

PROVINCE OF BRITISH COLUMBIA
Ministry of Forests, Lands and Natural Resource Operations

PULPWOOD AGREEMENT NO. 13

Amended

THIS AGREEMENT, dated September 2, 2016

BETWEEN:

THE MINISTER OF FORESTS, LANDS AND
NATURAL RESOURCE OPERATIONS
on behalf of HER MAJESTY THE QUEEN IN
RIGHT OF THE PROVINCE OF BRITISH
COLUMBIA

(the "Minister")

AND:

CHETWYND MECHANICAL PULP INC.
4181 Chetwynd Pulp Mill Road
Chetwynd, British Columbia
V0C 1J0

E-Mail Address- Quinton Hayward@chetwyndpulp.com

(the "Agreement Holder")

(collectively referred to as the "Parties")

WHEREAS

- A. The Agreement Holder is the holder of Pulpwood Agreement No. 13, issued by the Province on January 1, 1999, as amended on March 1, 2000, June 23, 2000, and

October 7, 2002 (the "Pulpwood Agreement").

- B. Pursuant to the Pulpwood Agreement No. 13 2016 Amendment Consent and Compensation Agreement (the "2016 Amendment Agreement"), the Parties have agreed to delete the area known as the Peace Moberly Tract from the area of the Pulpwood Agreement and to make other amendments to the Pulpwood Agreement.
- C. This amended Pulpwood Agreement No. 13 incorporates the amendments agreed to under the 2016 Amendment Agreement.
- D. The Parties have agreed to this amended Pulpwood Agreement 13 (the Agreement").

THE PARTIES AGREE AS FOLLOWS

0.00 AGREEMENT

- 0.01** This Agreement is a Pulpwood Agreement under the *Forest Act* and subject to that Act, the regulations made under that Act and other forestry legislation.

1.00 GRANT OF RIGHTS

- 1.01** Subject to
 - (a) this Agreement and the Acts, regulations and standards referred to in paragraph 8.01, and
 - (b) the availability of deciduous leading timber stands.

the Minister grants to the Agreement Holder the option to obtain from the District Manager without advertising or competition from other applicants, forestry licences to cut under section 47.6(2)(c) of the *Forest Act*, authorizing the Agreement Holder to harvest, or to apply for cutting permits to harvest, mature deciduous leading timber stands specified under Part 7, from Crown land in the Pulpwood Area.

- 1.02** Subject to Part 5, in each calendar year, the total volume of timber harvested under forestry licences to cut issued in connection to this Agreement, must not exceed the lesser of
 - a) 461 169 m³ less the Allowable Annual Cut from Forest Licence A70730, and
 - b) the availability of deciduous leading timber stands.

- 1.03 The total volume referred to in paragraph 1.02 is deemed to be reduced according to any reduction made under this Agreement.
- 1.04 Subject to sub-paragraph 2.05(b), the expiry date of this Agreement is December 31, 2023.
- 1.05 This Agreement is not replaceable under the *Forest Act*.
- 1.06 The District Manager will determine at the start of each harvest control year:
- a) the total volume harvested under forestry licences to cut and road permits issued in connection with this Agreement, including waste, in the previous harvest control year,
 - b) the total volumes harvested to date in in the current harvest control period, and
 - c) the total volume available to the Agreement Holder for the current harvest control year, in accordance with Part 5.
- 1.07 The District Manager must provide the Agreement Holder with a notice of the determinations under paragraph 1.06 by June 30 of the harvest control year.
- 1.08 For the purposes of this Agreement, the first harvest control period is deemed to have commenced on January 1, 2012.

2.00 TIMBER PROCESSING

- 2.01 In this Part, a force majeure event means any of the following which is beyond the control of the Agreement Holder and could not reasonably have been foreseen by the Agreement Holder
- (a) acts of God, acts of the public enemy, riots, fires, storms, floods, or explosions,
 - (b) labour disputes,
 - (c) inability to obtain any approvals required from any regulatory authority,
 - (d) the invoking of a force majeure clause by a customer for the product produced by the Mill, except where the clause is invoked because of lack of markets or uneconomic market conditions, and,
 - (e) any similar event other than lack of markets or uneconomic market conditions.

- 2.02 The Agreement Holder must ensure that the Mill is not closed or its production reduced below an input of 1771 m³/day of timber (a “reduction in production”), in either case, for a period of longer than 90 consecutive days, except as a consequence of a force majeure event or unless the Minister exempts the Agreement Holder in whole or in part from the requirements of this paragraph.
- 2.03 The Agreement Holder must give the Minister at least 90 days notice, prior to any closure of the Mill or any reduction in production if the Agreement Holder knows or should reasonably expect that the closure or reduction might extend beyond 90 consecutive days.
- 2.04 If the Mill is closed or a reduction in production occurs and the closure or reduction in production continues or, in the opinion of the Minister, will continue for a period longer than 90 days, the Agreement Holder must on request of the Minister provide information regarding,
- a) the volume of timber and wood residue processed through the Mill, as the case may be, during the 24 month period immediately preceding the closure or reduction in production, and
 - b) in the case of a reduction in production, the amount by which production has been reduced.
- 2.05 If the Mill is closed or a reduction in production occurs for a period longer than 90 consecutive days, except as a consequence of a force majeure event, the Minister at any time within 12 months after the closure or reduction in production may,
- a) reduce the volume of timber specified under paragraph 1.02 (a) by not more than the difference between
 - (i) the average annual volume of timber and wood residue processed through the Mill in the 24 month period immediately before the closure or reduction in production, and
 - (ii) the average annual volume of timber and wood residues that would have been processed through the Mill during the 24 month period immediately before the closure or reduction in production if the closure or reduction in production had been in effect throughout that period, or
 - b) proceed with suspension and/or cancellation provisions in Division 4 of Part 4 of the *Forest Act*.

3.00 UTILIZATION OF TIMBER HARVESTED UNDER A FORESTRY LICENCE TO CUT

- 3.01 The Agreement Holder must process all timber harvested under a forestry licence to cut, or under a road permit, or equivalent volumes, in the Mill.
- 3.02 The Agreement Holder may trade timber harvested under a forestry licence to cut for an equal or greater volume of pulp logs or wood residue which is processed in the Mill.
- 3.03 The District Manager, in a notice given to the Agreement Holder, may require the Agreement Holder to notify the District Manager of all trades referred to in paragraph 3.02.

4.00 UTILIZATION OF PULP LOGS AND WOOD RESIDUE

- 4.01 For the purposes of this Agreement, the input capacity of the Mill is deemed to be the equivalent of 620 000 m³/yr of timber.
- 4.02 The Agreement Holder must ensure all
 - a) pulp logs suitable for processing in the Mill that are harvested by the Agreement Holder and its affiliates under forest tenures held by them within the area of the Pulpwood Area other than timber harvested under a forestry licence to cut or Forest Licence A70730; and
 - b) wood residue suitable for processing in the Mill that is produced from timber harvested by the Agreement Holder and its affiliates under forest tenures held by them within the area of the Pulpwood Area other than timber harvested under a forestry licence to cut or Forest Licence A70730,or equivalent volumes, are processed in the Mill.
- 4.03 The Agreement Holder must ensure
 - a) pulp logs unsuitable for processing in the Mill that are harvested by the Agreement Holder and its affiliates under forest tenures held by them within the area of the Pulpwood Area other than timber harvested under a forestry licence to cut, and
 - b) wood residue unsuitable for processing in the Mill that is produced from timber harvested by the Agreement Holder and its affiliates under forest tenures held by them within the area of the Pulpwood Area other than

timber harvested under a forestry licence to cut,

are traded for available pulp logs or wood residue suitable for processing in the Mill.

4.04 Subject to paragraph 4.05, the Agreement Holder must purchase all available pulp logs and wood residue suitable for processing in the Mill, from other Crown tenures and private land within the area of the Pulpwood Area to a maximum, in a calendar year, of the input capacity of the mill referred to in paragraph 4.01 less

- (a) the Allowable Annual Cut of Forest Licence A70730
- (b) the Allowable Annual Cut of Forest Licence A60972; and
- (c) the volume referred to in paragraph 1.02.

Timber originating from TFL 48 harvested under a BCTS timber sale licence or from cutting permits issued under the authority of TFL 48 from an area within the Pulpwood Area is not considered as volume purchased for the purposes of this paragraph.

4.05 The Agreement Holder need not purchase, or cause to be purchased, pulp logs or wood residue under paragraph 4.04 if the Regional Executive Director determines that the asking price for the pulp logs or wood residue is unreasonable.

4.06 Upon the request of the Agreement Holder, or at his or her own discretion, the Regional Executive Director may refer the question of whether the asking price for pulp logs or wood residue is unreasonable to an independent expert acceptable to the Agreement Holder, such acceptance not to be unreasonably withheld, and, if the Regional Executive Director does so, the determination of the independent expert is deemed to be the determination of the Regional Executive Director for the purposes of paragraph 4.05.

4.07 Subject to paragraph 4.08, the Agreement Holder must take delivery of pulp logs or wood residue purchased under paragraph 4.04 within 3 months or within such longer period as is agreed to by the District Manager.

4.08 The District Manager, in a notice given to the Agreement Holder, may specify a period that is shorter than the 3 months referred to in paragraph 4.07 if the timber from which the pulp logs or wood residue will be produced,

must be harvested and utilized expeditiously to prevent the reduction in volume or the loss or destruction of timber.

- 4.09 For the purposes of this Agreement all pulp logs or wood residues are deemed to be suitable for processing in the Mill unless the District Manager determines that a species or type of pulp logs or wood residue is unsuitable for processing in the Mill having regard to the design and technological capability of the Mill to manufacture a marketable end product from the pulp logs or wood residues.
- 4.10 Upon the request of the Agreement Holder, or at his or her own discretion, the District Manager may refer the question of whether a species or type of pulp log or wood residue is unsuitable for processing in the Mill to an independent expert acceptable to the Agreement Holder, such acceptance not to be unreasonably withheld, and, if the District Manager does so, the determination of the independent expert is deemed to be the determination of the District Manager for the purposes of paragraph 4.09.
- 4.11 The Agreement Holder must pay all costs and expenses of an independent expert referred to in paragraph 4.06 or 4.10, where the Agreement Holder has requested the determination by an independent expert.

5.00 HARVEST CONTROL

5.01 In this Part,

“volume of timber harvested” during a harvest control year means, the total of such of the following as are charged to the Agreement Holder in a calendar year in statements or invoices issued on behalf of the government:

- (i) the volume of merchantable timber cut and removed under forestry licences to cut and road permits,
- (ii) the volume of merchantable timber estimated to be wasted or damaged under forestry licences to cut or road permits, and
- (iii) the volume of timber the Regional Executive Director determines was required to have been purchased under paragraph 4.03, which was not purchased by the Agreement Holder.

5.02 Subject to paragraph 5.03, for the purposes of paragraph 1.06, the following will apply:

- a) The total volume available during a harvest control period will be five times the volume allowed to be harvested by the Agreement Holder under paragraph 1.02;
- b) The volume of timber harvested during a harvest control period will be equal to the total volume of timber harvested during each harvest control year in the harvest control period

- 5.03 If the total volume of timber harvested during a harvest control period referred to in paragraph 5.02 (b) is more than the total volume available during that harvest control period under paragraph 5.02 (a), the District Manager will reduce the total volume available to the Agreement Holder in the next harvest control period by the "overcut volume adjustment."
- 5.04 The District Manager may, on notice to the Agreement Holder, vary or suspend, in whole or in part, or refuse to issue, a forestry licence to cut, cutting permit, or road permit to the extent necessary to effect a reduction under paragraph 5.03.
- 5.05 The powers conferred on the Regional Executive Director or District Manager under this Part may be exercised separately, concurrently or cumulatively.

6.00 APPLICATION FOR A FORESTRY LICENCE TO CUT AND/OR A CUTTING PERMIT

- 6.01 The Agreement Holder may only apply for a forestry licence to cut or a cutting permit in connection with this Agreement if the District Manager is satisfied the Agreement Holder has met all of its obligations under Parts 2.00, 3.00, and 4.00 of the Agreement.
- 6.02 Subject to paragraphs 6.01, and 6.03 through 6.05 inclusive, the Agreement Holder may submit an application to the District Manager referred to in paragraph 6.01, that meets all of the requirements referred to in Parts 1.00 and 2.00 of this Agreement and the Appraisal Manual in effect on the date of the application, for a forestry licence to cut or cutting permit, or to amend a forestry licence to cut or cutting permit, to authorize the Agreement Holder to operate upon one or more areas of Crown land within the Pulpwood Area, 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;

- 6.03 An application for a forestry licence to cut or a cutting permit must
- a) be in a form acceptable to the District Manager;
 - b) include
 - (i) any information the District Manager may require to determine whether the Agreement Holder has complied with Parts 2.00, 3.00 and 4.00,
 - (ii) a map to a scale acceptable to the District Manager showing the areas referred to in the application, and
 - (iii) cruise data and appraisal data in accordance with the Appraisal Manual in effect on the date of the application; and
 - c) comply with Part 8 of this Agreement.
- 6.04 The areas of land shown on the map referred to in clause 6.03 (b)(ii) must be consistent with areas referred to in subparagraph 6.02 (a) or 6.02 (b), as applicable.
- 6.05 Subject to paragraphs 6.06 through 6.09 inclusive, upon receipt of an application for a forestry licence to cut or a cutting permit submitted under paragraph 6.02, the District Manager will enter into the forestry licence to cut or the cutting permit with the Agreement Holder if, the District Manager is satisfied that
- a) the requirements of paragraphs 6.01 through 6.04 inclusive have been met,
 - b) the areas of land referred to in the application for the forestry licence to cut or cutting permit contain timber stands specified under Part 7.00 of the Agreement, and
 - c) the cruise data and appraisal data meet the requirements referred to in clause 6.03(b)(iii).
- 6.06 The District Manager may consult an aboriginal group who may be exercising or claiming to hold aboriginal interest(s) if in the opinion of the District Manager the issuance of the forestry licence to cut, cutting permit or amendment, as submitted, and/or operations under the forestry licence to cut, cutting permit or amendment, may result in:
- a) an adverse impact to an aboriginal interest(s); or

- b) an infringement of a determined aboriginal rights(s) or treaty right(s).
- 6.07 The District Manager may impose conditions in a forestry licence to cut or a cutting permit to address an aboriginal interest(s) if in the opinion of the District Manager issuance of the forestry licence to cut, cutting permit or amendment, as submitted, and/or operations under the forestry licence to cut, cutting permit, or amendment, would result in:
 - a) an adverse impact to an aboriginal interest(s); or
 - b) an infringement of a determined aboriginal rights(s) or treaty right(s).
- 6.08 The District Manager may refuse to issue a forestry licence to cut, cutting permit or amendment, if, in the opinion of the District Manager, the issuance of the forestry licence to cut, cutting permit or amendment would result in:
 - a) an adverse impact to an aboriginal interest(s) that cannot be reasonable accommodated; or
 - b) an unjustifiable infringement of a determined aboriginal right(s) or treaty right(s).
- 6.09 If the District Manager
 - a) determines that a forestry licence to cut or a cutting permit may not be entered into because the requirements of paragraph 6.05 have not been met,
 - b) is carrying out consultations under paragraph 6.06, or
 - c) refuses to enter into a forestry licence to cut or a cutting permit under paragraph 6.08,
 the District Manager will notify the Agreement Holder within 45 days of the date on which the application for the forestry licence to cut, cutting permit, or amendment was submitted.

7.00 TIMBER STANDS AVAILABLE FOR HARVEST

- 7.01 Timber stands in the Pulpwood Area where the cruise under Part 6.00 of the Agreement has confirmed that at least 51 percent (%) or greater of the net cruise volume of the stand is deciduous will be available for harvest by the Agreement Holder.
- 7.02 In addition to timber stands referred to in paragraph 7.01, the Regional Executive Director or District Manager may make areas of Crown land meeting requirements set out in a notice to the Agreement Holder available

for harvest by the Agreement Holder.

8.00 LEGISLATIVE FRAMEWORK

8.01 This Agreement is subject to

- a) the *Forest Act*,
- b) the *Forest and Range Practices Act*,
- c) the *Wildfire Act*.

and any regulations or standards made under those Acts.

8.02 The Agreement Holder must

- a) comply with the Acts, regulations and standards referred to in paragraph 8.01, and
- b) ensure that its employees, agents and contractors comply with those Acts, regulations and standards when engaging in or carrying out activities or operations under or associated with this Agreement, including activities or operations under or associated with a forestry licence to cut, cutting permit or road permit.

9.00 REPORTING

9.01 The Regional Executive Director, in a notice given to the Agreement Holder, may require the Agreement Holder to submit a report containing such information as the Regional Executive Director requires, including information regarding the Agreement Holder's performance of its obligations under this Agreement, a forestry licence to cut, cutting permit or road permit, if the information is not included in any other reports which the Agreement Holder must submit under this Agreement or the Acts or regulations referred to in paragraph 8.01.

9.02 Upon receipt of a notice referred to in paragraph 9.01, the Agreement Holder, on or before the date specified in the notice, will submit a report to the Regional Executive Director containing the required information.

9.03 Subject to paragraph 9.04, the Regional Executive Director may include the information contained in a report submitted under paragraph 9.02 in any reports prepared by the Ministry of Forests, Lands and Natural Resource Operations for public review.

- 9.04 Subject to the *Freedom of Information and Protection of Privacy Act*, the Regional Executive Director will not disclose information provided in confidence by the Agreement Holder in a report submitted under paragraph 9.02.

10.00 TERMINATION AND SURRENDER

- 10.01 If this Agreement expires, or is surrendered, cancelled or otherwise terminated
- a) all forestry licences to cut or cutting permits entered into pursuant to this Agreement are terminated, and
 - b) title to all
 - (i) improvements, including roads and bridges, constructed by the Agreement Holder under the authority of a forestry licence to cut or a cutting permit, and
 - (ii) timber, including logs and special forest products, harvested under the authority of a forestry licence to cut or cutting permit, and still located on Crown land,will vest in the Crown, without right of compensation to the Agreement Holder.
- 10.02 The Agreement Holder must not remove any improvements, logs or special forest products referred to in subparagraph 10.01(b), unless authorized to do so by the District Manager.

11.00 NOTICE

- 11.01 A notice given under this Agreement must be in writing.
- 11.02 A notice given under this Agreement may be
- a) delivered by hand,
 - b) sent by mail, or
 - c) subject to paragraph 11.05, sent by electronic transmission, to the address, as applicable, specified on the first page of this Agreement, or to such other address or e-mail address as is specified in a notice given in accordance with this Part.
- 11.03 If a notice is given under this Agreement, it is deemed to have been given
- a) if it is given in accordance with subparagraph 11.02(a), on the date it is

- delivered by hand,
 - b) if it is given in accordance with subparagraph 11.02(b), subject to paragraph 11.04, 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 11.02(c), subject to paragraph 11.05, on the date it is sent by electronic transmission.
- 11.04 If, between the time a notice is mailed in accordance with subparagraph 11.02(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.
- 11.05 If a notice is sent by electronic transmission, the Party sending the notice must take reasonable steps to ensure that the transmission has been successfully completed in a format suitable to both Parties.

12.00 MISCELLANEOUS

- 12.01 This Agreement will inure to the benefit of, and be binding on, the Parties and their respective heirs, executors, successors and permitted assigns.
- 12.02 Any power conferred or duty imposed on the Regional Executive Director or District Manager by this Agreement may be exercised or fulfilled by a person authorized to do so by the Regional Executive Director or District Manager, as the case may be.
- 12.03 The laws of British Columbia will govern the interpretation of this Agreement and the performance of the Parties' obligations under this Agreement.

13.00 ABORIGINAL RIGHTS, ABORIGINAL TITLE, TREATY RIGHTS

- 13.01 Notwithstanding any other provision of this Agreement, if a court of competent jurisdiction
- a) determines that activities or operations under or associated with this Agreement will unjustifiably infringe an aboriginal right, including an aboriginal title, or treaty right,
 - b) grants an injunction further to a determination referred to in subparagraph (a), or
 - c) grants an injunction pending a determination of whether activities or

operations under or associated with this Agreement will unjustifiably infringe an aboriginal right, including aboriginal title, or treaty right,

the District Manager, in a notice given to the Agreement Holder, may with respect to a forestry licence to cut, cutting permit, road permit or other permit associated with this Agreement and issued to the Agreement Holder, vary or suspend in whole or in part, such licence or permit or refuse to issue such licence or permit to the Agreement Holder, so as to be consistent with the court determination.

13.02 Subject to this Agreement and the forestry legislation, if

- a) the District Manager has varied a forestry licence to cut, cutting permit, road permit or other permit under paragraph 13.01
- 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 District Manager, at the request of the Agreement Holder, will vary the forestry licence to cut, cutting permit, road permit or other permit to reflect as closely as possible, for the remainder of its term, the terms and conditions of the permit or authorization given prior to the variation under paragraph 13.01.

13.03 Subject to this Agreement and the forestry legislation, if

- a) under paragraph 13.01, the District Manager has suspended a forestry licence to cut, cutting permit, road permit or other permit,
- b) a court of competent jurisdiction subsequently overturns, sets aside or dissolves the determination or injunction referred to in that paragraph, and
- c) it is practical to do so,

the District Manager, at the request of the Agreement Holder, will reinstate the forestry licence to cut, cutting permit, road permit or other permit for the remainder of its term.

13.04 Subject to this Agreement and the forestry legislation, if

- a) under paragraph 13.01, the District Manager has refused to issue a forestry licence to cut, cutting permit or road permit or other permit,
- b) a court of competent jurisdiction subsequently overturns, sets aside or dissolves the determination or injunction referred to in that paragraph, and

- c) it is practical to do so,

the District Manager, at the request of the Agreement Holder, will issue the forestry licence to cut, cutting permit, road permit or other permit.

14.00 INTERPRETATION

14.01 In this Agreement, unless the context otherwise requires

"aboriginal interest" means

- a) an asserted treaty right(s) or aboriginal right(s), including aboriginal title, or
- b) a determined treaty right(s) or aboriginal right(s), including aboriginal title, which is recognized and affirmed by section 35(1) of the *Constitution Act, 1982*;
- d) "affiliate" means affiliate within the meaning of section 53 of the *Forest Act*;
- e) "Appraisal Manual" means the policies and procedures approved by the Minister from time to time under section 105 of the *Forest Act* for the forest region in which the timber supply area is located;
- f) "availability of deciduous leading timber stands" means the total of:
 - (i) the portion of the allowable annual cut of the Dawson Creek Timber Supply Area that is apportioned to pulpwood agreements under forestry licences to cut by the Minister under section 10 of the *Forest Act*;
 - (ii) the portion of the allowable annual cut of the Fort St John Timber Supply Area that is apportioned to Pulpwood Agreement 13 under forestry licences to cut by the Minister under section 10 of the *Forest Act*; and
 - (iii) that portion of the allowable annual cut for Tree Farm Licence 48 that is allocated to deciduous stands;
- g) "BCTS timber sale licence" means a timber sale licence issued in accordance with section 20 of the *Forest Act*;
- h) "closed" or "closure" means cessation of production of the principal forest products normally produced by the Mill;
- i) "cutting permit" means a cutting permit, as amended, issued in relation to a forestry licence to cut under this Agreement;
- j) "*Forest Act*" means the *Forest Act*, R.S.B.C. 1996, c. 157, as amended from time to time, or the successor to the Act, if it is repealed;
- k) "*Forest and Range Practices Act*" means the *Forest and Range Practices Act*, R.S.B.C. 2002, c.69 as amended from time to time, or the successor to the Act if it is repealed;

- l) "forestry legislation" means the
 - (a) the *Forest Act*,
 - (b) the *Forest and Range Practices Act*,
 - (c) the *Wildfire Act*,
 and the regulations under those Acts, and as amended from time to time;
- m) "forestry licence to cut" means a forestry licence to cut, as amended, issued in connection with this Agreement under section 47.6(c) of the *Forest Act*;
- n) "forest stewardship plan" means a forest stewardship plan under the *Forest and Range Practices Act*;
- o) "harvest" or "harvested" means
 - (i) cut,
 - (ii) remove, or
 - (iii) cut and remove
 timber in association with this Agreement;
- p) "harvest control period" means a five calendar year period specified by the District Manager to be used as a benchmark to measure the harvest of the volume of timber allotted for that period under this Agreement;
- q) "harvest control year" means the period from January 1 to December 31 during each and any of the five calendar years which make up a harvest control period;
- r) "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;
- s) "Minister" means the Minister responsible for administering the *Forest Act*;
- t) "Mill" means the timber processing facility owned and operated by the Agreement Holder in the vicinity of Chetwynd, British Columbia;
- u) "overcut volume adjustment" means the volume of timber harvested in a harvest control period under this Agreement in excess of the total volume allowed for that period;
- v) "pulp logs" means logs which are primarily of a quality that is below the standard of utilization for sawmills within the Pulpwood Area as determined by the Regional Executive Director or District Manager;
- w) "Pulpwood Area" means the area shown and outlined in black on the June 23, 2000 map attached to this Agreement as Exhibit "A", excluding the Peace Moberly Tract area as shown on the attached map by the same name ;
- x) "Regional Executive Director" means a person to whom a power or duty of the Minister, in relation to this Licence, has been delegated under section 1.1(1)(a) or (3) of the *Forest Act*;
- y) "road permit" means a road permit under the *Forest Act* issued in connection with a forestry licence to cut or cutting permit to the

Agreement Holder; and

z) “*Wildfire Act*” means the *Wildfire Act*, S.B.C 2004, c.31, as amended from time to time, or the successor to the Act if it is repealed;

14.02 Unless otherwise provided in paragraph 14.01, 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 *Forest Act* or the *Forest and Range Practices Act* applies to this Agreement, and where the word or phrase in the *Forest Act* or the *Forest and Range Practices Act* is replaced by a new word or phrase, this Agreement is deemed to have been amended accordingly.

14.03 Where 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 must be construed as a reference to the provision as renumbered.

14.04 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.

14.05 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 must 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.

IN WITNESS WHEREOF this Agreement has been executed by the Minister and the Agreement Holder on the dates written below.

SIGNED on behalf of Her Majesty the Queen in Right of the Province of British Columbia by the Minister of Forests, Lands and Natural Resource Operations or the Minister's Authorized Representative

Steve Roman

Minister or the Minister's Authorized Representative

STEPHEN W. THOMSON, MINISTER

Printed Name (and Title if Minister's Authorized Representative)

Oct 5/2016

Date

SIGNED on behalf of CHETWYND MECHANICAL PULP INC. by a duly authorized signatory

[Signature]

Authorized Signatory

Clinton Hayward, RIF, Fibre Manager

Printed Name and Title

Oct 7/2016

Date



