

PORT ALICE ENVIRONMENTAL REMEDIATION AGREEMENT

THIS AGREEMENT dated for reference November 25, 2005

BETWEEN:

Her Majesty The Queen in Right of the Province of British Columbia, as represented
by the Minister of Economic Development and the Minister of Agriculture and Lands

(the “**Province**”)

AND:

Neucel Specialty Cellulose Ltd. (Inc. No. BC0734876)

(the “**Purchaser**”)

WITNESSES THAT WHEREAS:

- A. PASCI is bankrupt and the Trustee is the trustee of the estate of PASCI;
- B. The Tenures are held by Western Forest Products Limited and Western Pulp Inc. and, in accordance with the Purchase Agreement, the Trustee will use its commercially reasonable best efforts to request the Minister of Agriculture and Lands to assign the Tenures to the Purchaser under the *Land Act*;
- C. PASCI is the registered owner in fee simple of the Land and it operated the Mill on the Mill Land despite, in the case of the Tenured Land, not having the legal authority to operate the Mill on the Tenured Land as a result of the Tenures not having been assigned to PASCI by the holder of the Tenures;
- D. The Purchaser has agreed to purchase the Land and the Tenures (subject to the Tenures being assigned to it as described in recital B) and the Mill from the Trustee subject to and in accordance with the terms of the Purchase Agreement;
- E. The Mill Land may contain Contaminants for which Remediation may be required; and
- F. s.17

NOW THEREFORE this Agreement witnesses that in consideration of the premises and the covenants set out in this Agreement, the parties agree as follows:

DEFINITIONS

1. In this Agreement:

"Auditor" has the meaning given to that word in the *Business Corporations Act*;

"Claims" means all claims, demands, actions, proceedings, Remediation cost recovery claims, orders and directions whether known or unknown, and whether in law, in equity or otherwise, which are asserted or issued against the Purchaser or any of the Purchaser Parties with respect to s.17

"Completion Date" means the date the purchase and sale of the Land completes under the Purchase Agreement;

"Contaminants" means any substance in the soil, sediment, water or groundwater in concentrations which exceed applicable standards or may give rise to liability under any Environmental Law but does not include:

- (a) substances which s.17 from a Migration Control Facility as a result of the Purchaser's failure to use, maintain, repair or secure that facility as required by law and in a manner that a reasonable and prudent owner responsible for all of the costs of Remediation would undertake; and
- (b) substances which are located within a building or other structure, including asbestos;

"Emergency" means a sudden, unexpected event that requires immediate action to prevent or mitigate serious harm to human health or the environment as a result of s.17

"Enforcement Order" means an order, demand or direction of a Governmental Authority that is enforceable at law without further order, demand or direction of the Governmental Authority;

"Environmental Law" means any applicable law, regulation, bylaw and other lawful requirement of a Governmental Authority concerning environmental matters;

"FAA" means the *Financial Administration Act*;

"Financial Statement" means the financial statement referred to in subsection 11(c);

"Fixed Assets" means fixed assets under GAAP, and for the purpose of subsection 11(b), as of the Completion Date, the value of the Fixed Assets in connection with and necessary for the operation of the Mill is \$1.00;

"GAAP" means generally accepted accounting principles in Canada;

"Golder Report" means the report prepared by Golder Associates concerning the environmental condition of the Land which is dated March 2005;

"Governmental Authority" means any governmental authority having jurisdiction over the Mill Land except for s.17

“Improvements”:

- (a) with respect to the Land, means anything made, constructed, erected, built, altered, repaired or added to, in, on or under the Land on the Completion Date; and
- (b) with respect to the Tenured Land, has the meaning given to that word in the Tenures and which exist on the Tenured Land on the Completion Date;

“Industrial Land Use” means the use of land for the primary purpose of conducting industrial manufacturing and assembling processes and their ancillary uses and the Province acknowledges that the Tenured Land is now used for an Industrial Land Use;

“Land” means the land described in Schedule A to this Agreement which is used for an Industrial Land Use on the Completion Date and the Province acknowledges that any land in Schedule A that is now vacant is deemed to be used for an Industrial Land Use;

“Landfills” means the landfills identified as “Landfill 5” and “Landfill 6” on Figure 2 to the Golder Report;

“Losses” means liabilities, losses, damages, fines, penalties, costs and expenses (including fees of solicitors and other professional advisors) with respect to ^{s.17} whether or not arising from a Claim;

“Migration Control Facility” means a facility constructed prior to the Completion Date to prevent the migration of Contaminants;

“Mill” means the dissolving sulphite pulp mill located on the Land and includes the Improvements, equipment, machinery and personal property located on the Land;

“Mill Land” means the Land and the Tenured Land;

“Mill Remediation Work” means the Remediation described in sections 2, 3 and 3.2;

“PASCI” means Port Alice Specialty Cellulose Inc. (Inc. No. BC0694432);

(a)

^{s.17}

(b)

“Prime Rate” means the annual rate of interest, regardless of compounding frequency, designated or established by the Canadian Imperial Bank of Commerce as the reference rate for determining interest rates on Canadian dollar commercial loans in Canada;

“Proposed Improvement” means anything made, constructed, erected, built, altered, repaired or added to, in, on or under the Mill Land after the Completion Date;

“Province Parties” means the ministers, officials, servants, employees, agents and representatives of the Province;

“Purchase Agreement” means the agreement of purchase and sale of the Land among the Trustee and the Purchaser, a copy of which is attached as Schedule B to this Agreement;

“Purchaser Parties” means the shareholders, directors, officers, employees, agents and representatives of the Purchaser;

“Reagents” means the reagents referred to in “Scenario 2” of the Golder Report;

s.17

“Released” means deposited, disposed of, escaped, seeped, leaked, spilled, discharged, emitted or released into the soil, sediment, water or groundwater;

“Responsible Person” has the meaning given to that term in the *Environmental Management Act*;

“Tenured Land” means the Crown land described in the Tenures;

“Tenures” means the leases issued under the *Land Act* which are listed in Schedule C to this Agreement;

“Total Assets” means total assets under GAAP and for the purposes of subsection 11(b), as of the Completion Date, the value of the Total Assets in connection with the operation of the Mill is \$1.00 (of which \$1.00 is equal to the value of the Fixed Assets); and

“Trustee” means The Bowra Group Inc. (Reg. No. A0063271).

MILL REMEDIATION WORK AND ENTRY ON MILL LAND

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s.17

(b)

(c)

(d) s.17

2.1 s.17

3.

(a) s.17

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s.17

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s.17

(e)

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5. By entering into this Agreement and carrying out its obligations under this Agreement, the Province is not:

(a) s.17

(b) accepting that there is any s.17 in, on, under or migrating from the Mill Land or otherwise; or

(c) admitting liability with respect to any s.17 in, on, under or migrating from the Mill Land or with respect to any other Contamination, or otherwise.

6. Nothing in this Agreement will be construed or interpreted as a waiver or limitation of any right that the Province may have to recover the cost of Mill Remediation Work incurred by the Province under this Agreement from a Responsible Person and the Province may assert such a claim in the name of the Purchaser if it considers it necessary or desirable to do so. All money recovered by or in the name of the Purchaser for Mill Remediation Work conducted or caused to be conducted by the Province will be paid forthwith to the Province.
- 6.1 For greater certainty, no obligations assumed or indemnities or release given by the Province in favour of the Purchaser under this Agreement is a release of the Purchaser's obligations as a Responsible Person.
- 6.2 Despite sections 6 and 6.1, unless this Agreement is lawfully terminated or except as otherwise provided in this Agreement, the Province covenants **s.17**
7. Except in the case of an Emergency where access to the Mill Land will be permitted without notice to the Purchaser, the Purchaser will, on reasonable notice to the Purchaser by the Province and provided that the Province is in compliance with its obligations under section 13, permit the Province, the Province Parties and the Province's contractors the full right and liberty, at all reasonable times, to enter on those parts of the Mill Land that are reasonably required by the Province in order to cause the Mill Remediation Work to be completed and, with the Purchaser's prior consent, not to be unreasonably withheld, to use all Improvements, Proposed Improvements, equipment and facilities of the Purchaser that are necessarily required for use by the Province, the Province Parties and the Province's contractors to complete the Mill Remediation Work.
8. If, at any time, the Mill Land, or any part of it, is used for any use other than an Industrial Land Use, the obligations of the Province under section 3 of this Agreement with respect to Mill Remediation Work will cease with respect to that part of the Mill Land

COSTS

9. **s.17**
10. **s.17**
- (a) **s.17**
- (b)

PURCHASER'S OBLIGATIONS

11. In addition to the obligations of the Purchaser set out elsewhere in this Agreement, the Purchaser will:

(a) operate the Mill primarily as a pulp mill on a continuous basis, from year to year, in a manner that is substantially consistent with industry practice in respect of length of operation in any year, provided that, in the reasonable opinion of the Purchaser, it is economically viable to do so;

(b) s.17

(c) for the fiscal year ending December 31, 2007, not later than 120 days following the end of its fiscal year, deliver to the Province an audited financial statement for that fiscal year which is prepared by its Auditor in accordance with generally accepted accounting principles and generally accepted auditing standards;

(d) on or before October 1, 2007, deliver to the Province a management statement of account which is prepared by its Auditor in accordance with generally accepted accounting principles and generally accepted auditing standards which sets out the amount of the increase in the Total Assets and Fixed Assets used in connection with the operation of the Mill from the Completion Date to and including September 1, 2007;

(e) upon reasonable notice from the Province, provide the Province with copies of the Purchaser's books and records relating to Total Assets and Fixed Assets;

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(A)

(B)

s.17

(g) use, maintain, repair and secure all Migration Control Facilities as required by law and in a manner that a reasonable and prudent owner responsible for all of the costs of Remediation would undertake; and

(h)

(i)

s.17

(ii)

12. Unless required by law, the Purchaser will not notify or cause the notification of any s.17 of any fact, situation or circumstance or do any other act or thing for the purpose of causing or inducing any s.17 to make an s.17 or otherwise require any action by the Purchaser pursuant to Environmental Laws in respect of any s.17. However, if such a notification is required by applicable law (a “Required Notification”), to the extent reasonably feasible, the Purchaser will notify the Province in writing of the Required Notification and provide the Province with an opportunity in advance of making the Required Notification to review and comment on the Required Notification.

PROVINCE’S OBLIGATIONS

13. In addition to the obligations of the Province set out elsewhere in this Agreement, the Province will:
- (a) comply with or require the Province Parties and the Province’s contractors to comply with the reasonable safety standards and procedures proposed by the Purchaser;
 - (b) deliver all plans for Mill Remediation Work to the Purchaser within a reasonable period prior to commencing that work and, to the extent that it is possible to do so without unreasonably increasing the cost of carrying out the Mill Remediation Work or unreasonably delaying the Mill Remediation Work, will modify such plans to take into account the reasonable requests of the Purchaser;
 - (c) coordinate the Mill Remediation Work with the Purchaser in an effort to minimize the adverse impact of that work on the operations of the Mill, including damage to the Mill Land, the Improvements, Proposed Improvements, equipment and facilities, to the extent that it is reasonably possible to do so without unreasonably increasing the cost of carrying out the Mill Remediation Work or unreasonably delaying the Mill Remediation Work;
 - (d) repair all damage to the Mill Land, the Improvements, Proposed Improvements, equipment and facilities caused by or on behalf of it in completing the Mill Remediation Work and restore the Mill Land, the Improvements, Proposed Improvements or facilities

to the state in which they existed immediately prior to the Mill Remediation Work being commenced or replace the equipment;

- (e) provide regular reports to the Purchaser concerning the progress of Remediation carried out by the Province under this Agreement and it will provide to the Purchaser copies of all:

- (i) test results;
 - (ii) site investigation, remediation planning, implementation and closure reports; and
 - (iii) material correspondence to or from any s.17 concerning Remediation;

and all reports referred to in paragraph (ii) will provide that the Purchaser is entitled to rely on those reports as if the Purchaser had commissioned those reports;

- (f) cause the principal contractor carrying out the Remediation to accept the designation of prime contractor for Worker's Compensation Board purposes;
- (g) obtain all permits and other approvals required in connection any Remediation carried out by the Province under this Agreement and will cause all such Remediation to be conducted in a good, diligent and workmanlike manner and in compliance with all applicable laws, regulations and permits;
- (h) maintain notices and reports delivered to the Province under subsections 11(f) and (h), in confidence and will not, unless required by law to do so, disclose any such notice or report to any s.17 or any other third party; and
- (i) maintain the financial statements and management statement of accounts delivered to the Province under subsections 11(c) and (d) in confidence on the terms and conditions set out in the Confidentiality Agreement between the Purchaser and the Province made as of the 4th day of November, 2005.

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- (b)

(i) s.17

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(c) s.17

(c.1)

(i) s.17

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(d) s.17

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(d)

15. The Purchaser will indemnify, defend and hold harmless the Province and the Province Parties (together, the **"Province Indemnified Parties"**) from and against all Claims made or brought against any of the Province Indemnified Parties, and all Losses which arise from such Claims, for personal injury, including, without limitation, death, to third Persons or for damage to property of third Persons resulting from access by the Province Indemnified Parties or the Province's contractors to the Mill Land under and in accordance with this Agreement or the conduct of the Mill Remediation Work by the Province Indemnified Parties or the Province's contractors to the extent any such personal injury or damage to property is caused or contributed to by the Purchaser or any of the Purchaser Parties or the Purchaser's contractors or any other Person for whom the Purchaser is responsible at law. For the purposes of this section, **"third Persons"** includes all Province Indemnified Parties.

16. s.17

s.17

(a)

(b)

17. The Purchaser will cooperate with the Province with respect to all matters described in section 16 and it will assist the Province by doing all things that may reasonably be required by the Province in order to deal with those matters.

18. s.17

WARRANTIES, REPRESENTATIONS AND ACKNOWLEDGEMENTS OF THE PURCHASER

19. The Purchaser warrants and represents to the Province, with the knowledge that the Province will rely upon these warranties and representations in completing its obligations under this Agreement, that as of the date of execution of this Agreement:
- (a) it is a corporation duly organized and existing under the laws of British Columbia;
 - (b) it has all the corporate power, capacity and authority to enter into this Agreement and to carry out its obligations under this Agreement, all of which have been duly and validly authorized by all necessary corporate proceedings;
 - (c) it is not a party to or threatened with any litigation or claims that would materially affect its undertaking or financial condition; and
 - (d) it has fully and accurately disclosed all information in its possession or control regarding the Contaminants in, on or under the Mill Land.
20. The Purchaser acknowledges and agrees that:
- (a) except as provided in this Agreement, the Province is under no obligation to provide financial assistance or to contribute, in any way, toward the cost of the Mill Remediation Work or for any other cost or expense of the Purchaser including economic loss, incidental loss, consequential loss or damage to the Mill or the Mill Land;
 - (b) except as otherwise provided in this Agreement, the Province may exercise its sole and absolute discretion with respect to the location, scope, commencement, construction and completion of the Mill Remediation Work;
 - (c) in entering into this Agreement, it has not relied upon any oral or written statement made by, or any other action of the Province as constituting a warranty or representation by or on behalf of the Province concerning the outcome of any decision made or to be made by a statutory decision maker; and
 - (d) nothing in this Agreement constitutes the Purchaser as the agent, joint venturer or partner of the Province.

WARRANTIES, REPRESENTATIONS AND ACKNOWLEDGEMENTS OF THE PROVINCE

21. The Province warrants and represents to the Purchaser, with the knowledge that the Purchaser will rely upon these warranties and representations in completing its obligations under this Agreement, that it has obtained all necessary approvals in connection with the execution and delivery of this Agreement and to undertake the performance by the Province of its obligations under this Agreement.
22. Notwithstanding any other provision of the Agreement the payment of money by the Province under this Agreement is subject to:
 - (a) there being sufficient monies available in an appropriation, as defined in the FAA, to enable the Province, in any fiscal year when any payment of money by the Province is required under this Agreement, to make that payment; and
 - (b) Treasury Board, as defined in the FAA, not having controlled or limited, pursuant to the FAA, expenditure under any appropriation referred to in subparagraph (a) of this paragraph.
23. The Province acknowledges and agrees that, in entering into this Agreement, the Purchaser has obtained and is relying on the statutory decisions that have been made and are described in Schedule "D".

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CONFIDENTIALITY

27. The parties will treat this Agreement as confidential and not publish, release or disclose it or its contents or permit it or its contents to be published, released or disclosed to any person, either before or after the expiration or sooner termination of this Agreement except insofar as such

publication, release or disclosure is necessary to enable the party to fulfill its obligations under this Agreement, to enforce its rights under this Agreement or it is required by law. Notwithstanding the foregoing, the Purchaser may disclose the terms of this Agreement to those of its directors, officers, employees, shareholders, lenders and professional advisors who have a need to know the terms of this Agreement and to any prospective purchaser of the Mill who has agreed to keep the information confidential.

TERMINATION

28. The Province may terminate this Agreement if:
- (a) the Purchaser fails to complete the purchase and sale of the Land and the assignment of the Tenures on or before November 29, 2005, or such other date the parties agree to;
 - (b) the Purchaser fails to commence the operation of the Mill on or before September 1, 2006;
 - (c) the Purchaser does not deliver the management statement of account referred to in subsection 11(d) to the Province on or before the 15th day following a demand by the Province for that management statement of account; or
 - (d) the Purchaser is in breach of any of its obligations under subsections 11(a) and (b) of this Agreement.
29. The right of the Province to terminate this Agreement under section 28 is in addition to and not in substitution for any other rights or remedies that the Province may have at law or in equity.
30. Subject to section 29, upon the expiration or earlier termination of this Agreement, all of the obligations of the Province under this Agreement will terminate except for the Province's obligation to pay for any Mill Remediation Work completed or commenced prior to the expiration or earlier termination of this Agreement but the Province will not have any obligation to complete or pay for the completion of any Mill Remediation Work commenced prior to the expiration or earlier termination of this Agreement.
31. If the Province is in breach of its obligations under sections 2 and 3 or if there is no appropriation available to the Province from which to make a payment under this Agreement (the "Default") and as a result the Province does not perform s.17 as required under this Agreement, then:
- (a) the Purchaser may carry out the s.17 described in sections 2 and 3;
 - (b) s.17
 - (c)

- (d) the Purchaser's obligations under subsections 11(a), (b), (c) and (d) will not apply until such time as the Province has complied with its payment obligations under this Agreement and upon such compliance by the Province, the time for completion of the Purchaser's obligations under subsections 11(a), (b), (c) and (d) will be extended by the number of days from the Default to the date on which the Province makes payments under subsection 31(b).

INTEREST

32. Any amount owing by one party to the other under this Agreement will bear interest **s.17**

ARBITRATION

33. Any dispute between the parties under or with respect to this Agreement will be submitted to arbitration under the provisions of the *Commercial Arbitration Act*. The matter will be referred to a single arbitrator. If the parties cannot agree upon a single arbitrator then any party may apply to the Supreme Court of British Columbia to have it select an arbitrator. The place of arbitration shall be Vancouver, British Columbia or such other location agreed to by the parties. In any arbitration where the following issues are relevant:
- (a) the Purchaser bears the onus of proving on a balance of probabilities that:
 - (i) Contaminants are **s.17**
 - (ii) **s.17**
 - (iii)
 - (b) the Province bears the onus of proving on a balance of probabilities that Remediation carried out by the Province complies with the requirements for the Remediation set out in this Agreement; and
 - (c) the party asserting that any decision made, amount spent, or action taken in the context of this Agreement is unreasonable bears the onus of proving that assertion on a balance of probabilities.

NOTICE

34. In this Agreement:
- (a) any notice or communication required or permitted to be given under the Agreement will be in writing and will be considered to have been given if delivered by hand or transmitted by facsimile transmission to the address or facsimile transmission number of each party set out below:

if to the Province:

Minister of Economic Development

care of Legal Services Branch
Ministry of Attorney General
1001 Douglas Street,
PO Box 9280 Stn Prov Govt
Victoria, B.C. V8W 9J7 ♦
Attention: Richard Butler ♦
Fax No. 250-356-9154 ♦

if to the Purchaser:

Neucel Specialty Cellulose Ltd.
care of Borden Ladner Gervais LLP
1200 Waterfront Centre
200 Burrard Street
PO Box 48600
Vancouver, B.C. V7X 1T2 ♦
Attention: Deborah H. Overholt ♦
Fax No. 604-622-5864 ♦

or to such other address or facsimile transmission number as either party may designate from time to time; and

- (b) all notices and communications will be considered to have been received:
- (i) if delivered by hand during business hours on a business day on that business day, and if not delivered during business hours, upon the commencement of business on the next business day; and
 - (ii) if sent by facsimile transmission during business hours on a business day, upon the sender receiving confirmation of the transmission, and if not transmitted during business hours, upon the commencement of business on the next business day.

INTERPRETATION

- 35. This Agreement is binding upon the parties and may not be modified except by subsequent agreement in writing.
- 36. Time will be of the essence of this Agreement.
- 37. No remedy conferred upon or reserved to either party is exclusive of any other remedy in this Agreement or provided by law, but such remedy will be cumulative and will be in addition to any other remedy in this Agreement or now or hereafter existing at law, in equity or by statute.
- 38. This Agreement constitutes the entire agreement between the parties and there are no representations or warranties, express or implied, statutory or otherwise and no agreements collateral to this Agreement other than as expressly set out or referred to in this Agreement.
- 39. This Agreement is governed by and is to be construed in accordance with the laws of the Province of British Columbia.


40. In this Agreement, “**person**” includes a corporation, firm or association and wherever the singular or masculine form is used in this Agreement it will be construed as the plural or feminine or neuter form, as the case may be, and vice versa where the context or the parties so require.
41. The captions and headings contained in this Agreement are for convenience only and do not define or limit the scope or intent of this Agreement.
42. Where there is a reference to an enactment of the Province of British Columbia or of Canada in this Agreement, that reference will include a reference to any subsequent enactment of the Province of British Columbia or Canada, as the case may be, of like effect and, unless the context otherwise requires, all statutes referred to in this Agreement are enactments of the Province of British Columbia.
43. If any section of this Agreement or any part of a section is found to be illegal or unenforceable, that part or section, as the case may be, will be considered separate and severable and the remaining parts or sections, as the case may be, will not be affected and will be enforceable to the fullest extent permitted by law.
44. This Agreement does not operate as a permit, licence, approval or other statutory authority that the Purchaser may be required to obtain from the Province or any of its agencies. Nothing in this Agreement is to be construed as interfering with the exercise by the Province or its agencies of any statutory power or duty.
45. All references to dollars in this agreement are to Canadian dollars.
46. No waiver of any provision of this Agreement is binding unless it is in writing and signed by the parties to this Agreement. No failure to exercise, and no delay in exercising, any right or remedy under this Agreement will be deemed to be a waiver of that right or remedy. No waiver of any breach of any provision of this Agreement will be deemed to be a waiver of any subsequent breach of that provision or of any similar or other provision.
- 46.1 This Agreement may be executed in counterparts or facsimile counterparts each of which when delivered shall be deemed to be an original and all of which together shall constitute one and the same document.

47. The parties will execute and deliver all other appropriate supplemental agreements and other instruments, and take any other action necessary, to give full effect to this Agreement, and to make this Agreement legally effective, binding, and enforceable as between them.

IN WITNESS WHEREOF the parties have executed this Agreement on the date first written above.

SIGNED on behalf of **Her Majesty the Queen**
in Right of the Province of British Columbia
by the Minister of Economic Development or
the minister's authorized representative

Minister of Economic Development or the
Minister's authorized representative



Minister of Agriculture and Lands or the
Minister's authorized representative

Neucel Specialty Cellulose Ltd.

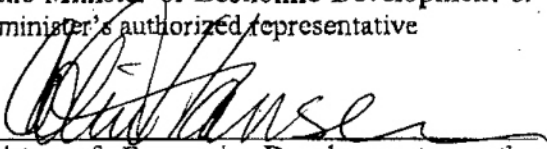
Per: _____
Authorized Signatory

Authorized Signatory

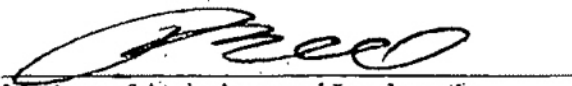
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IN WITNESS WHEREOF the parties have executed this Agreement on the date first written above.

SIGNED on behalf of Her Majesty the Queen
in Right of the Province of British Columbia
by the Minister of Economic Development or
the minister's authorized representative



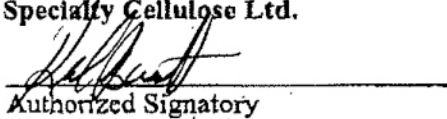
Minister of Economic Development or the
Minister's authorized representative



Minister of Agriculture and Lands or the
Minister's authorized representative

Neucel Specialty Cellulose Ltd.

Per:



Authorized Signatory

Authorized Signatory

SCHEDULE A

LAND

1. Parcel Identifier 000-174-831
District Lot 1187, Rupert District, Except that part in Plan 21605, and except for that part used for cemetery purposes as at the date of this Agreement.
2. Parcel Identifier 000-174-866
District Lot 2090, Rupert District.
3. Parcel Identifier 000-174-793
Lot 58, District Lot 2137, Rupert District, Plan 19973.
4. Parcel Identifier 000-174-807
Lot 59, District Lot 2137, Rupert District, Plan 19973.
5. Parcel Identifier 000-174-858
District Lot 2089, Rupert District
(except that part used as or in connection with a golf course on the Completion Date)

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Withheld pursuant to/removed as

s.17

SCHEDULE C

TENURES

1. Leases granted under the *Land Act* by the Province to Western Forest Products Limited (leases numbered 101036, 101517 and 101590) which are dated for reference February 24, 1986, April 9, 1987 and June 8, 1987, respectively.
2. Lease granted under the *Land Act* by the Province to Western Pulp Inc. which is dated for reference June 9, 2000 (lease number 107578).
3. License of Occupation No. 109003 with respect to District Lot 174, Rupert District.
4. Special Use Permit S23802.
5. Rights of Way granted by Order-in-Council
 - (i) Water pipeline right-of-way approved and ordered by Order in Council No. 997 dated the 29th day of April, 1963; and
 - (ii) Electrical power transmission line right-of-way approved and ordered by Order in Council No. 1023 dated the 30th day of April, 1963.
6. Any Lease, License of Occupation, Special Use Permit or Right of Way granted in replacement of any of the foregoing.

SCHEDULE D

STATUTORY DECISIONS

1. Treasury Board, Cabinet and Minister of Finance approval of this Environmental Agreement.
2. s.17

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Withheld pursuant to/removed as

s.17