



FORESTRY LICENCE TO CUT

A88476



THIS LICENCE, dated for reference **December 23, 2010**.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF BRITISH COLUMBIA,
as represented by the DISTRICT MANAGER,
MINISTRY OF NATURAL RESOURCE OPERATIONS
9000 17TH STREET
DAWSON CREEK, BRITISH COLUMBIA
V1G 4A4
Phone: 250-784-1200 Fax: 250-784-0143
(the "District Manager")

AND:

DISTRICT OF TUMBLER RIDGE
PO BOX 100
TUMBLER RIDGE, BRITISH COLUMBIA
V0C 2W0
Phone: (250)242-4242 Fax: (250)242-3993
(the "Licensee")

WHEREAS:

THE PARTIES agree as follows:

1.00 GRANT OF RIGHTS AND TERM

- 1.01 The term of this Licence begins on **December 23, 2010** and expires on the earlier of **December 22, 2012** or when the Regional Manager or District Manager gives notice to the Licensee that all contractual and legislative obligations associated with this Licence have been completed.

"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."

TABLE OF CONTENTS

1.00	GRANT OF RIGHTS AND TERM	1
2.00	TIMBER HARVEST LIMITATIONS	3
3.00	TIMBER MARK	3
4.00	SCALE BASED STUMPAGE	3
5.00	TIMBER VOLUME CHARGED TO THE LICENCE	4
6.00	WASTE ASSESSMENT	4
7.00	COURT DETERMINED ABORIGINAL RIGHTS AND/OR TITLE	4
8.00	FINANCIAL AND DEPOSITS.....	5
9.00	LIABILITY & INDEMNITY	6
10.00	TERMINATION	7
11.00	WAIVER.....	7
12.00	NOTICE	7
13.00	MISCELLANEOUS	8
14.00	INTERPRETATION & DEFINITIONS.....	9
	SCHEDULE "A" OTHER CONDITIONS AND REQUIREMENTS.....	11
	SCHEDULE "B" RESERVED TIMBER.....	12
	EXHIBIT "A"	13

- 1.02 Subject to this Licence and the forestry legislation, the Licensee is authorized to harvest the Crown timber from the areas of land shown on the attached Exhibit "A" map(s) ("the licence area").
- 1.03 During the term of this Licence, the maximum volume of timber harvested under this Licence from the licence area is **724 m³**.
- 1.04 The volume of timber harvested under this Licence that exceeds the maximum harvestable volume of timber specified in paragraph 1.03 will be subject to the penalties specified in section 75.21 of the *Forest Act*, section 2 of the Cut Control Regulation, and may also be subject to penalties available under the *Forest and Range Practices Act*.
- 1.05 Subject to this Licence, the Licensee has the right to enter and use Crown land to exercise rights and fulfill obligations under this Licence.
- 1.06 This Licence is not replaceable under the *Forest Act*.
- 1.07 Extensions may be granted to the term of this Licence.

2.00 TIMBER HARVEST LIMITATIONS

- 2.01 Timber harvesting must be conducted in accordance with the forestry legislation and the conditions and requirements specified in Schedule "A".
- 2.02 In addition to timber specified in the forestry legislation as reserved, the Licensee must not cut, damage, or destroy timber if the timber is specified as reserved in Schedule "B".

3.00 TIMBER MARK

- 3.01 The timber mark for timber harvested under this Licence is:

8 8
4 7 6

- 3.02 All timber cut from the licence area must be marked in accordance with the *Forest Act* and the Timber Marking and Transportation Regulation.

4.00 SCALE BASED STUMPAGE

- 4.01 The Licensee must ensure that:
 - (a) all timber removed from the licence 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 TIMBER VOLUME CHARGED TO THE LICENCE

5.01 Timber of the following grades will be used to calculate and determine the “volume of timber harvested” as defined in section 75.1 of the *Forest Act*:

- (a) all species and grades except for grades 6 and Z.

6.00 WASTE ASSESSMENT

6.01 The quantity and quality of merchantable Crown timber that could have been harvested under this Licence but at the Licensee’s discretion was not harvested, will be determined in accordance with the provisions of the Provincial Logging Residue and Waste Measurement Procedures Manual, as amended or replaced from time to time.

6.02 The Regional Manager or District Manager, in a notice given to the Licensee, may require the Licensee to pay in respect of the volume of timber determined under paragraph 6.01, a monetary assessment for all waste.

6.03 The amount of money that the Licensee must pay under a waste assessment will be determined in accordance with the provisions of the Provincial Logging Residue and Waste Measurement Procedures Manual as they are at the time the quantity and quality of merchantable Crown timber is determined under paragraph 6.01.

6.04 For the purpose of conducting the assessment of the volume of timber that was not harvested as described in paragraph 6.01 the Regional Manager or District Manager may conduct an assessment in accordance with the current Provincial Logging Residue and Waste Measurement Procedures Manual after the expiry of the term of this Licence or the Licence otherwise being terminated, whichever occurs first.

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 associated with 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 7.01 (a); or
- (c) grants an injunction pending a determination of whether activities or operations under or associated with 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, this Licence in whole or in part, so as to be consistent with the court determination.

7.02 Subject to this Licence and the forestry legislation, if:

- (a) under paragraph 7.01, the Regional Manager or District Manager has varied the Licence 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 vary the Licence to reflect as closely as possible, for the remainder of its term, the terms and conditions of the Licence prior to the variation under paragraph 7.01.

7.03 Subject to this Licence and the forestry legislation, if:

- (a) under paragraph 7.01, the Regional Manager or District Manager has suspended the Licence;
- (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 Licence for the remainder of its term.

8.00 FINANCIAL AND DEPOSITS

8.01 In addition to any money payable in respect of this Licence under the forestry legislation, the Licensee must pay to the Government, immediately upon receipt of a notice, statement or invoice issued on behalf of the Government:

- (a) stumpage under part 7 of the *Forest Act* at rates determined, re-determined and varied under section 105 of that Act in respect of timber removed under this Licence;
- (b) any payment required as a result of a waste assessment under part 6.00 of this Licence.

8.02 The Licensee will provide the Crown with \$N/A to be held on deposit (the “deposit”) to be used in accordance with the regulations.

8.03 If the Licensee fails to perform an obligation under this Licence, the Regional Manager or District Manager, after at least two weeks notice, may take from the deposit an amount equal to the reasonable costs to perform the obligation and may perform the obligation on the Licensee’s behalf.

- 8.04 If the Regional Manager or District Manager takes from the deposit under paragraph 8.03, the Licensee must pay to the Government on demand an amount sufficient to replenish the deposit or this Licence may be terminated by the Regional Manager or District Manager.
- 8.05 In accordance with the Advertising, deposits, Disposition and Extensions Regulation, the deposit may be refunded to the Licensee.

9.00 LIABILITY & INDEMNITY

- 9.01 Subject to paragraph 9.03, the Licensee will 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, including but not restricted to the Licensee's operations, under or associated with this Licence; 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.
- 9.02 For greater certainty, the Licensee has no obligation to indemnify the Government under paragraph 9.01 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.
- 9.03 Amounts taken under part 8.00 from the deposit and any payments required under parts 5.00, 6.00 or 8.00, and payments required further to the indemnity referred to in paragraph 9.01 are in addition to and not in substitution for any other remedies available to the Government in respect of a default of the Licensee.
- 9.04 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.

10.00 TERMINATION

10.01 If this Licence expires or is cancelled or is otherwise terminated:

- (a) title to all improvements, including roads and bridges, fixed on Crown land in the licence area; and
- (b) all timber, including logs and special forest products, located on the licence area, will vest in the Crown, without right of compensation to the Licensee.

10.02 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.

11.00 WAIVER

11.01 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.

12.00 NOTICE

12.01 A notice given under this Licence must be in writing.

12.02 A notice given under this Licence may be:

- (a) delivered by hand;
- (b) sent by mail; or
- (c) 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.

12.03 If a notice is given under this Licence, it is deemed to have been given:

- (a) if it is given in accordance with subparagraph 12.02 (a) on the date it is delivered by hand;

- (b) if it is given in accordance with subparagraph 12.02 (b), subject to paragraph 12.04, 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 12.02 (c), subject to paragraph 12.05, on the date it is sent by facsimile transmission.
- 12.04 If, between the time a notice is mailed in accordance with subparagraph 12.02 (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.
- 12.05 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.
- 12.06 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.

13.00 MISCELLANEOUS

- 13.01 This Licence will inure to the benefit of, and be binding on, the parties and their respective heirs, executors, successors and permitted assigns.
- 13.02 The laws of British Columbia will govern the interpretation of this Licence and the performance of the Licensee's obligations under this Licence.
- 13.03 Any non-statutory power conferred or duty imposed on the Regional Manager or District Manager under this Licence may be exercised or fulfilled by any person authorized to do so by the Regional Manager or District Manager.
- 13.04 Any Schedules, Exhibit "A" map(s) or attachments referenced in, or attached to this Licence are an integral part of this agreement as if set out in the body of this agreement, and the Licensee will comply with all the terms in the Schedules.
- 13.05 If there is a conflict between the *Workers Compensation Act* or a regulation under that Act, and a provision of this Licence, the *Workers Compensation Act*, or the regulations made under that Act, prevails, and the Licensee must immediately notify the District Manager of the conflict and follow any direction given by the District Manager with respect to the conflict, provided such direction is consistent with the *Workers Compensation Act* and the regulations under that Act.
- 13.06 Nothing in this Licence authorizes the Licensee to in any way restrict the Government's right of access to the Licence areas or a road permit or the right of any other authorized entrant, user or occupier of these areas.

- 13.07 This Licence is the entire agreement between the parties as to the matters set out in this Licence, and all previous promises, representations or agreements between the parties, whether oral or written, are deemed to have been replaced by this Licence.
- 13.08 Unless otherwise defined in this Licence, if a word or phrase used in this Licence is defined in the legislation described in paragraph 13.02, the definition in the legislation applies to this Licence, and where the word or phrase in the legislation is replaced by a new word or phrase, this Licence is deemed to have been amended accordingly.
- 13.09 Time is of the essence in this Licence.
- 13.10 If any provision in this Licence is found to be invalid or unenforceable by a court of law, the remainder of this Licence is separately valid and enforceable to the fullest extent permitted by law.
- 13.11 The Licensee acknowledges that any information released to the Licensee by the Regional Manager, District Manager or the Government about the nature of the Licence area or the quality or quantity of timber including the maximum volume in paragraph 1.03, is not to be relied upon. Execution of this Licence by the Licensee is an absolute release by the Licensee of the District Manager and the Crown from any claim that the Licensee may have in respect of the nature of the licence area or the quality or quantity of timber.

14.00 INTERPRETATION & DEFINITIONS

- 14.01 This Licence is divided into parts, paragraphs, subparagraphs, clauses and subparagraphs, illustrated as follows:

- 1.00 part;
 - 1.01 paragraph;
 - (a) subparagraph;
 - (i) clause;
 - (A) subparagraph;

and a reference to a subparagraph, clause or subparagraph 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.

- 14.02 In this Licence, unless the context otherwise requires,
- “forestry legislation” means the statutes and regulations, to which the Licence is subject including: the *Forest Act*, the *Forest Practices Code of British Columbia Act*, *Forest and Range Practices Act* and the *Wildfire Act*.

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

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

Sandra Smith)
Signature)

Sandra Smith)
Printed Name)

Robert Kneels
District Manager
Peace District

Jan 19/11
Dated

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

Kim Isaak)
Signature)

c/s

Kim Isaak)
Printed Name)

(or)

SIGNED, by the Licensee)
in the presence of:)

Marjorie Whalen)
Signature)

MARJORIE WHALEN)
CORPORATE OFFICER)

Larry White
Licensee

LARRY WHITE, MAYOR
Printed Name and Title

Jan 4/11
Dated

SCHEDULE "A"

1.00 OTHER CONDITIONS AND REQUIREMENTS

- 1.01 In addition to the terms set out in the body of this Licence, the Licensee will also comply with the following conditions:
- (a) the Licensee must contact the District or Regional Manager or designate before start up and completion of operations;
 - (b) final Harvesting Report: Within 60 days of the completion of harvesting operations, the Licensee must submit to the Regional Manager or District Manager a Post Harvest Report signed by a Licenced Forest Professional which specifies:
 - (i) the area in which the harvesting occurred;
 - (ii) an assessment of the post harvest free growing obligations within the licence area;
 - (iii) the amount of area harvested;
 - (iv) an update of Forest Cover Inventory; and
 - (v) the location and approximate size of all associate wildlife tree retention areas;
 - (c) unless the Regional Manager or District Manager specifies otherwise in writing, the Licensee must take all reasonable steps to commence harvesting operations within a reasonable period of time following the commencement of the term and no later than **four (04) months** following the commencement of the term;
 - (d) this Licence does not convey any right or title to any timber which has been cut prior to the effective date of the Licence and remains on the licence area, and the Licensee must not impede or obstruct the licensor from removing any such timber;

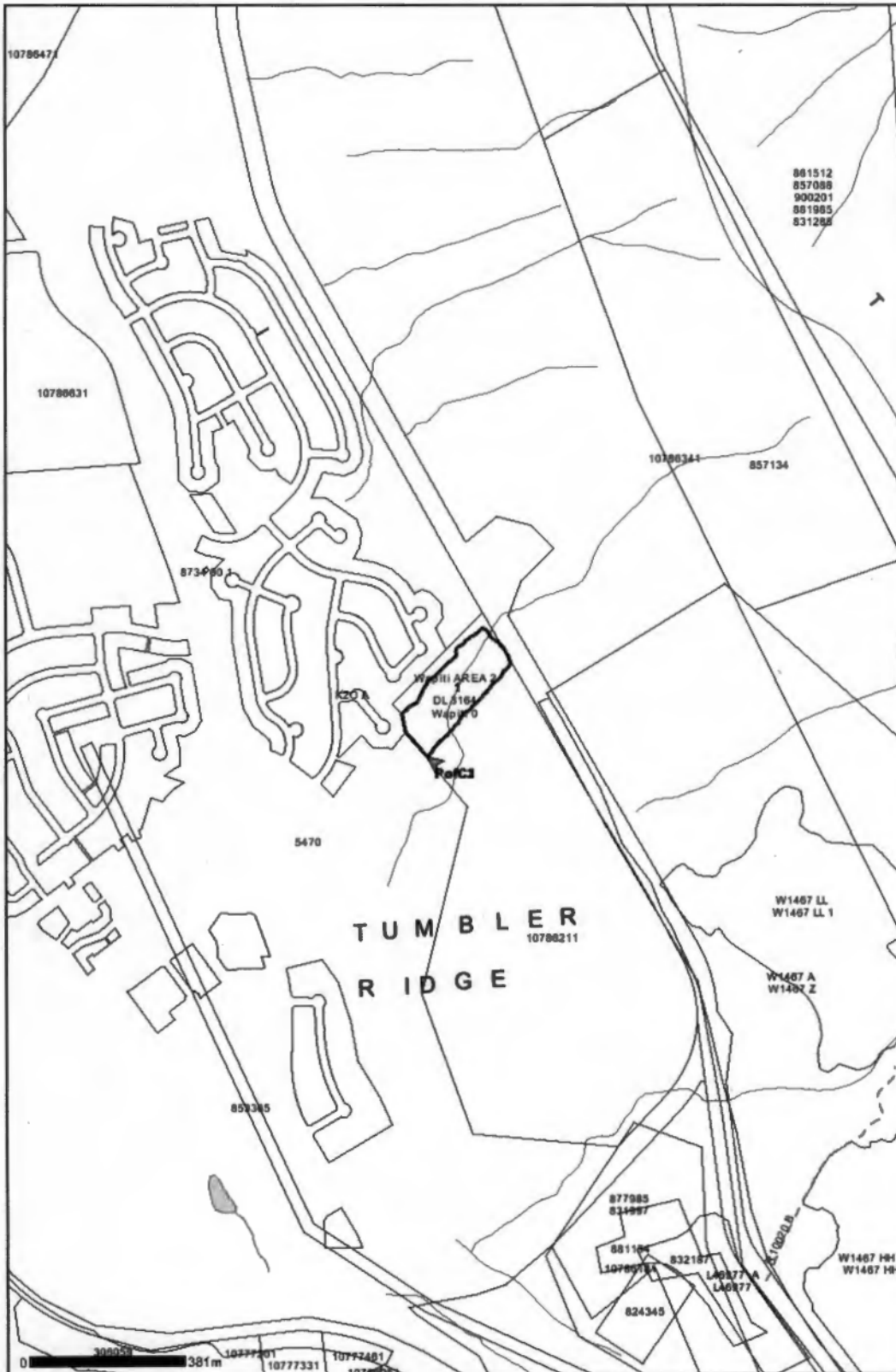
SCHEDULE “B”

1.00 RESERVED TIMBER

1.01 Subject to the forestry legislation, there is no timber reserved under this Licence.



MAP OF : A88476 (shown in bold black)			
FOREST REGION : RNI FOREST DISTRICT : DPC	TSA : PAG13 0 LAND DISTRICT : PEACE RIVER DISTRICT	PULPWOOD AGREEMENT : PAG13 0	MGT UNIT TYPE : TIMBER SUPPLY AREA MGT UNIT NO : 41
ESF SUBMISSION ID : 064558 BCGS MAPSHEET NO : 93P.018	SCALE : 1:15000 at A Size Area (Ha) : 3.486	UTM : 10 NAD : NAD83	DRAWN BY : FTA DATE : Dec 09, 2010



Legend

	Tenure Application
	Tenure Road Application
	Refined 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



FORESTRY LICENCE TO CUT

A88477



THIS LICENCE, dated for reference **December 23, 2010**.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF BRITISH COLUMBIA,
as represented by the DISTRICT MANAGER,
MINISTRY OF NATURAL RESOURCE OPERATIONS
9000 17TH STREET
DAWSON CREEK, BRITISH COLUMBIA
V1G 4A4
Phone: 250-784-1200 Fax: 250-784-0143
(the "District Manager")

AND:

DISTRICT OF TUMBLER RIDGE
PO BOX 100
TUMBLER RIDGE, BRITISH COLUMBIA
V0C 2W0
Phone: (250)242-4242 Fax: (250)242-3993
(the "Licensee")

WHEREAS:

THE PARTIES agree as follows:

1.00 GRANT OF RIGHTS AND TERM

- 1.01 The term of this Licence begins on **December 23, 2010** and expires on the earlier of **December 22, 2012** or when the Regional Manager or District Manager gives notice to the Licensee that all contractual and legislative obligations associated with this Licence have been completed.

"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."

TABLE OF CONTENTS

1.00	GRANT OF RIGHTS AND TERM	1
2.00	TIMBER HARVEST LIMITATIONS	3
3.00	TIMBER MARK	3
4.00	SCALE BASED STUMPAGE	3
5.00	TIMBER VOLUME CHARGED TO THE LICENCE	4
6.00	WASTE ASSESSMENT	4
7.00	COURT DETERMINED ABORIGINAL RIGHTS AND/OR TITLE	4
8.00	FINANCIAL AND DEPOSITS.....	5
9.00	LIABILITY & INDEMNITY	6
10.00	TERMINATION	7
11.00	WAIVER.....	7
12.00	NOTICE	7
13.00	MISCELLANEOUS	8
14.00	INTERPRETATION & DEFINITIONS.....	9
	SCHEDULE "A" OTHER CONDITIONS AND REQUIREMENTS.....	11
	SCHEDULE "B" RESERVED TIMBER.....	12
	EXHIBIT "A"	13

- 1.02 Subject to this Licence and the forestry legislation, the Licensee is authorized to harvest the Crown timber from the areas of land shown on the attached Exhibit "A" map(s) ("the licence area").
- 1.03 During the term of this Licence, the maximum volume of timber harvested under this Licence from the licence area is **824 m³**.
- 1.04 The volume of timber harvested under this Licence that exceeds the maximum harvestable volume of timber specified in paragraph 1.03 will be subject to the penalties specified in section 75.21 of the *Forest Act*, section 2 of the Cut Control Regulation, and may also be subject to penalties available under the *Forest and Range Practices Act*.
- 1.05 Subject to this Licence, the Licensee has the right to enter and use Crown land to exercise rights and fulfill obligations under this Licence.
- 1.06 This Licence is not replaceable under the *Forest Act*.
- 1.07 Extensions may be granted to the term of this Licence.

2.00 TIMBER HARVEST LIMITATIONS

- 2.01 Timber harvesting must be conducted in accordance with the forestry legislation and the conditions and requirements specified in Schedule "A".
- 2.02 In addition to timber specified in the forestry legislation as reserved, the Licensee must not cut, damage, or destroy timber if the timber is specified as reserved in Schedule "B".

3.00 TIMBER MARK

- 3.01 The timber mark for timber harvested under this Licence is:

8 8
4 7 7

- 3.02 All timber cut from the licence area must be marked in accordance with the *Forest Act* and the Timber Marking and Transportation Regulation.

4.00 SCALE BASED STUMPAGE

- 4.01 The Licensee must ensure that:
 - (a) all timber removed from the licence 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 TIMBER VOLUME CHARGED TO THE LICENCE

5.01 Timber of the following grades will be used to calculate and determine the “volume of timber harvested” as defined in section 75.1 of the *Forest Act*:

- (a) all species and grades except for grades 6 and Z.

6.00 WASTE ASSESSMENT

- 6.01 The quantity and quality of merchantable Crown timber that could have been harvested under this Licence but at the Licensee’s discretion was not harvested, will be determined in accordance with the provisions of the Provincial Logging Residue and Waste Measurement Procedures Manual, as amended or replaced from time to time.
- 6.02 The Regional Manager or District Manager, in a notice given to the Licensee, may require the Licensee to pay in respect of the volume of timber determined under paragraph 6.01, a monetary assessment for all waste.
- 6.03 The amount of money that the Licensee must pay under a waste assessment will be determined in accordance with the provisions of the Provincial Logging Residue and Waste Measurement Procedures Manual as they are at the time the quantity and quality of merchantable Crown timber is determined under paragraph 6.01.
- 6.04 For the purpose of conducting the assessment of the volume of timber that was not harvested as described in paragraph 6.01 the Regional Manager or District Manager may conduct an assessment in accordance with the current Provincial Logging Residue and Waste Measurement Procedures Manual after the expiry of the term of this Licence or the Licence otherwise being terminated, whichever occurs first.

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 associated with 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 7.01 (a); or
 - (c) grants an injunction pending a determination of whether activities or operations under or associated with 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, this Licence in whole or in part, so as to be consistent with the court determination.

7.02 Subject to this Licence and the forestry legislation, if:

- (a) under paragraph 7.01, the Regional Manager or District Manager has varied the Licence 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 vary the Licence to reflect as closely as possible, for the remainder of its term, the terms and conditions of the Licence prior to the variation under paragraph 7.01.

7.03 Subject to this Licence and the forestry legislation, if:

- (a) under paragraph 7.01, the Regional Manager or District Manager has suspended the Licence;
- (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 Licence for the remainder of its term.

8.00 FINANCIAL AND DEPOSITS

8.01 In addition to any money payable in respect of this Licence under the forestry legislation, the Licensee must pay to the Government, immediately upon receipt of a notice, statement or invoice issued on behalf of the Government:

- (a) stumpage under part 7 of the *Forest Act* at rates determined, re-determined and varied under section 105 of that Act in respect of timber removed under this Licence;
- (b) any payment required as a result of a waste assessment under part 6.00 of this Licence.

8.02 The Licensee will provide the Crown with \$N/A to be held on deposit (the “deposit”) to be used in accordance with the regulations.

8.03 If the Licensee fails to perform an obligation under this Licence, the Regional Manager or District Manager, after at least two weeks notice, may take from the deposit an amount equal to the reasonable costs to perform the obligation and may perform the obligation on the Licensee’s behalf.

- 8.04 If the Regional Manager or District Manager takes from the deposit under paragraph 8.03, the Licensee must pay to the Government on demand an amount sufficient to replenish the deposit or this Licence may be terminated by the Regional Manager or District Manager.
- 8.05 In accordance with the Advertising, deposits, Disposition and Extensions Regulation, the deposit may be refunded to the Licensee.

9.00 LIABILITY & INDEMNITY

- 9.01 Subject to paragraph 9.03, the Licensee will 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, including but not restricted to the Licensee's operations, under or associated with this Licence; 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.
- 9.02 For greater certainty, the Licensee has no obligation to indemnify the Government under paragraph 9.01 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.
- 9.03 Amounts taken under part 8.00 from the deposit and any payments required under parts 5.00, 6.00 or 8.00, and payments required further to the indemnity referred to in paragraph 9.01 are in addition to and not in substitution for any other remedies available to the Government in respect of a default of the Licensee.
- 9.04 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.

10.00 TERMINATION

10.01 If this Licence expires or is cancelled or is otherwise terminated:

- (a) title to all improvements, including roads and bridges, fixed on Crown land in the licence area; and
- (b) all timber, including logs and special forest products, located on the licence area, will vest in the Crown, without right of compensation to the Licensee.

10.02 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.

11.00 WAIVER

11.01 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.

12.00 NOTICE

12.01 A notice given under this Licence must be in writing.

12.02 A notice given under this Licence may be:

- (a) delivered by hand;
- (b) sent by mail; or
- (c) 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.

12.03 If a notice is given under this Licence, it is deemed to have been given:

- (a) if it is given in accordance with subparagraph 12.02 (a) on the date it is delivered by hand;

- (b) if it is given in accordance with subparagraph 12.02 (b), subject to paragraph 12.04, 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 12.02 (c), subject to paragraph 12.05, on the date it is sent by facsimile transmission.
- 12.04 If, between the time a notice is mailed in accordance with subparagraph 12.02 (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.
- 12.05 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.
- 12.06 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.

13.00 MISCELLANEOUS

- 13.01 This Licence will inure to the benefit of, and be binding on, the parties and their respective heirs, executors, successors and permitted assigns.
- 13.02 The laws of British Columbia will govern the interpretation of this Licence and the performance of the Licensee's obligations under this Licence.
- 13.03 Any non-statutory power conferred or duty imposed on the Regional Manager or District Manager under this Licence may be exercised or fulfilled by any person authorized to do so by the Regional Manager or District Manager.
- 13.04 Any Schedules, Exhibit "A" map(s) or attachments referenced in, or attached to this Licence are an integral part of this agreement as if set out in the body of this agreement, and the Licensee will comply with all the terms in the Schedules.
- 13.05 If there is a conflict between the *Workers Compensation Act* or a regulation under that Act, and a provision of this Licence, the *Workers Compensation Act*, or the regulations made under that Act, prevails, and the Licensee must immediately notify the District Manager of the conflict and follow any direction given by the District Manager with respect to the conflict, provided such direction is consistent with the *Workers Compensation Act* and the regulations under that Act.
- 13.06 Nothing in this Licence authorizes the Licensee to in any way restrict the Government's right of access to the Licence areas or a road permit or the right of any other authorized entrant, user or occupier of these areas.

- 13.07 This Licence is the entire agreement between the parties as to the matters set out in this Licence, and all previous promises, representations or agreements between the parties, whether oral or written, are deemed to have been replaced by this Licence.
- 13.08 Unless otherwise defined in this Licence, if a word or phrase used in this Licence is defined in the legislation described in paragraph 13.02, the definition in the legislation applies to this Licence, and where the word or phrase in the legislation is replaced by a new word or phrase, this Licence is deemed to have been amended accordingly.
- 13.09 Time is of the essence in this Licence.
- 13.10 If any provision in this Licence is found to be invalid or unenforceable by a court of law, the remainder of this Licence is separately valid and enforceable to the fullest extent permitted by law.
- 13.11 The Licensee acknowledges that any information released to the Licensee by the Regional Manager, District Manager or the Government about the nature of the Licence area or the quality or quantity of timber including the maximum volume in paragraph 1.03, is not to be relied upon. Execution of this Licence by the Licensee is an absolute release by the Licensee of the District Manager and the Crown from any claim that the Licensee may have in respect of the nature of the licence area or the quality or quantity of timber.

14.00 INTERPRETATION & DEFINITIONS

- 14.01 This Licence is divided into parts, paragraphs, subparagraphs, clauses and subparagraphs, illustrated as follows:

- 1.00 part;
 - 1.01 paragraph;
 - (a) subparagraph;
 - (i) clause;
 - (A) subparagraph;

and a reference to a subparagraph, clause or subparagraph 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.

- 14.02 In this Licence, unless the context otherwise requires,

“forestry legislation” means the statutes and regulations, to which the Licence is subject including: the *Forest Act*, the *Forest Practices Code of British Columbia Act*, *Forest and Range Practices Act* and the *Wildfire Act*.

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

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

Sandra Smith)
Signature)

Sandra Smith)
Printed Name)

Robert Threlkeld
District Manager
Peace District

Jan 19/11
Dated

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

Kim Isaak)
Signature)

Kim Isaak)
Printed Name)

c/s

(or)

SIGNED, by the Licensee)
in the presence of:)

Marjorie Whalen)
Signature)

MARJORIE WHALEN)
CORPORATE OFFICER)
Printed Name)

Larry White
Licensee

LARRY WHITE, MAYOR.
Printed Name and Title

Jan 4/11
Dated

SCHEDULE "A"

1.00 OTHER CONDITIONS AND REQUIREMENTS

- 1.01 In addition to the terms set out in the body of this Licence, the Licensee will also comply with the following conditions:
- (a) the Licensee must contact the District or Regional Manager or designate before start up and completion of operations;
 - (b) final Harvesting Report: Within 60 days of the completion of harvesting operations, the Licensee must submit to the Regional Manager or District Manager a Post Harvest Report signed by a Licenced Forest Professional which specifies:
 - (i) the area in which the harvesting occurred;
 - (ii) an assessment of the post harvest free growing obligations within the licence area;
 - (iii) the amount of area harvested;
 - (iv) an update of Forest Cover Inventory; and
 - (v) the location and approximate size of all associate wildlife tree retention areas;
 - (c) unless the Regional Manager or District Manager specifies otherwise in writing, the Licensee must take all reasonable steps to commence harvesting operations within a reasonable period of time following the commencement of the term and no later than **four (04) months** following the commencement of the term;
 - (d) this Licence does not convey any right or title to any timber which has been cut prior to the effective date of the Licence and remains on the licence area, and the Licensee must not impede or obstruct the licensor from removing any such timber;

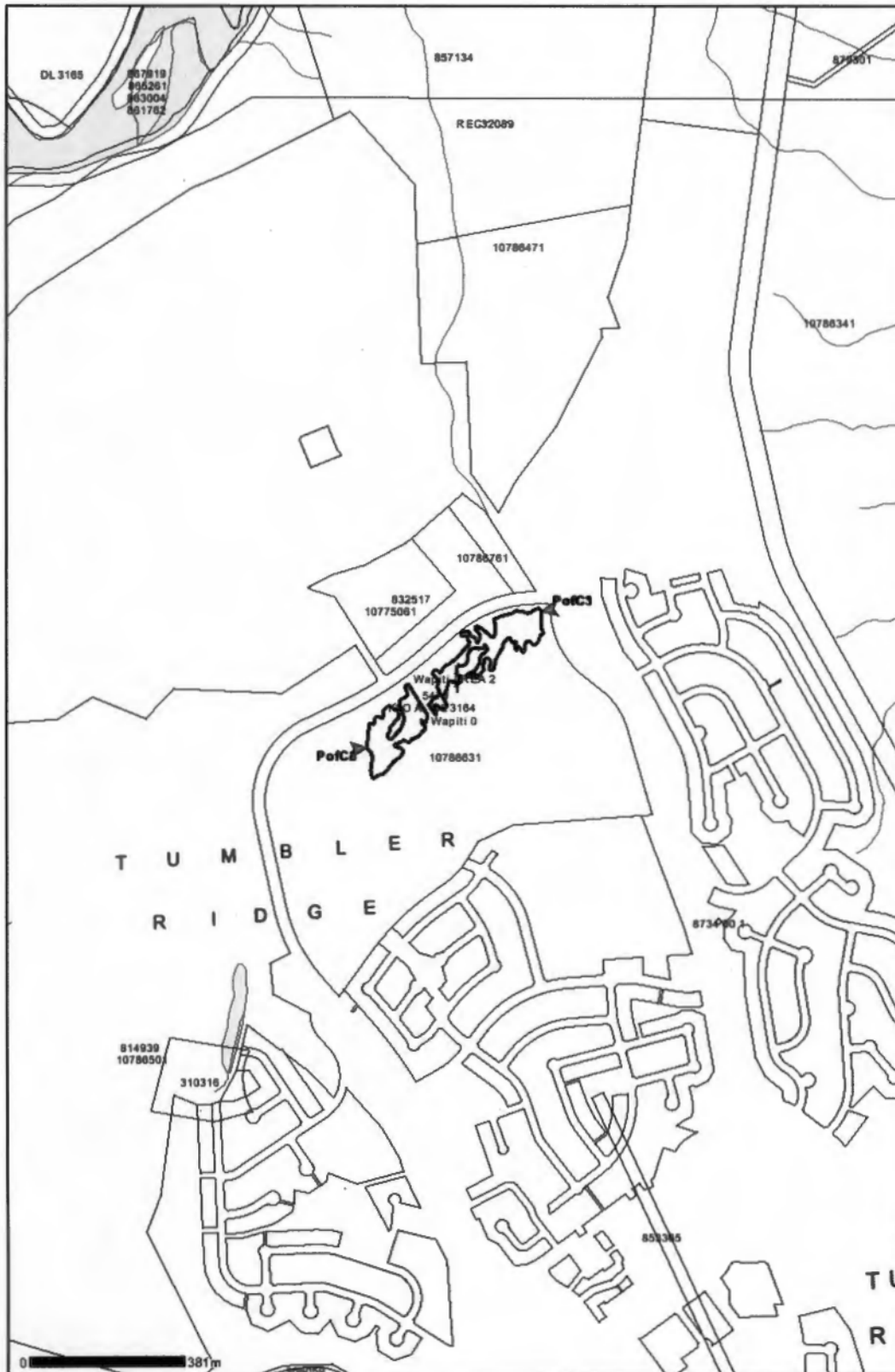
SCHEDULE “B”
























1.00 RESERVED TIMBER

1.01 Subject to the forestry legislation, there is no timber reserved under this Licence.



MAP OF : A88477 (shown in bold black)			
FOREST REGION : RNI FOREST DISTRICT : DPC	TSA : PAG13 0 LAND DISTRICT : PEACE RIVER DISTRICT	PULPWOOD AGREEMENT : PAG13 0	MGT UNIT TYPE : TIMBER SUPPLY AREA MGT UNIT NO : 41
ESF SUBMISSION ID : 864561 BCGS MAPSHEET NO : 93P.015	SCALE : 1:15000 at A Size Area (Ha): 3.196	UTM : 10 NAD : NAD83	DRAWN BY : FTA DATE : Dec 10, 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
(3,1962 Ha) PolC1 UTM10 627492, 8112213 PolC2 UTM10 627058, 6111905 1 (3,1962 Ha) PolC3 UTM10 627492, 8112213 PolC4 UTM10 627058, 6111905	



FORESTRY LICENCE TO CUT

A88478



THIS LICENCE, dated for reference **December 23, 2010**.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF BRITISH COLUMBIA,
as represented by the DISTRICT MANAGER,
MINISTRY OF NATURAL RESOURCE OPERATIONS
9000 17TH STREET
DAWSON CREEK, BRITISH COLUMBIA
V1G 4A4
Phone: 250-784-1200 Fax: 250-784-0143
(the "District Manager")

AND:

DISTRICT OF TUMBLER RIDGE
PO BOX 100
TUMBLER RIDGE, BRITISH COLUMBIA
V0C 2W0
Phone: (250)242-4242 Fax: (250)242-3993
(the "Licensee")

WHEREAS:

THE PARTIES agree as follows:

1.00 GRANT OF RIGHTS AND TERM

- 1.01 The term of this Licence begins on **December 23, 2010** and expires on the earlier of **December 22, 2012** or when the Regional Manager or District Manager gives notice to the Licensee that all contractual and legislative obligations associated with this Licence have been completed.

"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."

TABLE OF CONTENTS

1.00	GRANT OF RIGHTS AND TERM	1
2.00	TIMBER HARVEST LIMITATIONS	3
3.00	TIMBER MARK	3
4.00	SCALE BASED STUMPAGE	3
5.00	TIMBER VOLUME CHARGED TO THE LICENCE	4
6.00	WASTE ASSESSMENT	4
7.00	COURT DETERMINED ABORIGINAL RIGHTS AND/OR TITLE	4
8.00	FINANCIAL AND DEPOSITS	5
9.00	LIABILITY & INDEMNITY	6
10.00	TERMINATION	7
11.00	WAIVER	7
12.00	NOTICE	7
13.00	MISCELLANEOUS	8
14.00	INTERPRETATION & DEFINITIONS	9
	SCHEDULE "A" OTHER CONDITIONS AND REQUIREMENTS	11
	SCHEDULE "B" RESERVED TIMBER	12
	EXHIBIT "A"	13

- 1.02 Subject to this Licence and the forestry legislation, the Licensee is authorized to harvest the Crown timber from the areas of land shown on the attached Exhibit "A" map(s) ("the licence area").
- 1.03 During the term of this Licence, the maximum volume of timber harvested under this Licence from the licence area is **1324 m³**.
- 1.04 The volume of timber harvested under this Licence that exceeds the maximum harvestable volume of timber specified in paragraph 1.03 will be subject to the penalties specified in section 75.21 of the *Forest Act*, section 2 of the Cut Control Regulation, and may also be subject to penalties available under the *Forest and Range Practices Act*.
- 1.05 Subject to this Licence, the Licensee has the right to enter and use Crown land to exercise rights and fulfill obligations under this Licence.
- 1.06 This Licence is not replaceable under the *Forest Act*.
- 1.07 Extensions may be granted to the term of this Licence.

2.00 TIMBER HARVEST LIMITATIONS

- 2.01 Timber harvesting must be conducted in accordance with the forestry legislation and the conditions and requirements specified in Schedule "A".
- 2.02 In addition to timber specified in the forestry legislation as reserved, the Licensee must not cut, damage, or destroy timber if the timber is specified as reserved in Schedule "B".

3.00 TIMBER MARK

- 3.01 The timber mark for timber harvested under this Licence is:

8 8
4 7 8

- 3.02 All timber cut from the licence area must be marked in accordance with the *Forest Act* and the Timber Marking and Transportation Regulation.

4.00 SCALE BASED STUMPAGE

- 4.01 The Licensee must ensure that:

- (a) all timber removed from the licence 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 TIMBER VOLUME CHARGED TO THE LICENCE

5.01 Timber of the following grades will be used to calculate and determine the “volume of timber harvested” as defined in section 75.1 of the *Forest Act*:

- (a) all species and grades except for grades 6 and Z.

6.00 WASTE ASSESSMENT

6.01 The quantity and quality of merchantable Crown timber that could have been harvested under this Licence but at the Licensee’s discretion was not harvested, will be determined in accordance with the provisions of the Provincial Logging Residue and Waste Measurement Procedures Manual, as amended or replaced from time to time.

6.02 The Regional Manager or District Manager, in a notice given to the Licensee, may require the Licensee to pay in respect of the volume of timber determined under paragraph 6.01, a monetary assessment for all waste.

6.03 The amount of money that the Licensee must pay under a waste assessment will be determined in accordance with the provisions of the Provincial Logging Residue and Waste Measurement Procedures Manual as they are at the time the quantity and quality of merchantable Crown timber is determined under paragraph 6.01.

6.04 For the purpose of conducting the assessment of the volume of timber that was not harvested as described in paragraph 6.01 the Regional Manager or District Manager may conduct an assessment in accordance with the current Provincial Logging Residue and Waste Measurement Procedures Manual after the expiry of the term of this Licence or the Licence otherwise being terminated, whichever occurs first.

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 associated with 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 7.01 (a); or
- (c) grants an injunction pending a determination of whether activities or operations under or associated with 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, this Licence in whole or in part, so as to be consistent with the court determination.

7.02 Subject to this Licence and the forestry legislation, if:

- (a) under paragraph 7.01, the Regional Manager or District Manager has varied the Licence 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 vary the Licence to reflect as closely as possible, for the remainder of its term, the terms and conditions of the Licence prior to the variation under paragraph 7.01.

7.03 Subject to this Licence and the forestry legislation, if:

- (a) under paragraph 7.01, the Regional Manager or District Manager has suspended the Licence;
- (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 Licence for the remainder of its term.

8.00 FINANCIAL AND DEPOSITS

8.01 In addition to any money payable in respect of this Licence under the forestry legislation, the Licensee must pay to the Government, immediately upon receipt of a notice, statement or invoice issued on behalf of the Government:

- (a) stumpage under part 7 of the *Forest Act* at rates determined, re-determined and varied under section 105 of that Act in respect of timber removed under this Licence;
- (b) any payment required as a result of a waste assessment under part 6.00 of this Licence.

8.02 The Licensee will provide the Crown with \$N/A to be held on deposit (the "deposit") to be used in accordance with the regulations.

8.03 If the Licensee fails to perform an obligation under this Licence, the Regional Manager or District Manager, after at least two weeks notice, may take from the deposit an amount equal to the reasonable costs to perform the obligation and may perform the obligation on the Licensee's behalf.

- 8.04 If the Regional Manager or District Manager takes from the deposit under paragraph 8.03, the Licensee must pay to the Government on demand an amount sufficient to replenish the deposit or this Licence may be terminated by the Regional Manager or District Manager.
- 8.05 In accordance with the Advertising, deposits, Disposition and Extensions Regulation, the deposit may be refunded to the Licensee.

9.00 LIABILITY & INDEMNITY

- 9.01 Subject to paragraph 9.03, the Licensee will 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, including but not restricted to the Licensee's operations, under or associated with this Licence; 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.
- 9.02 For greater certainty, the Licensee has no obligation to indemnify the Government under paragraph 9.01 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.
- 9.03 Amounts taken under part 8.00 from the deposit and any payments required under parts 5.00, 6.00 or 8.00, and payments required further to the indemnity referred to in paragraph 9.01 are in addition to and not in substitution for any other remedies available to the Government in respect of a default of the Licensee.
- 9.04 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.

10.00 TERMINATION

10.01 If this Licence expires or is cancelled or is otherwise terminated:

- (a) title to all improvements, including roads and bridges, fixed on Crown land in the licence area; and
- (b) all timber, including logs and special forest products, located on the licence area, will vest in the Crown, without right of compensation to the Licensee.

10.02 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.

11.00 WAIVER

11.01 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.

12.00 NOTICE

12.01 A notice given under this Licence must be in writing.

12.02 A notice given under this Licence may be:

- (a) delivered by hand;
- (b) sent by mail; or
- (c) 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.

12.03 If a notice is given under this Licence, it is deemed to have been given:

- (a) if it is given in accordance with subparagraph 12.02 (a) on the date it is delivered by hand;

- (b) if it is given in accordance with subparagraph 12.02 (b), subject to paragraph 12.04, 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 12.02 (c), subject to paragraph 12.05, on the date it is sent by facsimile transmission.
- 12.04 If, between the time a notice is mailed in accordance with subparagraph 12.02 (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.
- 12.05 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.
- 12.06 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.

13.00 MISCELLANEOUS

- 13.01 This Licence will inure to the benefit of, and be binding on, the parties and their respective heirs, executors, successors and permitted assigns.
- 13.02 The laws of British Columbia will govern the interpretation of this Licence and the performance of the Licensee's obligations under this Licence.
- 13.03 Any non-statutory power conferred or duty imposed on the Regional Manager or District Manager under this Licence may be exercised or fulfilled by any person authorized to do so by the Regional Manager or District Manager.
- 13.04 Any Schedules, Exhibit "A" map(s) or attachments referenced in, or attached to this Licence are an integral part of this agreement as if set out in the body of this agreement, and the Licensee will comply with all the terms in the Schedules.
- 13.05 If there is a conflict between the *Workers Compensation Act* or a regulation under that Act, and a provision of this Licence, the *Workers Compensation Act*, or the regulations made under that Act, prevails, and the Licensee must immediately notify the District Manager of the conflict and follow any direction given by the District Manager with respect to the conflict, provided such direction is consistent with the *Workers Compensation Act* and the regulations under that Act.
- 13.06 Nothing in this Licence authorizes the Licensee to in any way restrict the Government's right of access to the Licence areas or a road permit or the right of any other authorized entrant, user or occupier of these areas.

- 13.07 This Licence is the entire agreement between the parties as to the matters set out in this Licence, and all previous promises, representations or agreements between the parties, whether oral or written, are deemed to have been replaced by this Licence.
- 13.08 Unless otherwise defined in this Licence, if a word or phrase used in this Licence is defined in the legislation described in paragraph 13.02, the definition in the legislation applies to this Licence, and where the word or phrase in the legislation is replaced by a new word or phrase, this Licence is deemed to have been amended accordingly.
- 13.09 Time is of the essence in this Licence.
- 13.10 If any provision in this Licence is found to be invalid or unenforceable by a court of law, the remainder of this Licence is separately valid and enforceable to the fullest extent permitted by law.
- 13.11 The Licensee acknowledges that any information released to the Licensee by the Regional Manager, District Manager or the Government about the nature of the Licence area or the quality or quantity of timber including the maximum volume in paragraph 1.03, is not to be relied upon. Execution of this Licence by the Licensee is an absolute release by the Licensee of the District Manager and the Crown from any claim that the Licensee may have in respect of the nature of the licence area or the quality or quantity of timber.

14.00 INTERPRETATION & DEFINITIONS

- 14.01 This Licence is divided into parts, paragraphs, subparagraphs, clauses and subparagraphs, illustrated as follows:

- 1.00 part;
 - 1.01 paragraph;
 - (a) subparagraph;
 - (i) clause;
 - (A) subparagraph;

and a reference to a subparagraph, clause or subparagraph 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.

- 14.02 In this Licence, unless the context otherwise requires,

“forestry legislation” means the statutes and regulations, to which the Licence is subject including: the *Forest Act*, the *Forest Practices Code of British Columbia Act*, *Forest and Range Practices Act* and the *Wildfire Act*.

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

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

Sandra Smith)
Signature)

Sandra Smith)
Printed Name)

Robert A. Krul
District Manager
Peace District

Jan 19/11
Dated

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

Kim Isaak)
Signature)

Kim Isaak)
Printed Name)

c/s

(or)

SIGNED, by the Licensee)
in the presence of:)

Marjorie Whalen)
Signature)

MARJORIE WHALEN)
CORPORATE OFFICER)
Printed Name)

Larry White
Licensee

LARRY WHITE, MAYOR
Printed Name and Title

Jan 4/11
Dated

SCHEDULE "A"

1.00 OTHER CONDITIONS AND REQUIREMENTS

- 1.01 In addition to the terms set out in the body of this Licence, the Licensee will also comply with the following conditions:
- (a) the Licensee must contact the District or Regional Manager or designate before start up and completion of operations;
 - (b) final Harvesting Report: Within 60 days of the completion of harvesting operations, the Licensee must submit to the Regional Manager or District Manager a Post Harvest Report signed by a Licenced Forest Professional which specifies:
 - (i) the area in which the harvesting occurred;
 - (ii) an assessment of the post harvest free growing obligations within the licence area;
 - (iii) the amount of area harvested;
 - (iv) an update of Forest Cover Inventory; and
 - (v) the location and approximate size of all associate wildlife tree retention areas;
 - (c) unless the Regional Manager or District Manager specifies otherwise in writing, the Licensee must take all reasonable steps to commence harvesting operations within a reasonable period of time following the commencement of the term and no later than **four (04) months** following the commencement of the term;
 - (d) this Licence does not convey any right or title to any timber which has been cut prior to the effective date of the Licence and remains on the licence area, and the Licensee must not impede or obstruct the licensor from removing any such timber;

SCHEDULE “B”

1.00 RESERVED TIMBER

1.01 Subject to the forestry legislation, there is no timber reserved under this Licence.


MAP OF : A88478 (shown in bold black)

FOREST REGION : RNI FOREST DISTRICT : DPC	TSA : PAG13 0 LAND DISTRICT : PEACE RIVER DISTRICT	PULPWOOD AGREEMENT : PAG13 0	MGT UNIT TYPE : TIMBER SUPPLY AREA MGT UNIT NO : 41
ESF SUBMISSION ID : 864566 BCGS MAPSHEET NO : 93P.015	SCALE : 1:15000 at A Size Area (Ha): 4.486	UTM : 10 NAD : NAD83	DRAWN BY : FTA DATE : Dec 10, 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

(4.4859 Ha)
 PolC1 UTM10 627065, 6111965
 1 (4.4859 Ha)
 PolC2 UTM10 627065, 6111965



FORESTRY LICENCE TO CUT

A88480



THIS LICENCE, dated for reference **December 23, 2010**.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF BRITISH COLUMBIA,
as represented by the DISTRICT MANAGER,
MINISTRY OF NATURAL RESOURCE OPERATIONS
9000 17TH STREET
DAWSON CREEK, BRITISH COLUMBIA
V1G 4A4
Phone: 250-784-1200 Fax: 250-784-0143
(the "District Manager")

AND:

DISTRICT OF TUMBLER RIDGE
PO BOX 100
TUMBLER RIDGE, BRITISH COLUMBIA
V0C 2W0
Phone: (250)242-4242 Fax: (250)242-3993
(the "Licensee")

WHEREAS:

THE PARTIES agree as follows:

1.00 GRANT OF RIGHTS AND TERM

- 1.01 The term of this Licence begins on **December 23, 2010** and expires on the earlier of **December 22, 2012** or when the Regional Manager or District Manager gives notice to the Licensee that all contractual and legislative obligations associated with this Licence have been completed.

"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."

TABLE OF CONTENTS

1.00	GRANT OF RIGHTS AND TERM	1
2.00	TIMBER HARVEST LIMITATIONS	3
3.00	TIMBER MARK	3
4.00	SCALE BASED STUMPAGE	3
5.00	TIMBER VOLUME CHARGED TO THE LICENCE	4
6.00	WASTE ASSESSMENT	4
7.00	COURT DETERMINED ABORIGINAL RIGHTS AND/OR TITLE	4
8.00	FINANCIAL AND DEPOSITS.....	5
9.00	LIABILITY & INDEMNITY	6
10.00	TERMINATION	7
11.00	WAIVER.....	7
12.00	NOTICE	7
13.00	MISCELLANEOUS	8
14.00	INTERPRETATION & DEFINITIONS.....	9
	SCHEDULE "A" OTHER CONDITIONS AND REQUIREMENTS	11
	SCHEDULE "B" RESERVED TIMBER.....	12
	EXHIBIT "A"	13

- 1.02 Subject to this Licence and the forestry legislation, the Licensee is authorized to harvest the Crown timber from the areas of land shown on the attached Exhibit "A" map(s) ("the licence area").
- 1.03 During the term of this Licence, the maximum volume of timber harvested under this Licence from the licence area is **624 m³**.
- 1.04 The volume of timber harvested under this Licence that exceeds the maximum harvestable volume of timber specified in paragraph 1.03 will be subject to the penalties specified in section 75.21 of the *Forest Act*, section 2 of the Cut Control Regulation, and may also be subject to penalties available under the *Forest and Range Practices Act*.
- 1.05 Subject to this Licence, the Licensee has the right to enter and use Crown land to exercise rights and fulfill obligations under this Licence.
- 1.06 This Licence is not replaceable under the *Forest Act*.
- 1.07 Extensions may be granted to the term of this Licence.

2.00 TIMBER HARVEST LIMITATIONS

- 2.01 Timber harvesting must be conducted in accordance with the forestry legislation and the conditions and requirements specified in Schedule "A".
- 2.02 In addition to timber specified in the forestry legislation as reserved, the Licensee must not cut, damage, or destroy timber if the timber is specified as reserved in Schedule "B".

3.00 TIMBER MARK

- 3.01 The timber mark for timber harvested under this Licence is:

8 8
4 8 0

- 3.02 All timber cut from the licence area must be marked in accordance with the *Forest Act* and the Timber Marking and Transportation Regulation.

4.00 SCALE BASED STUMPAGE

- 4.01 The Licensee must ensure that:
 - (a) all timber removed from the licence 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 TIMBER VOLUME CHARGED TO THE LICENCE

5.01 Timber of the following grades will be used to calculate and determine the "volume of timber harvested" as defined in section 75.1 of the *Forest Act*:

- (a) all species and grades except for grades 6 and Z.

6.00 WASTE ASSESSMENT

- 6.01 The quantity and quality of merchantable Crown timber that could have been harvested under this Licence but at the Licensee's discretion was not harvested, will be determined in accordance with the provisions of the Provincial Logging Residue and Waste Measurement Procedures Manual, as amended or replaced from time to time.
- 6.02 The Regional Manager or District Manager, in a notice given to the Licensee, may require the Licensee to pay in respect of the volume of timber determined under paragraph 6.01, a monetary assessment for all waste.
- 6.03 The amount of money that the Licensee must pay under a waste assessment will be determined in accordance with the provisions of the Provincial Logging Residue and Waste Measurement Procedures Manual as they are at the time the quantity and quality of merchantable Crown timber is determined under paragraph 6.01.
- 6.04 For the purpose of conducting the assessment of the volume of timber that was not harvested as described in paragraph 6.01 the Regional Manager or District Manager may conduct an assessment in accordance with the current Provincial Logging Residue and Waste Measurement Procedures Manual after the expiry of the term of this Licence or the Licence otherwise being terminated, whichever occurs first.

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 associated with 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 7.01 (a); or
- (c) grants an injunction pending a determination of whether activities or operations under or associated with 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, this Licence in whole or in part, so as to be consistent with the court determination.

7.02 Subject to this Licence and the forestry legislation, if:

- (a) under paragraph 7.01, the Regional Manager or District Manager has varied the Licence 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 vary the Licence to reflect as closely as possible, for the remainder of its term, the terms and conditions of the Licence prior to the variation under paragraph 7.01.

7.03 Subject to this Licence and the forestry legislation, if:

- (a) under paragraph 7.01, the Regional Manager or District Manager has suspended the Licence;
- (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 Licence for the remainder of its term.

8.00 FINANCIAL AND DEPOSITS

8.01 In addition to any money payable in respect of this Licence under the forestry legislation, the Licensee must pay to the Government, immediately upon receipt of a notice, statement or invoice issued on behalf of the Government:

- (a) stumpage under part 7 of the *Forest Act* at rates determined, re-determined and varied under section 105 of that Act in respect of timber removed under this Licence;
- (b) any payment required as a result of a waste assessment under part 6.00 of this Licence.

8.02 The Licensee will provide the Crown with \$N/A to be held on deposit (the “deposit”) to be used in accordance with the regulations.

8.03 If the Licensee fails to perform an obligation under this Licence, the Regional Manager or District Manager, after at least two weeks notice, may take from the deposit an amount equal to the reasonable costs to perform the obligation and may perform the obligation on the Licensee’s behalf.

- 8.04 If the Regional Manager or District Manager takes from the deposit under paragraph 8.03, the Licensee must pay to the Government on demand an amount sufficient to replenish the deposit or this Licence may be terminated by the Regional Manager or District Manager.
- 8.05 In accordance with the Advertising, deposits, Disposition and Extensions Regulation, the deposit may be refunded to the Licensee.

9.00 LIABILITY & INDEMNITY

- 9.01 Subject to paragraph 9.03, the Licensee will 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, including but not restricted to the Licensee's operations, under or associated with this Licence; 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.
- 9.02 For greater certainty, the Licensee has no obligation to indemnify the Government under paragraph 9.01 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.
- 9.03 Amounts taken under part 8.00 from the deposit and any payments required under parts 5.00, 6.00 or 8.00, and payments required further to the indemnity referred to in paragraph 9.01 are in addition to and not in substitution for any other remedies available to the Government in respect of a default of the Licensee.
- 9.04 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.

10.00 TERMINATION

10.01 If this Licence expires or is cancelled or is otherwise terminated:

- (a) title to all improvements, including roads and bridges, fixed on Crown land in the licence area; and
- (b) all timber, including logs and special forest products, located on the licence area, will vest in the Crown, without right of compensation to the Licensee.

10.02 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.

11.00 WAIVER

11.01 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.

12.00 NOTICE

12.01 A notice given under this Licence must be in writing.

12.02 A notice given under this Licence may be:

- (a) delivered by hand;
- (b) sent by mail; or
- (c) 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.

12.03 If a notice is given under this Licence, it is deemed to have been given:

- (a) if it is given in accordance with subparagraph 12.02 (a) on the date it is delivered by hand;

- (b) if it is given in accordance with subparagraph 12.02 (b), subject to paragraph 12.04, 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 12.02 (c), subject to paragraph 12.05, on the date it is sent by facsimile transmission.
- 12.04 If, between the time a notice is mailed in accordance with subparagraph 12.02 (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.
- 12.05 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.
- 12.06 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.

13.00 MISCELLANEOUS

- 13.01 This Licence will inure to the benefit of, and be binding on, the parties and their respective heirs, executors, successors and permitted assigns.
- 13.02 The laws of British Columbia will govern the interpretation of this Licence and the performance of the Licensee's obligations under this Licence.
- 13.03 Any non-statutory power conferred or duty imposed on the Regional Manager or District Manager under this Licence may be exercised or fulfilled by any person authorized to do so by the Regional Manager or District Manager.
- 13.04 Any Schedules, Exhibit "A" map(s) or attachments referenced in, or attached to this Licence are an integral part of this agreement as if set out in the body of this agreement, and the Licensee will comply with all the terms in the Schedules.
- 13.05 If there is a conflict between the *Workers Compensation Act* or a regulation under that Act, and a provision of this Licence, the *Workers Compensation Act*, or the regulations made under that Act, prevails, and the Licensee must immediately notify the District Manager of the conflict and follow any direction given by the District Manager with respect to the conflict, provided such direction is consistent with the *Workers Compensation Act* and the regulations under that Act.
- 13.06 Nothing in this Licence authorizes the Licensee to in any way restrict the Government's right of access to the Licence areas or a road permit or the right of any other authorized entrant, user or occupier of these areas.

- 13.07 This Licence is the entire agreement between the parties as to the matters set out in this Licence, and all previous promises, representations or agreements between the parties, whether oral or written, are deemed to have been replaced by this Licence.
- 13.08 Unless otherwise defined in this Licence, if a word or phrase used in this Licence is defined in the legislation described in paragraph 13.02, the definition in the legislation applies to this Licence, and where the word or phrase in the legislation is replaced by a new word or phrase, this Licence is deemed to have been amended accordingly.
- 13.09 Time is of the essence in this Licence.
- 13.10 If any provision in this Licence is found to be invalid or unenforceable by a court of law, the remainder of this Licence is separately valid and enforceable to the fullest extent permitted by law.
- 13.11 The Licensee acknowledges that any information released to the Licensee by the Regional Manager, District Manager or the Government about the nature of the Licence area or the quality or quantity of timber including the maximum volume in paragraph 1.03, is not to be relied upon. Execution of this Licence by the Licensee is an absolute release by the Licensee of the District Manager and the Crown from any claim that the Licensee may have in respect of the nature of the licence area or the quality or quantity of timber.

14.00 INTERPRETATION & DEFINITIONS

- 14.01 This Licence is divided into parts, paragraphs, subparagraphs, clauses and subparagraphs, illustrated as follows:

- 1.00 part;
 - 1.01 paragraph;
 - (a) subparagraph;
 - (i) clause;
 - (A) subparagraph;

and a reference to a subparagraph, clause or subparagraph 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.

- 14.02 In this Licence, unless the context otherwise requires,

“forestry legislation” means the statutes and regulations, to which the Licence is subject including: the *Forest Act*, the *Forest Practices Code of British Columbia Act*, *Forest and Range Practices Act* and the *Wildfire Act*.

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

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

Sandra Smith)
Signature)

Sandra Smith)
Printed Name)

Robert Kynoch
District Manager
Peace District

Jan 19/11
Dated

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

Kim Isaak)
Signature)

Kim Isaak)
Printed Name)

c/s

(or)

SIGNED, by the Licensee)
in the presence of:)

Marjorie Whalen)
Signature)
MARJORIE WHALEN)
CORPORATE OFFICER)
Marjorie Whalen)
Printed Name)

Larry White
Licensee

LARRY WHITE, MAYOR.
Printed Name and Title

Jan 4/11
Dated

SCHEDULE "A"

1.00 OTHER CONDITIONS AND REQUIREMENTS

- 1.01 In addition to the terms set out in the body of this Licence, the Licensee will also comply with the following conditions:
- (a) the Licensee must contact the District or Regional Manager or designate before start up and completion of operations;
 - (b) final Harvesting Report: Within 60 days of the completion of harvesting operations, the Licensee must submit to the Regional Manager or District Manager a Post Harvest Report signed by a Licenced Forest Professional which specifies:
 - (i) the area in which the harvesting occurred;
 - (ii) an assessment of the post harvest free growing obligations within the licence area;
 - (iii) the amount of area harvested;
 - (iv) an update of Forest Cover Inventory; and
 - (v) the location and approximate size of all associate wildlife tree retention areas;
 - (c) unless the Regional Manager or District Manager specifies otherwise in writing, the Licensee must take all reasonable steps to commence harvesting operations within a reasonable period of time following the commencement of the term and no later than **four (04) months** following the commencement of the term;
 - (d) this Licence does not convey any right or title to any timber which has been cut prior to the effective date of the Licence and remains on the licence area, and the Licensee must not impede or obstruct the licensor from removing any such timber;

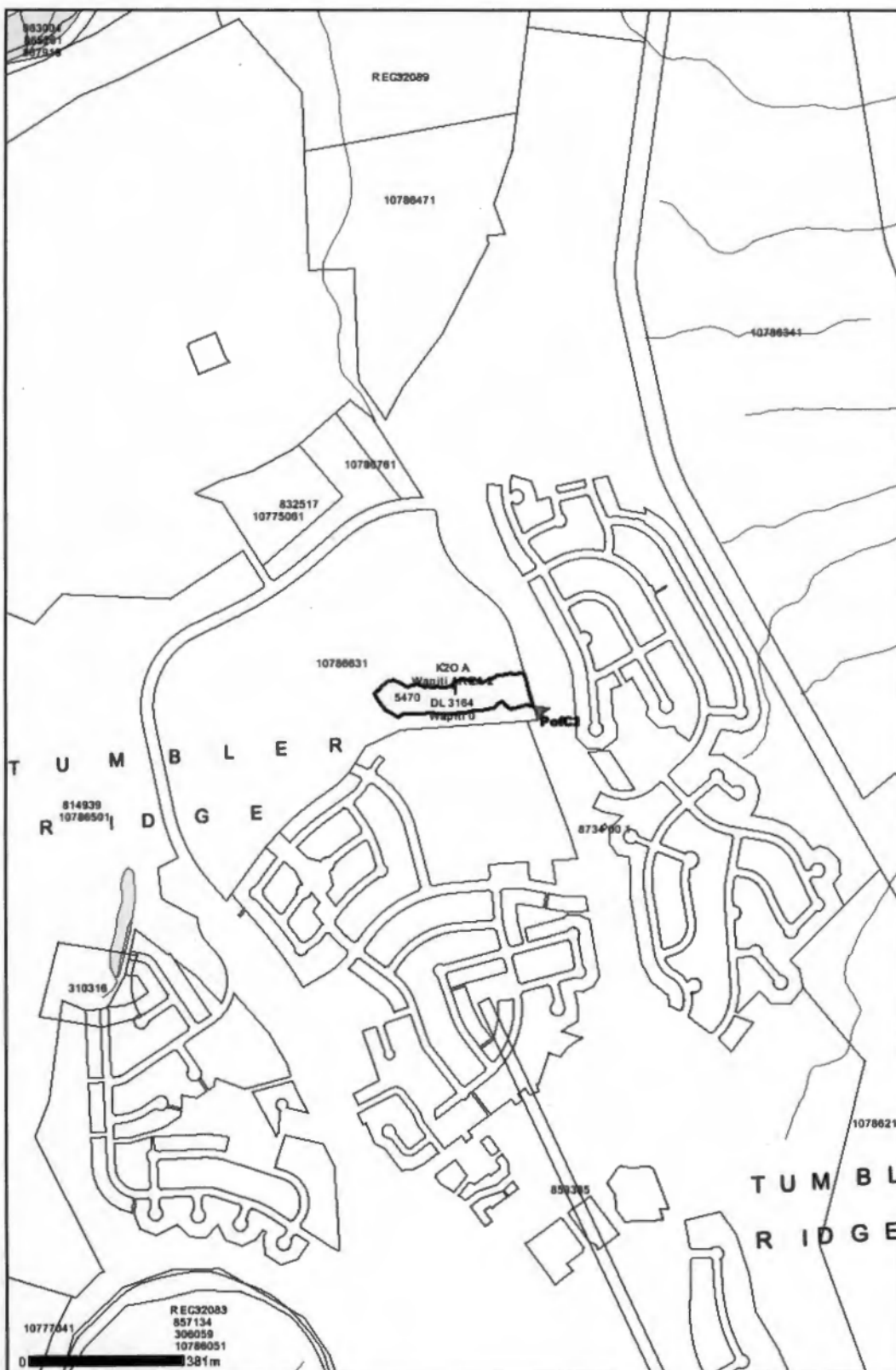
SCHEDULE “B”
























1.00 RESERVED TIMBER

1.01 Subject to the forestry legislation, there is no timber reserved under this Licence.



MAP OF : A88480 (shown in bold black)			
FOREST REGION : RNI FOREST DISTRICT : DPC	TSA : PAG13 0 LAND DISTRICT : PEACE RIVER DISTRICT	PULPWOOD AGREEMENT : PAG13 0	MGT UNIT TYPE : TIMBER SUPPLY AREA MGT UNIT NO : 41
ESF SUBMISSION ID : 864578 BCGS MAPSHEET NO : 93P.016	SCALE : 1:15000 at A Size Area (Ha): 2.588	UTM : 10 NAD : NAD83	DRAWN BY : FTA DATE : Dec 10, 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
(2.5884 Ha) PofC1 UTM10 627726, 6111751 1 (2.5884 Ha) PofC2 UTM10 627726, 6111751	



FORESTRY LICENCE TO CUT

A88481



THIS LICENCE, dated for reference **December 23, 2010**.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF BRITISH COLUMBIA,
as represented by the DISTRICT MANAGER,
MINISTRY OF NATURAL RESOURCE OPERATIONS
9000 17TH STREET
DAWSON CREEK, BRITISH COLUMBIA
V1G 4A4
Phone: 250-784-1200 Fax: 250-784-0143
(the "District Manager")

AND:

DISTRICT OF TUMBLER RIDGE
PO BOX 100
TUMBLER RIDGE, BRITISH COLUMBIA
V0C 2W0
Phone: (250)242-4242 Fax: (250)242-3993
(the "Licensee")

WHEREAS:

THE PARTIES agree as follows:

1.00 GRANT OF RIGHTS AND TERM

- 1.01 The term of this Licence begins on **December 23, 2010** and expires on the earlier of **December 22, 2012** or when the Regional Manager or District Manager gives notice to the Licensee that all contractual and legislative obligations associated with this Licence have been completed.

"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."

TABLE OF CONTENTS

1.00	GRANT OF RIGHTS AND TERM	1
2.00	TIMBER HARVEST LIMITATIONS	3
3.00	TIMBER MARK	3
4.00	SCALE BASED STUMPAGE	3
5.00	TIMBER VOLUME CHARGED TO THE LICENCE	4
6.00	WASTE ASSESSMENT	4
7.00	COURT DETERMINED ABORIGINAL RIGHTS AND/OR TITLE	4
8.00	FINANCIAL AND DEPOSITS.....	5
9.00	LIABILITY & INDEMNITY	6
10.00	TERMINATION	7
11.00	WAIVER.....	7
12.00	NOTICE	7
13.00	MISCELLANEOUS	8
14.00	INTERPRETATION & DEFINITIONS.....	9
	SCHEDULE "A" OTHER CONDITIONS AND REQUIREMENTS.....	11
	SCHEDULE "B" RESERVED TIMBER.....	12
	EXHIBIT "A"	13

- 1.02 Subject to this Licence and the forestry legislation, the Licensee is authorized to harvest the Crown timber from the areas of land shown on the attached Exhibit "A" map(s) ("the licence area").
- 1.03 During the term of this Licence, the maximum volume of timber harvested under this Licence from the licence area is **824 m³**.
- 1.04 The volume of timber harvested under this Licence that exceeds the maximum harvestable volume of timber specified in paragraph 1.03 will be subject to the penalties specified in section 75.21 of the *Forest Act*, section 2 of the Cut Control Regulation, and may also be subject to penalties available under the *Forest and Range Practices Act*.
- 1.05 Subject to this Licence, the Licensee has the right to enter and use Crown land to exercise rights and fulfill obligations under this Licence.
- 1.06 This Licence is not replaceable under the *Forest Act*.
- 1.07 Extensions may be granted to the term of this Licence.

2.00 TIMBER HARVEST LIMITATIONS

- 2.01 Timber harvesting must be conducted in accordance with the forestry legislation and the conditions and requirements specified in Schedule "A".
- 2.02 In addition to timber specified in the forestry legislation as reserved, the Licensee must not cut, damage, or destroy timber if the timber is specified as reserved in Schedule "B".

3.00 TIMBER MARK

- 3.01 The timber mark for timber harvested under this Licence is:

8 8
4 8 1

- 3.02 All timber cut from the licence area must be marked in accordance with the *Forest Act* and the Timber Marking and Transportation Regulation.

4.00 SCALE BASED STUMPAGE

- 4.01 The Licensee must ensure that:
- (a) all timber removed from the licence 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 TIMBER VOLUME CHARGED TO THE LICENCE

5.01 Timber of the following grades will be used to calculate and determine the “volume of timber harvested” as defined in section 75.1 of the *Forest Act*:

- (a) all species and grades except for grades 6 and Z.

6.00 WASTE ASSESSMENT

6.01 The quantity and quality of merchantable Crown timber that could have been harvested under this Licence but at the Licensee’s discretion was not harvested, will be determined in accordance with the provisions of the Provincial Logging Residue and Waste Measurement Procedures Manual, as amended or replaced from time to time.

6.02 The Regional Manager or District Manager, in a notice given to the Licensee, may require the Licensee to pay in respect of the volume of timber determined under paragraph 6.01, a monetary assessment for all waste.

6.03 The amount of money that the Licensee must pay under a waste assessment will be determined in accordance with the provisions of the Provincial Logging Residue and Waste Measurement Procedures Manual as they are at the time the quantity and quality of merchantable Crown timber is determined under paragraph 6.01.

6.04 For the purpose of conducting the assessment of the volume of timber that was not harvested as described in paragraph 6.01 the Regional Manager or District Manager may conduct an assessment in accordance with the current Provincial Logging Residue and Waste Measurement Procedures Manual after the expiry of the term of this Licence or the Licence otherwise being terminated, whichever occurs first.

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 associated with 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 7.01 (a); or
- (c) grants an injunction pending a determination of whether activities or operations under or associated with 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, this Licence in whole or in part, so as to be consistent with the court determination.

7.02 Subject to this Licence and the forestry legislation, if:

- (a) under paragraph 7.01, the Regional Manager or District Manager has varied the Licence 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 vary the Licence to reflect as closely as possible, for the remainder of its term, the terms and conditions of the Licence prior to the variation under paragraph 7.01.

7.03 Subject to this Licence and the forestry legislation, if:

- (a) under paragraph 7.01, the Regional Manager or District Manager has suspended the Licence;
- (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 Licence for the remainder of its term.

8.00 FINANCIAL AND DEPOSITS

8.01 In addition to any money payable in respect of this Licence under the forestry legislation, the Licensee must pay to the Government, immediately upon receipt of a notice, statement or invoice issued on behalf of the Government:

- (a) stumpage under part 7 of the *Forest Act* at rates determined, re-determined and varied under section 105 of that Act in respect of timber removed under this Licence;
- (b) any payment required as a result of a waste assessment under part 6.00 of this Licence.

8.02 The Licensee will provide the Crown with **\$N/A** to be held on deposit (the “deposit”) to be used in accordance with the regulations.

8.03 If the Licensee fails to perform an obligation under this Licence, the Regional Manager or District Manager, after at least two weeks notice, may take from the deposit an amount equal to the reasonable costs to perform the obligation and may perform the obligation on the Licensee’s behalf.

- 8.04 If the Regional Manager or District Manager takes from the deposit under paragraph 8.03, the Licensee must pay to the Government on demand an amount sufficient to replenish the deposit or this Licence may be terminated by the Regional Manager or District Manager.
- 8.05 In accordance with the Advertising, deposits, Disposition and Extensions Regulation, the deposit may be refunded to the Licensee.

9.00 LIABILITY & INDEMNITY

- 9.01 Subject to paragraph 9.03, the Licensee will 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, including but not restricted to the Licensee's operations, under or associated with this Licence; 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.
- 9.02 For greater certainty, the Licensee has no obligation to indemnify the Government under paragraph 9.01 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.
- 9.03 Amounts taken under part 8.00 from the deposit and any payments required under parts 5.00, 6.00 or 8.00, and payments required further to the indemnity referred to in paragraph 9.01 are in addition to and not in substitution for any other remedies available to the Government in respect of a default of the Licensee.
- 9.04 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.

10.00 TERMINATION

10.01 If this Licence expires or is cancelled or is otherwise terminated:

- (a) title to all improvements, including roads and bridges, fixed on Crown land in the licence area; and
- (b) all timber, including logs and special forest products, located on the licence area, will vest in the Crown, without right of compensation to the Licensee.

10.02 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.

11.00 WAIVER

11.01 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.

12.00 NOTICE

12.01 A notice given under this Licence must be in writing.

12.02 A notice given under this Licence may be:

- (a) delivered by hand;
- (b) sent by mail; or
- (c) 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.

12.03 If a notice is given under this Licence, it is deemed to have been given:

- (a) if it is given in accordance with subparagraph 12.02 (a) on the date it is delivered by hand;

- (b) if it is given in accordance with subparagraph 12.02 (b), subject to paragraph 12.04, 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 12.02 (c), subject to paragraph 12.05, on the date it is sent by facsimile transmission.
- 12.04 If, between the time a notice is mailed in accordance with subparagraph 12.02 (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.
- 12.05 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.
- 12.06 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.

13.00 MISCELLANEOUS

- 13.01 This Licence will inure to the benefit of, and be binding on, the parties and their respective heirs, executors, successors and permitted assigns.
- 13.02 The laws of British Columbia will govern the interpretation of this Licence and the performance of the Licensee's obligations under this Licence.
- 13.03 Any non-statutory power conferred or duty imposed on the Regional Manager or District Manager under this Licence may be exercised or fulfilled by any person authorized to do so by the Regional Manager or District Manager.
- 13.04 Any Schedules, Exhibit "A" map(s) or attachments referenced in, or attached to this Licence are an integral part of this agreement as if set out in the body of this agreement, and the Licensee will comply with all the terms in the Schedules.
- 13.05 If there is a conflict between the *Workers Compensation Act* or a regulation under that Act, and a provision of this Licence, the *Workers Compensation Act*, or the regulations made under that Act, prevails, and the Licensee must immediately notify the District Manager of the conflict and follow any direction given by the District Manager with respect to the conflict, provided such direction is consistent with the *Workers Compensation Act* and the regulations under that Act.
- 13.06 Nothing in this Licence authorizes the Licensee to in any way restrict the Government's right of access to the Licence areas or a road permit or the right of any other authorized entrant, user or occupier of these areas.

- 13.07 This Licence is the entire agreement between the parties as to the matters set out in this Licence, and all previous promises, representations or agreements between the parties, whether oral or written, are deemed to have been replaced by this Licence.
- 13.08 Unless otherwise defined in this Licence, if a word or phrase used in this Licence is defined in the legislation described in paragraph 13.02, the definition in the legislation applies to this Licence, and where the word or phrase in the legislation is replaced by a new word or phrase, this Licence is deemed to have been amended accordingly.
- 13.09 Time is of the essence in this Licence.
- 13.10 If any provision in this Licence is found to be invalid or unenforceable by a court of law, the remainder of this Licence is separately valid and enforceable to the fullest extent permitted by law.
- 13.11 The Licensee acknowledges that any information released to the Licensee by the Regional Manager, District Manager or the Government about the nature of the Licence area or the quality or quantity of timber including the maximum volume in paragraph 1.03, is not to be relied upon. Execution of this Licence by the Licensee is an absolute release by the Licensee of the District Manager and the Crown from any claim that the Licensee may have in respect of the nature of the licence area or the quality or quantity of timber.

14.00 INTERPRETATION & DEFINITIONS

- 14.01 This Licence is divided into parts, paragraphs, subparagraphs, clauses and subparagraphs, illustrated as follows:

- 1.00 part;
 - 1.01 paragraph;
 - (a) subparagraph;
 - (i) clause;
 - (A) subparagraph;

and a reference to a subparagraph, clause or subparagraph 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.

- 14.02 In this Licence, unless the context otherwise requires,

“forestry legislation” means the statutes and regulations, to which the Licence is subject including: the *Forest Act*, the *Forest Practices Code of British Columbia Act*, *Forest and Range Practices Act* and the *Wildfire Act*.

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

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

Sandra Smith)
Signature)

Sandra Smith)
Printed Name)

Robert Kaul
District Manager
Peace District

Jan 19/11
Dated

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

Kim Isack)
Signature)

Kim Isack)
Printed Name)

c/s

(or)

SIGNED, by the Licensee)
in the presence of:)

M. Whalen)
Signature)
MARJORIE WHALEN)
CORPORATE OFFICER)

)
Printed Name)

L. White
Licensee

LARRY WHITE, Mayor
Printed Name and Title

Jan 4/11
Dated

SCHEDULE "A"

1.00 OTHER CONDITIONS AND REQUIREMENTS

- 1.01 In addition to the terms set out in the body of this Licence, the Licensee will also comply with the following conditions:
- (a) the Licensee must contact the District or Regional Manager or designate before start up and completion of operations;
 - (b) final Harvesting Report: Within 60 days of the completion of harvesting operations, the Licensee must submit to the Regional Manager or District Manager a Post Harvest Report signed by a Licenced Forest Professional which specifies:
 - (i) the area in which the harvesting occurred;
 - (ii) an assessment of the post harvest free growing obligations within the licence area;
 - (iii) the amount of area harvested;
 - (iv) an update of Forest Cover Inventory; and
 - (v) the location and approximate size of all associate wildlife tree retention areas;
 - (c) unless the Regional Manager or District Manager specifies otherwise in writing, the Licensee must take all reasonable steps to commence harvesting operations within a reasonable period of time following the commencement of the term and no later than **four (04) months** following the commencement of the term;
 - (d) this Licence does not convey any right or title to any timber which has been cut prior to the effective date of the Licence and remains on the licence area, and the Licensee must not impede or obstruct the licensor from removing any such timber;

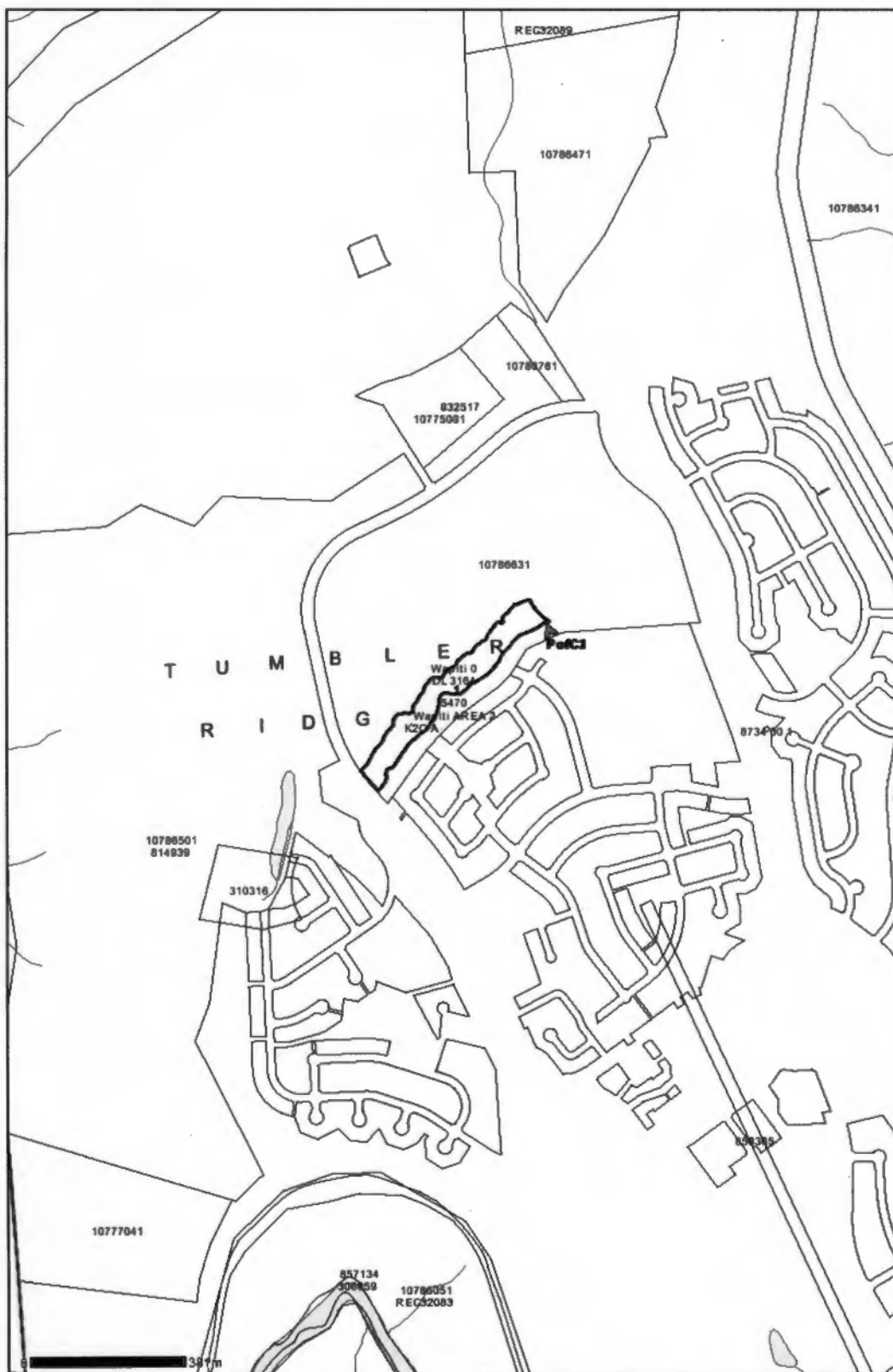
SCHEDULE “B”


















1.00 RESERVED TIMBER

1.01 Subject to the forestry legislation, there is no timber reserved under this Licence.


MAP OF : A88481 (shown in bold black)

FOREST REGION : RNI FOREST DISTRICT : DPC	TSA : PAG13 0 LAND DISTRICT : PEACE RIVER DISTRICT	PULPWOOD AGREEMENT : PAG13 0	MGT UNIT TYPE : TIMBER SUPPLY AREA MGT UNIT NO : 41
ESF SUBMISSION ID : 864579 BCGS MAPSHEET NO : 93P.015	SCALE : 1:15000 at A Size Area (Ha): 3.52	UTM : 10 NAD : NAD83	DRAWN BY : FTA DATE : Dec 10, 2010


Legend

-  Tenure Application
-  Tenure Road Application
-  Refined 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

(3.52 Ha)
PofC1 UTM10 627367, 6111733
1 (3.52 Ha)
PofC2 UTM10 627367, 6111733



FORESTRY LICENCE TO CUT

A88482



THIS LICENCE, dated for reference **December 23, 2010**.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF BRITISH COLUMBIA,
as represented by the DISTRICT MANAGER,
MINISTRY OF NATURAL RESOURCE OPERATIONS
9000 17TH STREET
DAWSON CREEK, BRITISH COLUMBIA
V1G 4A4
Phone: 250-784-1200 Fax: 250-784-0143
(the "District Manager")

AND:

DISTRICT OF TUMBLER RIDGE
PO BOX 100
TUMBLER RIDGE, BRITISH COLUMBIA
V0C 2W0
Phone: (250)242-4242 Fax: (250)242-3993
(the "Licensee")

WHEREAS:

THE PARTIES agree as follows:

1.00 GRANT OF RIGHTS AND TERM

- 1.01 The term of this Licence begins on **December 23, 2010** and expires on the earlier of **December 22, 2012** or when the Regional Manager or District Manager gives notice to the Licensee that all contractual and legislative obligations associated with this Licence have been completed.

"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."

TABLE OF CONTENTS

1.00	GRANT OF RIGHTS AND TERM	1
2.00	TIMBER HARVEST LIMITATIONS	3
3.00	TIMBER MARK	3
4.00	SCALE BASED STUMPAGE	3
5.00	TIMBER VOLUME CHARGED TO THE LICENCE	4
6.00	WASTE ASSESSMENT	4
7.00	COURT DETERMINED ABORIGINAL RIGHTS AND/OR TITLE	4
8.00	FINANCIAL AND DEPOSITS	5
9.00	LIABILITY & INDEMNITY	6
10.00	TERMINATION	7
11.00	WAIVER	7
12.00	NOTICE	7
13.00	MISCELLANEOUS	8
14.00	INTERPRETATION & DEFINITIONS	9
	SCHEDULE "A" OTHER CONDITIONS AND REQUIREMENTS	11
	SCHEDULE "B" RESERVED TIMBER	12
	EXHIBIT "A"	13

- 1.02 Subject to this Licence and the forestry legislation, the Licensee is authorized to harvest the Crown timber from the areas of land shown on the attached Exhibit "A" map(s) ("the licence area").
- 1.03 During the term of this Licence, the maximum volume of timber harvested under this Licence from the licence area is **324 m³**.
- 1.04 The volume of timber harvested under this Licence that exceeds the maximum harvestable volume of timber specified in paragraph 1.03 will be subject to the penalties specified in section 75.21 of the *Forest Act*, section 2 of the Cut Control Regulation, and may also be subject to penalties available under the *Forest and Range Practices Act*.
- 1.05 Subject to this Licence, the Licensee has the right to enter and use Crown land to exercise rights and fulfill obligations under this Licence.
- 1.06 This Licence is not replaceable under the *Forest Act*.
- 1.07 Extensions may be granted to the term of this Licence.

2.00 TIMBER HARVEST LIMITATIONS

- 2.01 Timber harvesting must be conducted in accordance with the forestry legislation and the conditions and requirements specified in Schedule "A".
- 2.02 In addition to timber specified in the forestry legislation as reserved, the Licensee must not cut, damage, or destroy timber if the timber is specified as reserved in Schedule "B".

3.00 TIMBER MARK

- 3.01 The timber mark for timber harvested under this Licence is:

8 8
4 8 2

- 3.02 All timber cut from the licence area must be marked in accordance with the *Forest Act* and the Timber Marking and Transportation Regulation.

4.00 SCALE BASED STUMPAGE

- 4.01 The Licensee must ensure that:

- (a) all timber removed from the licence 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 TIMBER VOLUME CHARGED TO THE LICENCE

5.01 Timber of the following grades will be used to calculate and determine the “volume of timber harvested” as defined in section 75.1 of the *Forest Act*:

- (a) all species and grades except for grades 6 and Z.

6.00 WASTE ASSESSMENT

- 6.01 The quantity and quality of merchantable Crown timber that could have been harvested under this Licence but at the Licensee’s discretion was not harvested, will be determined in accordance with the provisions of the Provincial Logging Residue and Waste Measurement Procedures Manual, as amended or replaced from time to time.
- 6.02 The Regional Manager or District Manager, in a notice given to the Licensee, may require the Licensee to pay in respect of the volume of timber determined under paragraph 6.01, a monetary assessment for all waste.
- 6.03 The amount of money that the Licensee must pay under a waste assessment will be determined in accordance with the provisions of the Provincial Logging Residue and Waste Measurement Procedures Manual as they are at the time the quantity and quality of merchantable Crown timber is determined under paragraph 6.01.
- 6.04 For the purpose of conducting the assessment of the volume of timber that was not harvested as described in paragraph 6.01 the Regional Manager or District Manager may conduct an assessment in accordance with the current Provincial Logging Residue and Waste Measurement Procedures Manual after the expiry of the term of this Licence or the Licence otherwise being terminated, whichever occurs first.

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 associated with 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 7.01 (a); or
 - (c) grants an injunction pending a determination of whether activities or operations under or associated with 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, this Licence in whole or in part, so as to be consistent with the court determination.

7.02 Subject to this Licence and the forestry legislation, if:

- (a) under paragraph 7.01, the Regional Manager or District Manager has varied the Licence 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 vary the Licence to reflect as closely as possible, for the remainder of its term, the terms and conditions of the Licence prior to the variation under paragraph 7.01.

7.03 Subject to this Licence and the forestry legislation, if:

- (a) under paragraph 7.01, the Regional Manager or District Manager has suspended the Licence;
- (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 Licence for the remainder of its term.

8.00 FINANCIAL AND DEPOSITS

8.01 In addition to any money payable in respect of this Licence under the forestry legislation, the Licensee must pay to the Government, immediately upon receipt of a notice, statement or invoice issued on behalf of the Government:

- (a) stumpage under part 7 of the *Forest Act* at rates determined, re-determined and varied under section 105 of that Act in respect of timber removed under this Licence;
- (b) any payment required as a result of a waste assessment under part 6.00 of this Licence.

8.02 The Licensee will provide the Crown with \$N/A to be held on deposit (the “deposit”) to be used in accordance with the regulations.

8.03 If the Licensee fails to perform an obligation under this Licence, the Regional Manager or District Manager, after at least two weeks notice, may take from the deposit an amount equal to the reasonable costs to perform the obligation and may perform the obligation on the Licensee’s behalf.

- 8.04 If the Regional Manager or District Manager takes from the deposit under paragraph 8.03, the Licensee must pay to the Government on demand an amount sufficient to replenish the deposit or this Licence may be terminated by the Regional Manager or District Manager.
- 8.05 In accordance with the Advertising, deposits, Disposition and Extensions Regulation, the deposit may be refunded to the Licensee.

9.00 LIABILITY & INDEMNITY

- 9.01 Subject to paragraph 9.03, the Licensee will 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, including but not restricted to the Licensee's operations, under or associated with this Licence; 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.
- 9.02 For greater certainty, the Licensee has no obligation to indemnify the Government under paragraph 9.01 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.
- 9.03 Amounts taken under part 8.00 from the deposit and any payments required under parts 5.00, 6.00 or 8.00, and payments required further to the indemnity referred to in paragraph 9.01 are in addition to and not in substitution for any other remedies available to the Government in respect of a default of the Licensee.
- 9.04 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.

10.00 TERMINATION

10.01 If this Licence expires or is cancelled or is otherwise terminated:

- (a) title to all improvements, including roads and bridges, fixed on Crown land in the licence area; and
- (b) all timber, including logs and special forest products, located on the licence area, will vest in the Crown, without right of compensation to the Licensee.

10.02 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.

11.00 WAIVER

11.01 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.

12.00 NOTICE

12.01 A notice given under this Licence must be in writing.

12.02 A notice given under this Licence may be:

- (a) delivered by hand;
- (b) sent by mail; or
- (c) 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.

12.03 If a notice is given under this Licence, it is deemed to have been given:

- (a) if it is given in accordance with subparagraph 12.02 (a) on the date it is delivered by hand;

- (b) if it is given in accordance with subparagraph 12.02 (b), subject to paragraph 12.04, 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 12.02 (c), subject to paragraph 12.05, on the date it is sent by facsimile transmission.
- 12.04 If, between the time a notice is mailed in accordance with subparagraph 12.02 (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.
- 12.05 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.
- 12.06 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.

13.00 MISCELLANEOUS

- 13.01 This Licence will inure to the benefit of, and be binding on, the parties and their respective heirs, executors, successors and permitted assigns.
- 13.02 The laws of British Columbia will govern the interpretation of this Licence and the performance of the Licensee's obligations under this Licence.
- 13.03 Any non-statutory power conferred or duty imposed on the Regional Manager or District Manager under this Licence may be exercised or fulfilled by any person authorized to do so by the Regional Manager or District Manager.
- 13.04 Any Schedules, Exhibit "A" map(s) or attachments referenced in, or attached to this Licence are an integral part of this agreement as if set out in the body of this agreement, and the Licensee will comply with all the terms in the Schedules.
- 13.05 If there is a conflict between the *Workers Compensation Act* or a regulation under that Act, and a provision of this Licence, the *Workers Compensation Act*, or the regulations made under that Act, prevails, and the Licensee must immediately notify the District Manager of the conflict and follow any direction given by the District Manager with respect to the conflict, provided such direction is consistent with the *Workers Compensation Act* and the regulations under that Act.
- 13.06 Nothing in this Licence authorizes the Licensee to in any way restrict the Government's right of access to the Licence areas or a road permit or the right of any other authorized entrant, user or occupier of these areas.

- 13.07 This Licence is the entire agreement between the parties as to the matters set out in this Licence, and all previous promises, representations or agreements between the parties, whether oral or written, are deemed to have been replaced by this Licence.
- 13.08 Unless otherwise defined in this Licence, if a word or phrase used in this Licence is defined in the legislation described in paragraph 13.02, the definition in the legislation applies to this Licence, and where the word or phrase in the legislation is replaced by a new word or phrase, this Licence is deemed to have been amended accordingly.
- 13.09 Time is of the essence in this Licence.
- 13.10 If any provision in this Licence is found to be invalid or unenforceable by a court of law, the remainder of this Licence is separately valid and enforceable to the fullest extent permitted by law.
- 13.11 The Licensee acknowledges that any information released to the Licensee by the Regional Manager, District Manager or the Government about the nature of the Licence area or the quality or quantity of timber including the maximum volume in paragraph 1.03, is not to be relied upon. Execution of this Licence by the Licensee is an absolute release by the Licensee of the District Manager and the Crown from any claim that the Licensee may have in respect of the nature of the licence area or the quality or quantity of timber.

14.00 INTERPRETATION & DEFINITIONS

- 14.01 This Licence is divided into parts, paragraphs, subparagraphs, clauses and subparagraphs, illustrated as follows:

- 1.00 part;
 - 1.01 paragraph;
 - (a) subparagraph;
 - (i) clause;
 - (A) subparagraph;

and a reference to a subparagraph, clause or subparagraph 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.

- 14.02 In this Licence, unless the context otherwise requires,
- “forestry legislation” means the statutes and regulations, to which the Licence is subject including: the *Forest Act*, the *Forest Practices Code of British Columbia Act*, *Forest and Range Practices Act* and the *Wildfire Act*.

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

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

Sandra Smith)
Signature)

Sandra Smith)
Printed Name)

Robert Kennedy
District Manager
Peace District

Jan 19/11
Dated

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

Kim Isaak)
Signature)

Kim Isaak)
Printed Name)

c/s

(or)

SIGNED, by the Licensee)
in the presence of:)

M Whalen)
Signature)

MARJORIE WHALEN)
CORPORATE OFFICER)
Printed Name)

Larry White
Licensee

LARRY WHITE, Mayor
Printed Name and Title

Jan 4/11
Dated

SCHEDULE "A"

1.00 OTHER CONDITIONS AND REQUIREMENTS

- 1.01 In addition to the terms set out in the body of this Licence, the Licensee will also comply with the following conditions:
- (a) the Licensee must contact the District or Regional Manager or designate before start up and completion of operations;
 - (b) final Harvesting Report: Within 60 days of the completion of harvesting operations, the Licensee must submit to the Regional Manager or District Manager a Post Harvest Report signed by a Licenced Forest Professional which specifies:
 - (i) the area in which the harvesting occurred;
 - (ii) an assessment of the post harvest free growing obligations within the licence area;
 - (iii) the amount of area harvested;
 - (iv) an update of Forest Cover Inventory; and
 - (v) the location and approximate size of all associate wildlife tree retention areas;
 - (c) unless the Regional Manager or District Manager specifies otherwise in writing, the Licensee must take all reasonable steps to commence harvesting operations within a reasonable period of time following the commencement of the term and no later than **four (04) months** following the commencement of the term;
 - (d) this Licence does not convey any right or title to any timber which has been cut prior to the effective date of the Licence and remains on the licence area, and the Licensee must not impede or obstruct the licensor from removing any such timber;

SCHEDULE “B”

1.00 RESERVED TIMBER

- 1.01 Subject to the forestry legislation, there is no timber reserved under this Licence.

CFA

Document



Province of
British Columbia

Ministry of
Forests and
Range



FILE:
K20-25
NW

Amendment No 1

Amendment # 1 . Memorandum of Amendment to Community Forest Agreement K20
is made this 4th day of September between the Regional Executive Director of the
Northeast Region and the Licensee of the K20 Community Forest Agreement.

Whereas it is mutually agreed to amend the terms and conditions of the said Licence and the parties hereto have agreed to amend the same as set forth in the memorandum.

NOW, THEREFORE, in consideration of the premises and other valuable considerations now exchanged between the parties hereto, said parties agree as follows:

Change: Licensee from: District of Tumbler Ridge

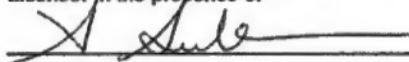
To: Tumbler Ridge Community Forest Corporation, as incorporated in the Province of British Columbia on July 24, 2012


This forms an integral part of the original Licence and should be attached thereto:

Subject to the foregoing, the parties hereto confirm the said Licence.

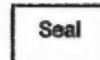
IN WITNESS WHEREOF the said parties have hereunto set their hands and seals and/or the Licensee has caused its corporate seal to be affixed in the presence of the duly authorized officers in that behalf on the date and year first above written.

Signed, sealed and delivered by the
Licensor in the presence of

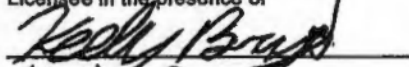

Elaine Sullivan
Regional Executive
Assistant - NE

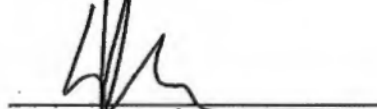

Dale Morgan
Regional Executive Director
Northeast Region

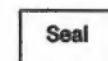
(Licensor)



Signed, sealed and delivered by the
Licensee in the presence of


Kelly Bryon
Community Development Officer


Darwin Wren, Mayor



(Licensee)

Note: If the Licensee is a co-partnership, the amendment must be signed and sealed by each member of the partnership. All written signatures must be made in ink.

If the Licensee is a corporation, the corporate seal must be affixed by the officials who are authorized to execute deeds on behalf of the corporation and be accompanied by the signature of these officials.



File: 19460-25/K20

August 27, 2012

Tumbler Ridge Community Forest Corp.
c/o District Of Tumbler Ridge
Box 100, Municipal Hall
Tumbler Ridge, British Columbia
V0C 2W0

Dear Mayor Darwin Wren:

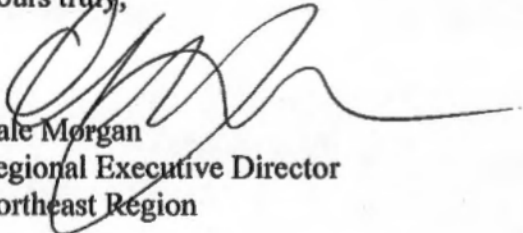
I am in receipt of a letter from you dated July 25, 2012, requesting that Community Forest Agreement (CFA) K20 formerly held under the District of Tumbler Ridge now be amended to the Tumbler Ridge Community Forest Corp. We are also in receipt of the Certificate of Incorporation dated July 24, 2012. I understand that the District of Tumbler Ridge will be the sole shareholder of the new corporation, but that the Notice of Articles attached to the incorporation notice needs amending to the directors of the new corporation with the share structure duly noted. I understand the mayor or his designate will remain as a director of the new corporation. Presently only your lawyer who did the incorporation is listed under the director information.

I have signed and enclosed two original Form FS 3's to this letter, which will formerly amend the holder of CFA K20 to the Tumbler Ridge Community Forest Corp. Please sign both originals keeping one for your files, returning the other to this office. Along with this, please provide the updated Notice of Articles under the incorporation indicating the directors. I understand from your consultant, Duncan McKellar, the directors were to be appointed last week. Could you also provide a signing matrix in regards to signing authority under CFA K20?

Page 1 of 2

I wish you every success in your endeavours and if you have any questions, please contact
Chris Marsh, Timber Tenure Specialist, Omineca Region at 250-565-6157.

Yours truly,



Dale Morgan
Regional Executive Director
Northeast Region

Enclosure: Two Original of FS 3 Amendment #1

pc: Rob Kopecky, District Manager of Resource Operations, Peace District
Chris Marsh, Timber Tenure Specialist, Omineca Region



Amendment # 1 . Memorandum of Amendment to Community Forest Agreement K2O
is made this 4th day of September between the Regional Executive Director of the
Northeast Region and the Licensee of the K2O Community Forest Agreement.

Whereas it is mutually agreed to amend the terms and conditions of the said Licence and the parties hereto have agreed to amend the same as set forth in the memorandum.

NOW, THEREFORE, in consideration of the premises and other valuable considerations now exchanged between the parties hereto, said parties agree as follows:

Change: Licensee from: District of Tumbler Ridge

To: Tumbler Ridge Community Forest Corporation, as incorporated in the Province of British Columbia on July 24, 2012

This forms an integral part of the original Licence and should be attached thereto:

Subject to the foregoing, the parties hereto confirm the said Licence.

IN WITNESS WHEREOF the said parties have hereunto set their hands and seals and/or the Licensee has caused its corporate seal to be affixed in the presence of the duly authorized officers in that behalf on the date and year first above written.

Signed, sealed and delivered by the
Licensor in the presence of


Dale Morgan,
Regional Executive Director
Northeast Region

(Licensor)

Seal

Signed, sealed and delivered by the
Licensee in the presence of

Seal

(Licensee)

Note: If the Licensee is a co-partnership, the amendment must be signed and sealed by each member of the partnership. All written signatures must be made in ink.

If the Licensee is a corporation, the corporate seal must be affixed by the officials who are authorized to execute deeds on behalf of the corporation and be accompanied by the signature of these officials.

Page 084 to/à Page 088

Withheld pursuant to/removed as

s.3

RECEIVED
JAN 27 2011
PEACE FOREST DISTRICT

Distribution: RNI DPC
Document name: G:\Workgrp\Timber\FORREST ACT TENURES\Community Forest\Community Forest Agreements\K2O Tumbler Ridge\Licence\K2O Execution Letter.docx cjf
Contact: Christian J. Finke, Tenures Specialist, Omineca Region (250) 565-6182
Date typed: 2011/01/14 Date last saved: 2011-01-18 2:14 pm

File: 19460-25/K2O

JAN 24 2011

His Worship Mayor Larry White
Mayor of Tumbler Ridge
Municipal Hall
Box 100
Tumbler Ridge, British Columbia
V0C 2W0

Dear Mayor White:

Thank you for returning the signed copies of Community Forest Agreement (CFA) K2O for the District of Tumbler Ridge, as well as submission of the annual rent cheque in the amount of \$7 400.00.



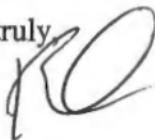
The term of this agreement is 25 years beginning on January 1, 2011.

I have signed the agreement documents and enclose an original fully executed copy for your files. The agreement is a legal document and should be retained for your records and for future reference.

The mark prefix designated for this CFA is **K2O**.

I wish you every success in your endeavours.

Yours truly



W.J. (Bill) Warner, R.P.F.
Regional Manager
Omineca Region

Page 1 of 2

His Worship Mayor Larry W

Enclosure(s): One signed copy of CFA K20

pc: Dale Morgan, Regional Executive Director, Northeast Region
Chris Finke, Timber Tenures Specialist, Omineca Region

bpc: Ron Greschner, Senior Tenures Forester, Forest Tenures Branch (PDF copy)



COMMUNITY FOREST AGREEMENT K20



THIS AGREEMENT, dated for reference **December 15, 2010**.

BETWEEN: HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF BRITISH COLUMBIA,
as represented by the REGIONAL MANAGER,
MINISTRY OF NATURAL RESOURCE OPERATIONS
1011 FOURTH AVENUE- FIFTH FLOOR
PRINCE GEORGE, BRITISH COLUMBIA
V2L 3H9
Phone: 250-565-6100 Fax: 250-565-6671
(the "Regional Manager")

AND:

DISTRICT OF TUMBLER RIDGE
BOX 100 – MUNICIPAL HALL
TUMBLER RIDGE, BRITISH COLUMBIA
V0C 2W0
Phone: (250) 242-4242 Fax: (250) 242-3993
(the "Agreement Holder")

WHEREAS:

- A. *The Honourable Rich Coleman, Minister of Forests and Range directly invited the District of Tumbler Ridge to apply for a Probationary Community Forest Agreement (PCFA) on May 3, 2006.*
- B. *The District of Tumbler Ridge prepared and submitted an application for a PCFA, and on January 19, 2010 the Honourable Pat Bell, Minister of Forests and Range, being satisfied with the application and of the opinion that entering into the agreement would be in the public interest.*
- C. *On March 31, 2009, Bill 13 eliminated the probationary form of community forest agreements, affecting the application for a PCFA by resulting in the issuance of a long-term (25 year) replaceable Community Forest Agreement (CFA).*
- D. *The parties have entered into this Community Forest Agreement pursuant to section 43.51 (1)(b) of the Forest Act and section 6 (3)(c) of the Community Tenures Regulation.*

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

TABLE OF CONTENTS

1.00	GRANT OF RIGHTS AND TERM.....	3
2.00	OTHER CONDITIONS AND REQUIREMENTS	4
3.00	TIMBER VOLUME CHARGED TO THE AGREEMENT	4
4.00	CUT CONTROL	4
5.00	WASTE ASSESSMENT	5
6.00	MANAGEMENT PLAN	6
7.00	CUTTING PERMITS	9
8.00	ACCESS	12
9.00	COURT DETERMINED ABORIGINAL RIGHTS AND/OR TITLE	12
10.00	REPORTING	14
11.00	FINANCIAL	15
12.00	REPRESENTATIONS.....	15
13.00	LIABILITY AND INDEMNITY	15
14.00	TERMINATION	16
15.00	WAIVER	17
16.00	NOTICE	17
17.00	MISCELLANEOUS.....	18
18.00	INTERPRETATION & DEFINITIONS.....	19
	SCHEDULE “A”	24
	SCHEDULE “B”	25
1.00	DESCRIPTION OF CROWN LANDS	25
	SCHEDULE “C”	26
	SCHEDULE “D”	27
1.00	OTHER CONDITIONS AND REQUIREMENTS	27
2.00	TIMBER DISPOSITION.....	27

THE PARTIES agree as follows:

1.00 GRANT OF RIGHTS AND TERM

- 1.01 The term of this Agreement is **25 years**, beginning on **January 1, 2011**.
- 1.02 Subject to this Agreement, the Minister grants the Agreement Holder during the term of this Agreement:
- (a) the exclusive right to harvest Crown timber from Schedule "B" Land;
 - (b) the right to manage Schedule "B" Land according to:
 - (i) this Agreement;
 - (ii) the management plan in effect under this Agreement; and
 - (iii) operational plans approved in respect of this Agreement;
 - (c) the right to harvest, manage and charge fees for botanical forest products and other prescribed products as listed in Schedule "C", from Schedule "B" Land.
- 1.03 The Agreement Holder must not harvest timber:
- (a) from Schedule "A" Land except under a cutting permit; or
 - (b) from Schedule "B" Land except under a cutting permit or road permit.
- 1.04 Subject to paragraph 1.05, the Agreement Holder will not enter, use or occupy Schedule "B" Land:
- (a) except under and in accordance with a cutting permit, road permit associated with the Agreement, special use permit, as well as an activity described in an approved management plan; or
 - (b) as otherwise authorized under the forestry legislation.
- 1.05 Paragraph 1.04 does not apply to temporary use or occupation for the purpose of:
- (a) carrying out silviculture treatments;
 - (b) collecting inventory information;
 - (c) doing engineering layouts and surveys;

- (d) carrying out protection activities under the forestry legislation; or
- (e) fulfilling other obligations or conducting other activities incidental to the operations of the Agreement Holder under or associated with this Agreement.

1.06 Subparagraph 1.03 (a) does not apply to:

- (a) a reserve as defined under the *Indian Act (Canada)*; or
- (b) a road clearing width on private land.

2.00 OTHER CONDITIONS AND REQUIREMENTS

- 2.01 The Agreement Holder must not fell standing timber, or must not buck or remove felled or dead and down timber, as the case may be, if the timber is specified as reserved timber in a cutting permit.
- 2.02 The Agreement Holder must comply with the other conditions and requirements specified in Schedule "D" in addition to any special conditions set out in a cutting permit or a road permit associated with the Agreement.

3.00 TIMBER VOLUME CHARGED TO THE AGREEMENT

- 3.01 The definition of the volume of timber harvested in part 4, division 3.1 of the *Forest Act* applies to this Agreement.
- 3.02 The determination of the volume of timber harvested will incorporate the volume of waste determined under part 5.00.
- 3.03 The Interior standard 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 CUT CONTROL

- 4.01 The provisions of cut control that apply to "Forest Licences that specify an allowable annual cut greater than 10 000 m³ and have a term of more than 5 years" under Part 4, Division 3.1 of the *Forest Act*, apply to this Community Forest Agreement

- 4.02 If the volume of timber harvested during a cut control period for this Agreement is less than the sum of the allowable annual cuts for that period that are authorized under this Agreement, the Agreement Holder must not harvest that unharvested volume of timber in a subsequent cut control period.
- 4.03 The unharvested volume of timber, referred to in paragraph 4.02, may be disposed of, by the Regional Manager to a person other than the Agreement Holder.

5.00 WASTE ASSESSMENT

- 5.01 The Agreement Holder must conduct a waste assessment of the volume of merchantable timber, whether standing or felled, that was authorized to be cut and removed under the Agreement but, at the Agreement Holder's discretion, was not cut and removed.
- 5.02 A waste assessment conducted under paragraph 5.01 must be in accordance with the Provincial Logging Residue and Waste Measurement Procedures Manual, as amended or replaced from time to time.
- 5.03 A waste assessment made under paragraph 5.01 must be:
- (a) done within 60 days of the Agreement Holder declaring that primary logging on the area has been completed for each cutblock, 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.
- 5.04 If the Agreement Holder fails to comply with paragraph 5.01 the District Manager may, after the expiry of the term of a cutting permit or Agreement, conduct a waste assessment of the volume of merchantable timber that could have been cut and removed under the Agreement but, at the Agreement Holder's discretion, is not cut and removed.
- 5.05 A waste assessment conducted under paragraph 5.04 must be in accordance with the Provincial Logging Residue and Waste Measurement Procedures Manual, as amended from time to time.
- 5.06 If the District Manager carries out a waste assessment under paragraph 5.04, the District Manager, in a notice given to the Agreement Holder, may require the Agreement Holder to pay the costs incurred by the District Manager in carrying out the assessment.

6.00 MANAGEMENT PLAN

- 6.01 The Agreement Holder must submit a proposed management plan to the Regional Manager or District Manager on a date specified by the Regional Manager or District Manager in a notice given to the Agreement Holder.
- 6.02 A proposed management plan submitted under paragraph 6.01 or subparagraph 6.04(b) must:
- (a) be prepared in accordance with any directions of the Regional Manager or District Manager;
 - (b) be consistent with:
 - (i) this Agreement;
 - (ii) the forestry legislation;
 - (iii) higher level plans under the *Forest and Range Practices Act*; and
 - (iv) commitments made in the Probationary Community Forest Agreement application package or as agreed to by both parties to this agreement.
 - (c) include existing inventories:
 - (i) for the timber in the Community Forest Agreement area; and
 - (ii) for botanical forest products and other prescribed products listed in Schedule "C";
 - (d) include any other inventories and information regarding the development, management and use of the Community Forest Agreement area that the Regional Manager or District Manager requires to determine the allowable annual cut for the Community Forest Agreement area and rate of harvest of botanical forest products and other prescribed products listed in Schedule "C";
 - (e) propose an allowable annual cut for the Community Forest Agreement area which considers the following:
 - (i) inventories and other information referred to in subparagraph 6.02 (c) and (d);
 - (ii) timber specifications proposed for the timber resources in the Community Forest Agreement area;

- (iii) reductions that are necessary to facilitate the management and conservation of non-timber resource values in the Community Forest Agreement area, including visual quality, biological diversity, soils, recreation resources, cultural heritage resources, range land, wildlife, water and fish habitats;
 - (iv) silviculture practices and forest health factors that may impact on timber production;
 - (v) the anticipated impact of the reductions to the productive portion of the Community Forest Agreement area due to permanent roads, landings, pits and trails; and
 - (vi) any other factors that may impact on the allowable annual cut during each year;
- (f) contain a rationale for the allowable annual cut referred to in subparagraph 6.02 (e) prepared in accordance with any directions of the Regional Manager or District Manager;
- (g) propose management objectives for the Community Forest Agreement area regarding the harvesting, management of, and the charging fees for prescribed products listed in Schedule "C",
- (h) specify measures to be taken by the Agreement Holder to identify and consult with persons using the Community Forest Agreement area for purposes other than timber production and harvesting of prescribed products listed in Schedule "C", including:
 - (i) trappers, guide outfitters, range tenure holders, and other Agreement resource users;
 - (ii) an aboriginal group who may be exercising or claiming to hold aboriginal interest or treaty rights; and
 - (iii) community members, local governments, and government agencies.
- (i) include a strategy outlining how the Provincial CFA Program Objectives will be managed for,
- (j) include the agreement holder's guiding principles,
- (k) contain the social, economic and broad resource management goals proposed for the CFA, and
- (l) include a strategy for annual reporting out to the community on subparagraphs 6.02 (i), (j) and (k).

6.03 The Regional Manager or District Manager within 90 days of receiving a proposed management plan submitted under paragraph 6.01 or subparagraph 6.04 (b), will, in a notice given to the Agreement Holder, approve the proposed management plan, subject to such conditions as the Regional Manager or District Manager considers necessary or appropriate, if the Regional Manager or District Manager is satisfied the proposed management plan meets the requirements of paragraph 6.02.

6.04 If the Regional Manager or District Manager does not approve a proposed management plan under paragraph 6.03:

(a) the Regional Manager or District Manager, within 90 days after the date on which the Regional Manager or District Manager receives the proposed management plan, will specify in a notice given to the Agreement Holder the reason why the proposed management plan was not approved; and

(b) the Agreement Holder, within 30 days, or an alternative period of time specified by the Regional Manager or District Manager in a notice to the Agreement Holder, after the date on which the Agreement Holder is given the notice referred to in subparagraph 6.04 (a), must submit a new or revised proposed management plan to the Regional Manager or District Manager.

6.05 Subject to paragraph 6.06, the management plan in effect under this Agreement expires three months after the date upon which the Agreement Holder is required to submit a proposed management plan pursuant to a notice given to the Agreement Holder under paragraph 6.01.

6.06 If:

(a) the Regional Manager or District Manager, within three months after the date on which the Regional Manager or District Manager receives a proposed management plan submitted under paragraph 6.01, has neither:

(i) approved the proposed management plan under paragraph 6.03; nor

(ii) given the Agreement Holder a notice referred to in subparagraph 6.04 (a); and

(b) there is a management plan in effect under this Agreement;

then the term of the management plan referred to in subparagraph (b) is deemed to be extended until such time as the Regional Manager or District Manager approves the proposed management plan under paragraph 6.03, or gives the Agreement Holder a notice referred to in subparagraph 6.04 (a), as the case may be.

- 6.07 The Agreement Holder must manage Schedule "A" Land and Schedule "B" Land in accordance with the management plan in effect under this Agreement.
- 6.08 A management plan approved by the Regional Manager or District Manager under paragraph 6.03 is deemed to be part of this Agreement during the period the management plan remains in effect.
- 6.09 The Regional Manager or District Manager, in a notice given to the Agreement Holder, may require the Agreement Holder to submit an amendment to the management plan.

7.00 CUTTING PERMITS

- 7.01 Subject to paragraphs 7.02 through 7.04 inclusive, the Agreement Holder may submit an application to the District Manager for a cutting permit or for an amendment to a cutting permit to authorize the Agreement Holder to harvest timber from one or more proximate areas of land within the Community Forest Agreement area, 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 that are:
 - (a) exempted under the *Forest and Range Practices Act* from the requirement for a forest stewardship plan; or
 - (b) located within a forest development unit of an approved forest stewardship plan.
- 7.02 For those areas to be included in the application under paragraph 7.01, the Agreement Holder must ensure that data submitted is gathered and compiled according to that Appraisal Manual.
- 7.03 An application under paragraph 7.01 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; and
 - (ii) the information referred to in paragraph 7.02; and
 - (iii) a description acceptable to the District Manager of any timber that is reserved from cutting.

- 7.04 The areas of land shown on the map referred to in clause 7.03 (c) (i) must be:
- (a) the areas referred to in subparagraph 7.01 (a); or
 - (b) located within a forest development unit referred to in subparagraph 7.01 (b) allowing for any difference in scale between maps used in the forest stewardship plan, or exemption and the map referred to in clause 7.03 (c) (i).
- 7.05 Subject to paragraphs 7.06 through 7.09 inclusive, 7.04 and 9.01, upon receipt of an application under paragraph 7.01, the District Manager will issue a cutting permit to the Agreement Holder if the District Manager is satisfied that:
- (a) there is a management plan in effect under this Agreement;
 - (b) the requirements of paragraphs 7.01, 7.02, 7.03, and 7.04 have been met;
 - (c) the areas of land referred to in the application for the cutting permit meet the requirements referred to in Schedule "D"; and
 - (d) the District Manager is satisfied that activities and operations under or associated with the cutting permit will be consistent with this Agreement, higher level plans, the management plan referred to in subparagraph 7.05 (a), and any operational plans approved in respect of the areas of land referred to in the cutting permit.
- 7.06 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.
- 7.07 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.

7.08 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.

7.09 If the District Manager:

- (a) determines that a cutting permit may not be issued because the requirements of paragraph 7.05 have not been met;
- (b) is carrying out consultations under paragraph 7.06; or
- (c) refuses to issue a cutting permit under paragraph 7.08;

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

7.10 A cutting permit must:

- (a) identify the boundaries within the Community Forest Agreement area upon which, subject to this Agreement and the forestry legislation, the Agreement Holder 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 Agreement, as determined by the District Manager.

7.11 The District Manager may amend a cutting permit only with the consent of the Agreement Holder.

7.12 The Agreement Holder 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.

7.13 A cutting permit is deemed to be part of this Agreement.

8.00 ACCESS

8.01 Nothing in this Agreement authorizes the Agreement Holder to in any way restrict the Crown's right of access to Crown lands.

8.02 Any Ministry employee may:

- (a) enter onto Schedule "A" Land; and
- (b) use roads owned or deemed to be owned by the Agreement Holder;

for the purpose of inspecting the Agreement Holder's activities under or associated with this Agreement, and for the purpose of fulfilling an obligation or exercising a right under this Agreement.

8.03 The Agreement Holder will allow any person who has been granted rights to timber referred to in paragraph 4.03 or under the *Forest Act*, to use any road referred to in subparagraph 8.02 (b) for the purpose of exercising rights or fulfilling obligations within the Community Forest Agreement area.

9.00 COURT DETERMINED ABORIGINAL RIGHTS AND/OR TITLE

9.01 Notwithstanding any other provision of this Agreement, if a court of competent jurisdiction:

- (a) determines that activities or operations under or pursuant to this Agreement will unjustifiably infringe an aboriginal right and/or title or treaty right;
- (b) grants an injunction further to a determination referred to in subparagraph 9.01 (a); or
- (c) grants an injunction pending a determination of whether activities or operations under or pursuant to this Agreement will unjustifiably infringe an aboriginal right and/or title or treaty right;

the Regional Manager or District Manager, in a notice given to the Agreement Holder, may vary or suspend, in whole or in part, or refuse to issue a cutting permit, road permit or other permit issued to the Agreement Holder, so as to be consistent with the court determination.

9.02 Subject to this Agreement and the forestry legislation, if:

- (a) under paragraph 9.01, the Regional Manager or District Manager has varied a cutting permit, road permit or other permits issued to the Agreement Holder;
- (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 Agreement Holder, 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 9.01.

9.03 Subject to this Agreement and the forestry legislation, if:

- (a) under paragraph 9.01, the Regional Manager or District Manager has suspended a cutting permit, road permit or other permits issued to the Agreement Holder;
- (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 Agreement Holder, will reinstate the permit for the remainder of its term.

9.04 Subject to this Agreement and the forestry legislation, if:

- (a) under paragraph 9.01, the Regional Manager or District Manager has refused to issue a cutting permit, road permit or other permits issued to the Agreement Holder;
- (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 Agreement Holder, will issue the permit.

10.00 REPORTING

10.01 The Regional Manager or District Manager, in a notice given to the Agreement Holder, may at any time, require the Agreement Holder to carry out audits and submit reports containing such information as the Government requires concerning:

- (a) the Agreement Holder's performance of its obligations under or in respect of this Agreement, the approved management plan and conditions from the Regional Manager or District Manager's management plan approval letter;
- (b) the processing, use or disposition of timber and the products listed in Schedule "C" which are harvested under this Agreement;
- (c) the levies or fees collected by the Agreement Holder for any types of activities conducted or occurring on Schedule "B" Land;
- (d) the services or opportunities provided by the Agreement Holder such as wildlife viewing, hiking, and nature interpretation; and
- (e) financial statements prepared by a qualified accountant capturing economic activity attributable to the operation of this Agreement;

in the previous calendar year if the information is not included in any other reports which the Agreement Holder must submit under the forestry legislation.

10.02 Upon receipt of a notice referred to in paragraph 10.01 the Agreement Holder, on or before the date specified in the notice, must submit a report to the Regional Manager or District Manager containing the required information.

10.03 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 Agreement Holder in any reports submitted under paragraph 10.02.

10.04 Subject to paragraph 10.03, the Regional Manager or District Manager may include the information contained in a report submitted under paragraph 10.01 in any reports prepared by the Ministry for public review.

10.05 Subject to paragraph 10.03, the Regional Manager or District Manager may require the Agreement Holder to make available to the public information required under paragraph 10.01 and carry out consultation activities with the public concerning matters relating to this Agreement.

11.00 FINANCIAL

11.01 In addition to any money payable in respect of this Agreement or a road permit under the forestry legislation, the Agreement Holder must pay to the Crown, immediately upon receipt of a notice, statement or invoice issued on behalf of the Crown:

- (a) stumpage under part 7 of the *Forest Act* in respect of timber removed:
 - (i) under a cutting permit from Schedule "B" Land; or
 - (ii) under a road permit;at rates determined, redetermined and varied under section 105 of that Act;
- (b) The Regional Manager or District Manager, in a notice given to the Agreement holder, may require the Agreement holder to pay waste assessments under Part 5.00 of this Agreement calculated in accordance with the Provincial Logging Residue and Waste Measurement Procedures Manual, and
- (c) annual rent at a rate in accordance with the schedule found in the Annual Rent Regulation.

12.00 REPRESENTATIONS

12.01 The Agreement Holder represents and warrants that the Agreement Holder is incorporated as a district municipality under the *Municipal [Local Government] Act* and is a municipal corporation under the *Community Charter*:

13.00 LIABILITY AND INDEMNITY

13.01 Subject to paragraph 13.03, the Agreement Holder must indemnify the Crown against and save it harmless from all claims, demands, suits, actions, causes of action, costs, expenses and losses faced, incurred or suffered by the Crown as a result, directly or indirectly, of any act or omission of:

- (a) the Agreement Holder;
- (b) an employee of the Agreement Holder;
- (c) an agent of the Agreement Holder;

- (d) a contractor of the Agreement Holder who engages in any activity or carries out any operation, including but not restricted to the Agreement Holder's operations, under or associated with this Agreement or a cutting permit or a road permit; or
- (e) any other person who on behalf of or with the consent of the Agreement Holder engages in any activity or carries out any operation, including but not restricted to the Agreement Holder's operations, under or associated with this Agreement or a cutting permit or a road permit.

13.02 For greater certainty, the Agreement Holder has no obligation to indemnify the Crown under paragraph 13.01 in respect of any act or omission of:

- (a) an employee, agent or contractor of the Crown, in the course of carrying out his or her duties as employee, agent or contractor of the Crown; or
- (b) a person, other than the Agreement Holder, to whom the Crown has granted the right to occupy Crown land, in the course of exercising those rights.

13.03 The Crown is not liable to the Agreement Holder for injuries, losses, expenses, or costs incurred or suffered by the Agreement Holder as a result, directly or indirectly, of an act or omission of a person who is not a party to this Agreement, including but not restricted to an act or omission of a person disrupting, stopping or otherwise interfering with the Agreement Holder's operations under this Agreement by road blocks or other means.

13.04 Any payments required under part 5.00, and payments required further to the indemnity referred to in paragraph 13.01 are in addition to and not in substitution for any other remedies available to the Crown in respect of a default of the Agreement Holder.

14.00 TERMINATION

14.01 If this Agreement expires or is not replaced under section 43.4 of the *Forest Act*, or is surrendered, cancelled or otherwise terminated:

- (a) all cutting permits will immediately terminate; and
- (b) timber, including logs, special forest products or prescribed products listed in Schedule "C", cut under the authority of this Agreement and which are still located on Crown land, vest in the Crown, without right of compensation to the Agreement Holder; and

- (c) unless otherwise agreed to between the District Manager and the Agreement Holder prior to the surrender, cancellation or termination of this Agreement, title to all improvements, including roads and bridges, constructed by the Agreement Holder on Crown land under the authority of this Agreement vest in the Crown, without right of compensation to the Agreement Holder; and
 - (d) subject to subparagraphs 14.01 (b) and (c) the Agreement Holder may continue to enter and use Crown Land for a period of one month after the expiry or termination of this Agreement for the purpose of removing the Agreement Holder's property.
- 14.02 The Agreement Holder will not take away any improvements or remove any timber referred to in subparagraph 14.01 (b), unless authorized to do so by the Regional Manager.
- 14.03 If the Agreement Holder commits an act of bankruptcy, makes a general assignment of its creditors or otherwise acknowledges its insolvency the Agreement Holder is deemed to have failed to perform an obligation under this Agreement.

15.00 WAIVER

- 15.01 No waiver by the Government of any default non-compliance by the Agreement Holder in the strict and literal performance of or compliance with any provision of the Agreement 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 Agreement or to be a waiver of, or in any manner release the Agreement Holder from compliance with any provision, condition or requirement in the future, nor will any delay or omission by the Government 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.

16.00 NOTICE

- 16.01 A notice given under this Agreement must be in writing.
- 16.02 A notice given under this Agreement may be:
- (a) delivered by hand;
 - (b) sent by mail; or
 - (c) subject to paragraph 16.05, sent by facsimile transmission;

to the address or facsimile number, as applicable, specified on the first page of this Agreement, or to such other address or facsimile number as is specified in a notice given in accordance with this part.

- 16.03 A notice given under this Agreement, is deemed to have been given:
- (a) if it is given in accordance with subparagraph 16.02 (a), on the date it is delivered by hand;
 - (b) if it is given in accordance with subparagraph 16.02 (b), subject to paragraph 16.04, 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 16.02 (c), subject to paragraph 16.05, on the date it is sent by facsimile transmission.
- 16.04 If, between the times a notice is mailed in accordance with subparagraph 16.02 (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.
- 16.05 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.

17.00 MISCELLANEOUS

- 17.01 This Agreement will enure to the benefit of, and be binding on, the parties and their respective heirs, executors, successors and permitted assigns.
- 17.02 The laws of British Columbia will govern the interpretation of this Agreement and the performance of the Agreement Holder's obligations under this Agreement.
- 17.03 Any power conferred or duty imposed on the Regional Manager or District Manager under this Agreement may be exercised or fulfilled by any person authorized to do so by the Regional Manager or District Manager.
- 17.04 The schedules attached to this Agreement are deemed to be part of this Agreement.
- 17.05 Nothing in this Agreement or a cutting permit issued under this Agreement is to be construed as authorizing the Agreement Holder to engage in any activities or carry out any operations otherwise than in compliance with the requirements of the forestry legislation.
- 17.06 The Agreement Holder must:

- (a) comply with the forestry legislation; and
 - (b) 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 Agreement.
- 17.07 Nothing in this Agreement entitles the Agreement Holder to have an area of Schedule "B" Land replaced with another area, or to have rights awarded under another Agreement under the *Forest Act*, in the event:
- (a) timber is damaged or destroyed by pests, fire, wind or other natural causes;
 - (b) an area of land is deleted from the Community Forest Agreement area under the forestry legislation, or under any other Act or regulation; or
 - (c) this Agreement expires, is surrendered, is cancelled or otherwise terminated.
- 17.08 At the request of the Regional Manager or District Manager, the Agreement Holder will survey and define on the ground any or all boundaries of the Community Forest Agreement area.
- 17.09 Where harvesting of timber has been authorized under this Agreement, the District Manager in a notice to the Agreement Holder, may require the Agreement Holder to carry out a legal survey on the portions of the area to be operated upon that are adjacent to any Community Forest Agreement area boundaries.

18.00 INTERPRETATION & DEFINITIONS

- 18.01 This Agreement 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.

- 18.02 In this Agreement, 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” means the allowable annual cut set under the management plan for the Agreement;

“botanical forest product” means any or all flora and fungi of the forest other than timber that occurs naturally on Crown forest land

“Community Forest Agreement area” means the area of lands identified in Schedules “A” and “B”;

“cut control period” means the cut control period determined for this Agreement under part 4.00;

“cutting permit” means a cutting permit issued under this Agreement or an amendment for a cutting permit as the context requires;

“District Manager” means:

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

“*Forest Act*” means the *Forest Act*, R.S.B.C. 1996, c. 157, as amended from time to time, or the successor to that 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 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 Agreement;

“forestry legislation” means the statutes and regulations, to which the Agreement is subject including:

- (a) the *Forest Act*;
- (b) the *Forest and Range Practices Act*; and
- (c) the *Wildlife Act*.

“Government” means the Government of the Province of British Columbia;

“harvest” means:

- (a) cut;

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

“management plan” means the management plan prepared and approved for this Agreement in accordance with part 6.00 of this Agreement;

“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 or replaced from time to time;

“Minister” means the Minister responsible for administering the *Forest Act*;

“Ministry” means the Ministry of Forests and Range;

“*Ministry of Forests Act*” means the *Ministry of Forests Act* R.S.B.C. 1996, c. 300;

“Ministry officer” means an employee of the Ministry;

“non-Crown land” means land that is private land or in a reserve as defined in the *Indian Act (Canada)* as described in the Schedule “A” to this Agreement;

“person” includes a corporation and a partnership, unless the context requires otherwise;

“pest” means any animal, insect, fungus, bacteria, virus, nematode, or other organism which is detrimental to effective forest management;

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

“Regional Manager” means:

- (a) a Regional Manager appointed under the *Ministry of Forests Act*, for a forest region in which all or part of the Community Forest Agreement area is situated; and
- (b) any person authorized by the Regional Manager to exercise a power or fulfill a duty under this Agreement;

“remove” means the removal of timber from the Community Forest Agreement area and “removed”, “removal” and “removing” have the corresponding meanings;

“resource agencies” means any governmental agency, Ministry or department having jurisdiction over a resource which may be affected by any activity or operation, including but not restricted to activities or operations, engaged in or carried out under or associated with this Agreement or a road permit;

“road permit” means a road permit entered into under the *Forest Act* which provides access to timber removed or to be removed, under this Agreement;

“Schedule “A” Land” means the non-Crown lands managed as part of the Community Forest Agreement area described in the Schedule “A” to this Agreement;

“Schedule “B” Land” means the Crown land described in Schedule “B” to this Agreement;

“special use permit” means a special use permit issued under the applicable forestry legislation, to authorize the Agreement Holder to use or occupy Crown land within the Community Forest Agreement area;

“timber merchantability specifications” means those found in the most current Provincial Logging Residue and Waste Procedures Manual, as amended or replaced from time to time;

“waste” means merchantable Crown timber that could have been cut and removed under this Agreement but that the Agreement Holder at their discretion does not cut and remove, and as defined in the Provincial Logging Residue and Waste Measurements Procedures Manual, as amended or replaced from time to time.

18.03 Unless otherwise provided in paragraph 18.02, if a word or phrase used in this Agreement is defined in the *Forest Act*, or the *Forest and Range Practices Act* the definition in the Act applies to this Agreement, and where the word or phrase in the Act is replaced by a new word or phrase, this Agreement is deemed to have been amended accordingly.

18.04 If a provision of the *Forest Act*, or the *Forest and Range Practices Act* referred to in this Agreement is renumbered, the reference in this Agreement is to be construed as a reference to the provision as renumbered.

18.05 In this Agreement, 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 Agreement has been executed by the Regional Manager and the Agreement Holder 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:)

Wendy P. Cole)

Signature)

Wendy P. Cole)

Printed Name)

THE COMMON SEAL of)
the Agreement Holder was)
affixed in the presence of:)

Kim Isaak)

Signature)

Kim Isaak)

Printed Name)

(or)

SIGNED, by the)
Agreement Holder)
in the presence of:)

M. Whalen)

Signature)

MARJORIE Whalen)

Printed Name)

CORPORATE OFFICER)

Greg Rawling, Acting Regional Manager
Bill Warner Omineca Region

Jan 24 2011

Dated

c/s

Larry White

Agreement Holder

LARRY White, Mayor

Printed Name and Title

January 4, 2011

Dated

SCHEDULE "A"

1.00 DESCRIPTION OF NON-CROWN LANDS

1.01 NIL.

SCHEDULE "B"

1.00 DESCRIPTION OF CROWN LANDS

- 1.01 The Crown land subject to this Agreement is as described on the attached map titled "Schedule B – K2O" dated for reference October 19, 2010.

SCHEDULE "C"

1.00 BOTANICAL FOREST PRODUCTS AND OTHER PRESCRIBED PRODUCTS

1.01 NIL

SCHEDULE "D"

1.00 OTHER CONDITIONS AND REQUIREMENTS

- 1.01 The Agreement Holder must conduct at least one formal public meeting each calendar year in a format satisfactory to the District Manager for the purposes of informing the general public of the activities the Agreement Holder proposes to undertake with respect to this Agreement.
- 1.02 Notwithstanding paragraph 1.01 above, the Agreement Holder, in conducting a formal public meeting(s), and in informing the general public of the activities the Agreement Holder proposes to undertake, will:
 - a) actively promote ongoing public awareness of the community forest activities and governance processes, and
 - b) report on the agreement holder's performance related to subparagraphs 6.02 (i), (j) and (k) of the approved management plan.

2.00 TIMBER DISPOSITION

- 2.01 The province reserves the right to enter into agreements with West Fraser Mills Ltd for the harvest of timber in the areas designated in green on the Exhibit B Map attached to this Schedule as Cutting Permit [CP] 122 Blocks 1, 2 and 3, CP 128 Blocks 1 and 4, CP 131 Blocks 5, 6, and 7, and CP 315 Blocks 2 and 3.
- 2.02 West Fraser Mills Ltd's harvesting obligations under Forest Licence A13840 on the specified area must be completed within four years after the date of the agreement entered into with the province.
- 2.03 West Fraser Mills Ltd, under separate agreement with the Province, will assume the statutory obligations for:
 - a) reforestation to free-growing standards in each area harvested in the specified area, and,
 - b) maintaining roads that West Fraser Mills Ltd under another agreement must use to carry out its harvesting operations in the specified area until the earlier of,
 - i) the date that the road is deactivated by West Fraser Mills Ltd, or
 - ii) the date that the Community Forest Agreement Holder assumes responsibility for the maintenance of the road.
- 2.04 The Agreement Holder will allow any person who has been granted rights to timber referred to in part 2.00 of this Schedule, to use any road referred to in subparagraph 8.02 (b) of the Agreement for the purpose of exercising

rights or fulfilling obligations within the Community Forest Agreement area, subject to conditions in a road use agreement between the parties.

- 2.05 The Agreement Holder will not require any payment from a person referred to in paragraph 2.04 other than a reasonable payment in respect of the actual maintenance costs of the road.

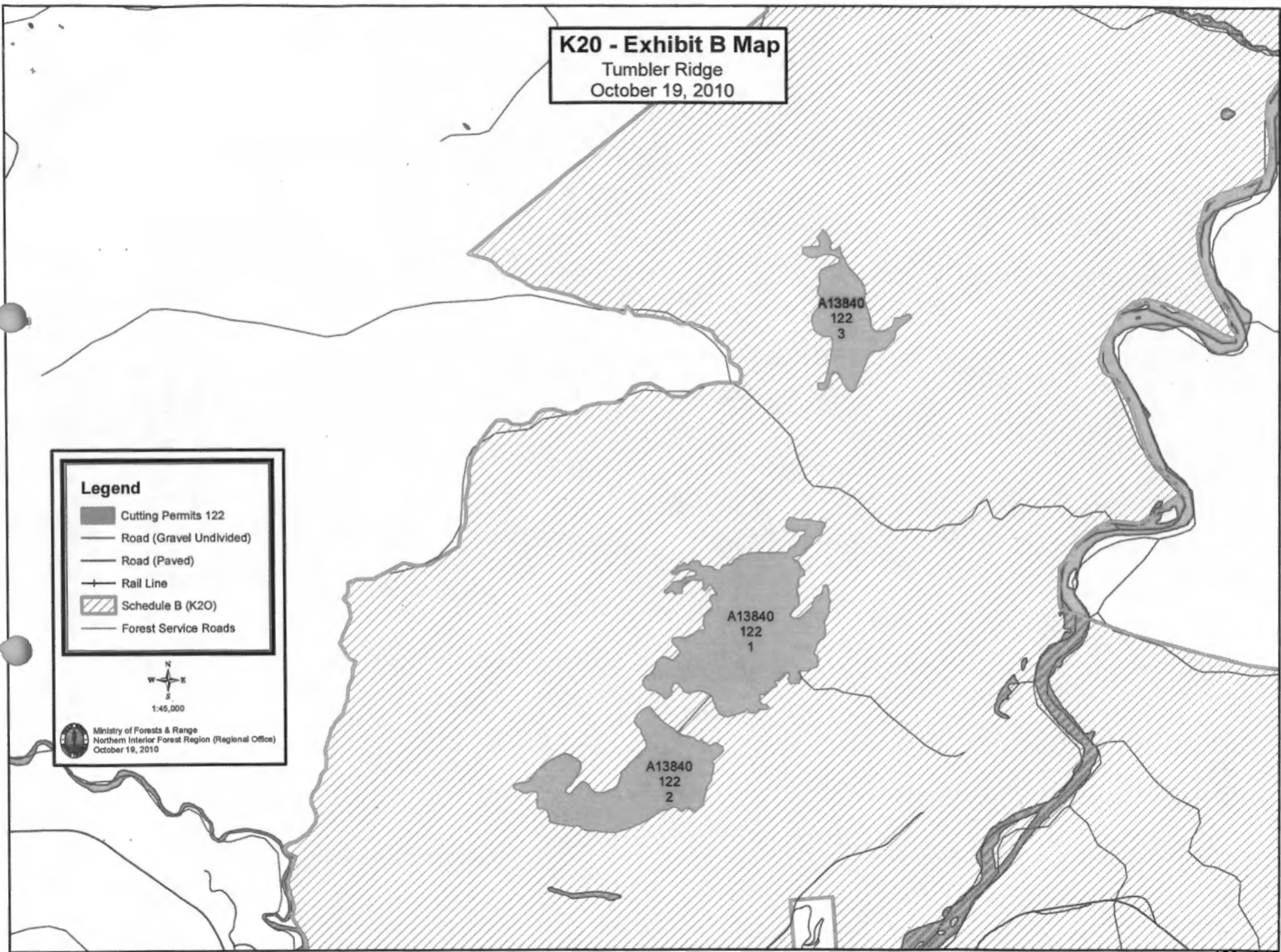
K20 - Exhibit B Map
Tumbler Ridge
October 19, 2010

Legend

- Cutting Permits 122
- Road (Gravel Undivided)
- Road (Paved)
- Rail Line
- Schedule B (K20)
- Forest Service Roads

N
W E
S
1:45,000

Ministry of Forests & Range
Northern Interior Forest Region (Regional Office)
October 19, 2010



K20 - Exhibit B Map

Tumbler Ridge
October 19, 2010

A13840
128
1

A13840
128
3

A13840
128
3

A13840
128
4

A13840
128
4

Legend

- Cutting Permit 128
- Road (Gravel Undivided)
- Road (Paved)
- Rail Line
- Schedule B (K20)
- Forest Service Roads



1:25,000



Ministry of Forests & Range
Northern Interior Forest Region (Regional Office)
October 19, 2010

K20 - Exhibit B Map
Tumbler Ridge
October 19, 2010

Legend

- Cutting Permit 131
- Road (Gravel Undivided)
- Road (Paved)
- Rail Line
- Schedule B (K20)
- Forest Service Roads

N
W E S
1:25,000

Ministry of Forests & Range
Northern Interior Forest Region (Regional Office)
October 19, 2010

A13840
131
5

A13840
131
7

A13840
131
6

K20 - Exhibit B Map


Tumbler Ridge
October 19, 2010

A13840
315
1

A13840
315
2

A13840
315
3

Legend

-  Cutting Permit 315
-  Road (Gravel Undivided)
-  Road (Paved)
-  Rail Line
-  Schedule B (K20)
-  Forest Service Roads



Ministry of Forests & Range
Northern Interior Forest Region (Regional Office)
October 19, 2010