dispute. The decision of the arbitrators shall be final and binding upon the parties hereto. Pending the completion of any arbitration, the parties agree to proceed insofar as practicable in the performance of this Agreement.
- 8) **BANKRUPT OR INSOLVENT** - It is hereby expressly agreed and understood by and between the parties hereto that if the interests of the Lessee hereunder and any of the goods and chattels of the Lessee shall at any time during the said term or any renewal thereof be seized or taken in execution or attachment by any creditor of the Lessee or if the Lessee shall make an assignment for the benefit of his creditors, or become bankrupt or insolvent and shall take the benefit of any act that may be in force for bankrupt or insolvent debtors or shall abandon the said lands, then, in every such case the current year's rent shall immediately become due and payable and the term hereby granted shall, at the option of the Lessor, forthwith be forfeited and determined.

- 9) NOTICE - Any notice hereunder may be given by prepaid registered mail, addressed to the other party at the other party's respective address as aforesaid, or at such other address as either party may notify the other of in writing during the term hereof and any such notice shall be deemed to have been received the day following its posting. Any such notice may also be given to either party by delivering the same in writing to the said party by hand.
- 10) This Lease and everything herein contained shall enure for the benefit of and be binding upon the heirs, executors, administrators, successors, assigns and other legal representatives, as the case may be, of each of the parties hereto, subject to the granting of consent by the Lessor to any assignment or sublease, and every reference herein to any party hereto shall include the heirs, executors, administrators, successors, assigns and other legal representatives of such party and where there is more than one Lessee or where there is a female party or corporation, the provisions herein shall be read with all grammatical changes thereby rendered necessary and all the covenants shall be deemed joint and several.

IN WITNESS WHEREOF the parties hereto executed this Lease as evidenced by the execution of Part 1 - General Instrument of this document.