



**TREE FARM LICENCE 23
ARROW LAKES TREE FARM LICENCE**



THIS LICENCE, dated for reference **March 1, 2010**.

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF BRITISH COLUMBIA,
as represented by the MINISTER OF FORESTS AND RANGE
PO BOX 9049 STN PROV GOVT
VICTORIA, BRITISH COLUMBIA
V8W 9E2
Fax: 250-387-1040
(the "Minister")**

AND:

**INTERNATIONAL FOREST PRODUCTS LIMITED
BOX 49114, SUITE 3500
1055 DUNSMUIR STREET
VANCOUVER, BRITISH COLUMBIA
V7X 1H7
Fax: 604-681-6892
(the "Licensee")**

WHEREAS:

- A. Under Section 36 of the *Forest Act*, the Minister offers a replacement licence to the Licensee.
- B. The Licensee accepts the offer.
- C. The Licensee agrees to manage the licence area according to this Licence and the management plan in effect under this Licence.

THEREFORE:

Under Section 36 of the *Forest Act*, this Licence replaces Tree Farm Licence No. 23, dated March 1, 2000.

“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.”

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THE PARTIES agree as follows:

1.00 GRANT OF RIGHTS AND TERM

- 1.01 The term of this Licence is 25 years, beginning on **March 1, 2010**.
- 1.02 Subject to this Licence, the Minister grants the Licensee:
 - (a) the exclusive right to harvest all types of Crown timber, other than deciduous types, from Schedule “B” Land;
 - (b) the exclusive right to harvest all timber authorized under a timber licence, from Schedule “A” Land subject to a timber licence;
 - (c) the right to manage Schedule “A” Land subject to a timber licence and Schedule “B” Land according to;
 - (i) this Licence;
 - (ii) the management plan in effect under this Licence; and
 - (iii) operational plans approved in respect of this Licence.
- 1.03 Subject to this Licence, the Licensee may also harvest timber from the licence area that is not of a type specified in Paragraph 1.02.

2.00 TIMBER DISPOSITION

- 2.01 Each year during the term of this Licence:
 - (a) 80 700 m³ of the allowable annual cut attributable to the conventional partition, may be disposed of by the Timber Sales Manager within areas agreed to under Paragraph 3.01 or specified under Paragraph 3.02;
 - (b) 95 803 m³ of the allowable annual cut may be disposed of pursuant to Section 47.8 of the *Forest Act*.
- 2.02 Each year during the term of this Licence, the District Manager may dispose of a volume of the timber specified under Paragraph 1.02(a), not exceeding one half of one percent (0.5%) of the portion of the allowable annual cut the Chief Forester determines is attributable to Schedule “B” Land, under free use permits from areas agreed under Paragraph 3.01 or specified under Paragraph 3.02.
- 2.03 In addition to any timber disposed of under Paragraphs 2.01 and 2.02, each year during the term of this Licence, the Regional Manager or District Manager may dispose of timber other than that specified in Paragraph 1.02(a) under forestry licences to cut issued pursuant to a pulpwood agreement, provided:
 - (a) the timber is;
 - (i) within a pulpwood area designated by the Minister; and
 - (ii) within areas of Schedule “B” Land agreed to under

Paragraph 3.01 or specified under Paragraph 3.02; and

(b) the volume of timber disposed of does not exceed an amount equal to the portion of the allowable annual cut which the Chief Forester determines is attributable to timber of the type referred to in the applicable pulpwood agreement, having regard to the factors and information considered by the Chief Forester in his or her most recent determination of the allowable annual cut.

- 2.04 In addition to any timber disposed of under this part, the Regional Manager, District Manager or Timber Sales Manager may dispose of any timber that is not specified in Subparagraph 1.02(a) if the timber is within areas agreed to under Paragraph 3.01 or specified under Paragraph 3.02.
- 2.05 Subject to Part 3, the Minister in a notice given to the Licensee may delete an area from Schedule “B” Land to enable the Regional Manager or District Manager to issue a woodlot licence over the area, if the Chief Forester determines that the portion of the allowable annual cut attributable to the area does not exceed the volume of timber referred to in Paragraph 2.01, having regard to the factors and information considered by the Chief Forester in his or her most recent determination of the allowable annual cut.
- 2.06 Before deleting an area under Paragraph 2.05, the Minister will consult the Licensee and consider any recommendations made by the Licensee.
- 2.07 Where the Minister deletes an area under Paragraph 2.05, the volume of timber referred to in Paragraph 2.01 is deemed to be reduced by an amount equal to the portion of the allowable annual cut that the Chief Forester determines is attributable to the deleted area, having regard to the factors and information considered by the Chief Forester in his or her most recent determination of the allowable annual cut.

3.00 AREA SELECTION PROCESS

- 3.01 Subject to Paragraph 3.02 the District Manager or Timber Sales Manager and the Licensee will agree upon areas for the purposes of Part 2.00, or for an allowable annual cut reduction under Section 69 of the *Forest Act*, having regard to:
 - (a) the type and quality of timber and the type of terrain on the area of Schedule “B” Land under consideration compared to the Schedule “B” Land as a whole;
 - (b) the timber referred to in Paragraph 2.03;
 - (c) the management plan in effect under this Licence and the forest development plan or forest stewardship plan approved in respect of this Licence;

- (d) any potential interference with the operations of the Licensee under this Licence;
- (e) rights being exercised on the licence area by persons other than that licence holder including trappers, guide outfitters, range tenure holders, and other licenced resource users; and
- (f) an aboriginal group claiming an aboriginal interest in, or having a proven aboriginal right, including aboriginal title, or a treaty right in the area.

3.02 If under Paragraph 3.01 the District Manager or the Timber Sales Manager and the Licensee are unable to agree upon areas for the purposes of Part 2.00 or for an allowable annual cut reduction under Section 69 of the *Forest Act*, the District Manager or the Timber Sales Manager or the Licensee may refer the matter to the Regional Manager, in which case the Regional Manager, subject to Paragraph 3.03, and having regard to:

- (a) the factors referred to in Paragraph 3.01; and
- (b) the recommendations of the District Manager or the Timber Sales Manager and the Licensee;

will specify areas for these purposes.

3.03 The Regional Manager will only specify an area under Paragraph 3.02, when satisfied it will not:

- (a) compromise the management plan in effect under this Licence or a forest development plan or forest stewardship plan approved in respect of this Licence; or
- (b) unreasonably interfere with the Licensee's operations under this Licence.

4.00 OTHER CONDITIONS AND REQUIREMENTS

4.01 Subject to Paragraph 4.02, the Licensee will not enter, use or occupy Schedule "A" Land subject to a timber licence or Schedule "B" Land except under and in accordance with a cutting permit, road permit associated with this Licence, special use permit or another legal authority authorizing such use or occupation.

4.02 Paragraph 4.01 does not apply to temporary occupation for the purpose of:

- (a) carrying out silviculture;
- (b) collecting inventory information;
- (c) carrying out engineering layouts and surveys;
- (d) carrying out protection and forest health activities; or
- (e) fulfilling other obligations or conducting other activities incidental to the operations of the Licensee under or associated with this Licence.

- 4.03 The Licensee will not harvest timber from Schedule “A” or “B” Lands, except under a road permit associated with this Licence or a cutting permit issued to the Licensee or as otherwise authorized under the forestry legislation.
- 4.04 The Licensee must not harvest timber if the timber is specified as reserved timber in a cutting permit, or under an applicable operational plan.
- 4.05 If an area of Schedule “A” Land is:
 - (a) subject to a timber licence that expires; or
 - (b) deleted from a timber licence;then the area is deemed to be deleted from Schedule “A” Land and added to Schedule “B” Land.

5.00 TIMBER VOLUME CHARGED TO THE LICENCE

- 5.01 The definition of the volume of timber harvested in Part 4, Division 3.1 of the *Forest Act* applies to this Licence.
- 5.02 The determination of the volume of timber harvested will incorporate the volume of waste determined under Part 6.00.
- 5.03 The Interior 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.

6.00 WASTE ASSESSMENTS FOR MERCHANTABLE CROWN TIMBER

- 6.01 The Licensee must conduct a waste assessment of the volume of merchantable Crown timber, whether standing or felled, that was authorized to be cut and removed under the Licence but, at the Licensee’s discretion, was not cut and removed.
- 6.02 A waste assessment conducted under Paragraph 6.01 must be in accordance with the Provincial Logging Residue and Waste Measurement Procedures Manual, as amended or replaced from time to time.
- 6.03 A waste assessment made under Paragraph 6.01 must be:
 - (a) done within 60 days after primary logging on the area has been completed for each cut block, 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.

- 6.04 If the Licensee fails to comply with Paragraph 6.01 the District Manager may, after the expiry of the term of a cutting permit or licence, conduct a waste assessment of the volume of merchantable Crown timber that could have been cut and removed under the Licence but, at the Licensee's discretion, was not cut and removed.
- 6.05 A waste assessment conducted under Paragraph 6.04 must be in accordance with the Provincial Logging Residue and Waste Measurement Procedures Manual, as amended or replaced from time to time.
- 6.06 If the District Manager carries out a waste assessment under Paragraph 6.04, the District Manager, in a notice given to the Licensee, may require the Licensee to pay the costs incurred by the District Manager in carrying out the assessment.

7.00 MANAGEMENT PLAN

- 7.01 A management plan:
- (a) approved under the tree farm licence replaced by this Licence; and
 - (b) still in effect on the date immediately preceding the date referred to in Paragraph 1.01;
- is deemed for the remainder of the term of the management plan to be the management plan in effect under this Licence.

MANAGEMENT PLAN REVIEW

- 7.02 Not less than 20 months prior to the date on which the management plan in effect under this Licence is due to expire:
- (a) the Regional Manager will provide the Licensee with;
 - (i) a review of the management plan in effect under this Licence;
 - (ii) a review of the Licensee's performance in respect of that management plan; and
 - (iii) a list of guidelines currently in effect; and
 - (b) the Regional Manager may specify the location(s) and time designated for the draft management plan public review.

TIMBER SUPPLY ANALYSIS INFORMATION PACKAGE

- 7.03 Not less than 16 months prior to the date on which the management plan in effect under this Licence is due to expire, the Licensee will submit a timber supply analysis information package to the timber supply forester.
- 7.04 A timber supply analysis information package submitted under Paragraph 7.03 or Subparagraph 7.06(b) must:

- (a) include the information required in the applicable manual in effect six months prior to the deadline for submitting the timber supply analysis information package;
- (b) identify assumptions the Licensee proposes to incorporate into the timber supply analysis referred to in Paragraph 7.21 which are consistent with;
 - (i) this Licence;
 - (ii) the forestry legislation;
 - (iii) higher level plans; and
 - (iv) subject to Paragraph 7.38, the guidelines referred to in Subparagraph 7.02(a);
- (c) without restricting the generality of Subparagraph 7.04(b), identify assumptions the Licensee proposes to incorporate into the timber supply analysis referred to in Paragraph 7.21 regarding;
 - (i) the inventory of timber and non-timber resources in the licence area;
 - (ii) growth and yield;
 - (iii) regeneration delays;
 - (iv) silviculture treatments;
 - (v) integrated resource management constraints;
 - (vi) methods to be used to conduct primary logging and removal of timber, timber merchantability specifications; and
 - (vii) the Timber Harvesting Land Base;
- (d) describe the methodology, including the computer model, if any, that the Licensee proposes to use in the timber supply analysis, including a description of the extent to which the assumptions referred to in Subparagraphs 7.04(b) and (c) are reflected in the methodology;
- (e) include information which supports the assumptions referred to in Subparagraphs 7.04(b), (c) and (d);
- (f) describe how the Licensee proposes to address in the timber supply analysis, any inadequacies referred to in Subparagraph 7.08(d); and
- (g) include any other information readily available to the Licensee; which
 - (i) the Licensee; or
 - (ii) the timber supply forester, in a notice given to the Licensee 18 months prior to the date on which the management plan in effect under this Licence is due to expire;

considers relevant to an assessment of the timber supply of the licence area.

- 7.05 Where the timber supply forester accepts both the assumptions and the methodology referred to in Paragraph 7.04 or Subparagraph 7.06(b):
- (a) the timber supply forester, within three months after the date on which the timber supply analysis information package is submitted under Paragraph 7.03, or one month after the information or proposals submitted under Subparagraph 7.06(b), will in a notice given to the Licensee accept the assumptions and the methodology referred to in Paragraph 7.04 and, if applicable, Subparagraph 7.06(b) for use in the timber supply analysis referred to in Paragraph 7.21 subject to such conditions as the timber supply forester considers necessary or appropriate; if
 - (i) the requirements of Paragraph 7.04 and, if applicable, Subparagraph 7.06(b) have been met; and
 - (ii) the timber supply forester is satisfied with the information provided in support of the assumptions and methodology.
- 7.06 Where the timber supply forester does not accept both the assumptions and the methodology under Paragraph 7.05:
- (a) the timber supply forester, within three months after the date on which the timber supply forester receives the timber supply analysis information package submitted under Paragraph 7.03, or one month after the date on which the timber supply forester receives the information or proposals submitted under Subparagraph 7.06(b), will specify in a notice given to the Licensee why the timber supply forester has not accepted the assumptions, the methodology or both; and
 - (b) the Licensee, within two months after the date on which the Licensee is given the notice referred to in Subparagraph 7.06(a), will;
 - (i) propose new or revised assumptions;
 - (ii) propose a new or revised methodology; andsubmit further information in support of the assumptions, the methodology or both;
as required by the timber supply forester.

DRAFT MANAGEMENT PLAN

- 7.07 Not less than 16 months prior to the date on which the management plan in effect under this Licence is due to expire, the Licensee will submit a draft management plan to the Regional Manager for comment.
- 7.08 A draft management plan referred to in Paragraph 7.07 or Subparagraph 7.39(a) must:

- (a) be prepared by a professional forester in accordance with the manual in effect four months prior to the deadline for submitting the draft management plan under Paragraph 7.07 or Subparagraph 7.39(a);
- (b) be consistent with;
 - (i) this Licence;
 - (ii) the forestry legislation;
 - (iii) higher level plans;
 - (iv) subject to Paragraph 7.35, the guidelines referred to in Subparagraph 7.02(a);

and take into consideration the Regional Manager's review under Paragraph 7.02;
- (c) include inventories, prepared in the manner, presented in the format and meeting the specifications set or approved in the applicable manual in effect six months prior to the deadline for submitting the timber supply analysis information package; of
 - (i) the forest and recreation resources in the licence area, based on information collected for this purpose by the Licensee, including information relating to visual quality, sensitive soils, recreation sites, and the type of timber and terrain; and
 - (ii) the fisheries, wildlife, range, and cultural heritage resources of the licence area, based on the best information readily available to the Licensee;
- (d) include proposals for updating the inventories referred to in Subparagraph 7.08(c) and, if applicable, addressing inadequacies in the inventory information;
- (e) propose management objectives regarding;
 - (i) management and utilization of the timber resources in the licence area, including methods for primary logging and removing timber and the timber harvest specifications suitable to the types of timber specified in Paragraph 1.02;
 - (ii) protection and conservation of the non-timber values and resources in the licence area, including visual quality, biological diversity, soils, water, recreation resources, cultural heritage resources, range land, and wildlife and fish habitats;
 - (iii) integration of the Licensee's activities in the licence area with use of the licence area for purposes other than timber production, including use of the licence area by;
 - (A) trappers, guide outfitters, range tenure holders, and other licenced resource users; and

- (B) an aboriginal group claiming an aboriginal interest in, or having a proven aboriginal right, including aboriginal title, or a treaty right in the area;
- (iv) forest fire prevention and suppression, prescribed fire, and fuel management;
- (v) forest health, including disease and pest management;
- (vi) silviculture; and
- (vii) road construction, maintenance and deactivation;
- (f) include proposals for meeting the proposed management objectives referred to in Subparagraph 7.08(e), including measures to be taken and specifications to be followed by the Licensee which meet or, if the Licensee so chooses, exceeds any requirements of the forestry legislation, or of the higher level plans, or guidelines referred to in Subparagraph 7.08(b);
- (g) specify measures to be taken by the Licensee to identify and consult with persons using the licence area for purposes other than timber production, including;
 - (i) trappers, guide outfitters, range tenure holders, and other licenced resource users; and
 - (ii) an aboriginal group claiming an aboriginal interest in, or having a proven aboriginal right, including aboriginal title, or a treaty right in the area, in a manner that provides those persons with full information about the draft management plan and gives reasonable opportunity for the aboriginal group to respond with information about the effects of the draft management plan on their aboriginal interests or their proven aboriginal right, including aboriginal title;
- (h) assess the impact the draft management plan may have on factors such as levels of cutting and removal of timber and the protection and conservation of non-timber values;
- (i) highlight the key similarities and differences between the draft management plan and the management plan in effect or last in effect under this Licence, and in a summary form compare;
 - (i) the impact, if any, that implementation of the management plan in effect or last in effect under this Licence had; and
 - (ii) the impact, if any, that the Licensee anticipates implementation of the draft management plan will have;
 on factors such as those referred to in Subparagraph 7.08(h);

- (j) if applicable, provide that part of the allowable annual cut will be cut and removed from a specified part of the licence area, or from a specified type of timber or terrain;
 - (k) include any other information on the development, management and use of the licence area that the Chief Forester requires; and
 - (l) if required in the manual referred to in Subparagraph 7.08(a), provide some or all of the information referred to in this paragraph in the form of maps meeting the requirements of the manual.
- 7.09 At substantially the same time or at a time otherwise agreed to between the Regional Manager and the Licensee, the Licensee must publish, at least twice within a period of two consecutive weeks, a notice in one or more newspaper(s) circulating near the area of the Licence stating that the draft management plan is available for public review and comment.
- 7.10 The Licensee must provide an opportunity to review the draft management plan to interested parties or parties potentially affected by operations under the Licence:
- (a) at a location and time, if specified by the Regional Manager in the management plan review referred to in Subparagraph 7.02(b);
 - (b) at another location proposed by the Licensee and approved by the Regional Manager; or
- at the Licensee's place of business nearest to the licence area.
- 7.11 The public review referred to in Paragraph 7.10 must provide an opportunity for comment to be received from but not restricted to:
- (a) resource agencies;
 - (b) trappers, guide outfitters, range tenure holders, and other licenced resource users;
 - (c) aboriginal group(s);
 - (d) local governments; and
 - (e) members of the public.
- 7.12 Subject to Paragraph 7.13, the opportunity for a review provided under Paragraph 7.10 must be for a period of 60 days from the date of the publication of the first notice under Paragraph 7.09.
- 7.13 The period of review specified under Paragraph 7.12 may be:
- (a) any lesser period as mutually agreed upon between the Licensee and the Regional Manager;
 - (b) extended by the Licensee on providing written notice to the Regional Manager; and

(c) extended by the Regional Manager on giving at least ten days notice to the Licensee prior to the expiry of the review period.

- 7.14 An opportunity for comment provided to a person referred to in Paragraph 7.11 will be adequate only if, in the opinion of the Regional Manager, the opportunity is commensurate with the nature and extent of that person's interest in the licence area and any right that person may have to use the licence area.
- 7.15 The Regional Manager, within three months after the date on which the Regional Manager receives the draft management plan submitted under Paragraph 7.07, will provide the Licensee with written comments on the draft management plan which the Licensee must consider in the development of the timber supply analysis, 20-year plan, and proposed management plan.
- 7.16 The Licensee not less than 12 months prior to the date on which the management plan in effect under this Licence is due to expire must consider all comments received during the period for review under Paragraph 7.12, and will submit to the Regional Manager:
- (a) a copy of the notice that was published under Paragraph 7.09 in respect of the draft management plan; and
 - (b) a copy of each comment received by the Licensee in respect of the draft management plan; and
 - (c) proposals, if any, to address the comments referred to in Paragraphs 7.11 and 7.15, in the proposed management plan, timber supply analysis and 20-year plan.

20-YEAR PLAN

- 7.17 Where the timber supply forester accepts the assumptions and the methodology under Paragraph 7.05, the Licensee, not less than 10 months prior to the date on which the management plan in effect under this Licence is due to expire, will submit a 20-year plan to the District Manager.
- 7.18 A 20-year plan submitted under Paragraph 7.17 or Subparagraph 7.20(b) must:
- (a) identify;
 - (i) the Timber Harvesting Land Base;
 - (ii) areas where timber has been harvested;
 - (iii) existing and proposed road access within the net Timber Harvesting Land Base; and

- (iv) areas subject to special integrated resource management constraints, such as use of the licence area for purposes other than timber production;
 - (b) categorize areas within the Timber Harvesting Land Base referred to in Clause 7.18(a)(i) by;
 - (i) the type and quality of timber; and
 - (ii) the methods suitable to the terrain to be used to conduct primary logging and removal of the timber; and
 - (c) in support of the timber supply analysis, set out a hypothetical sequence of cut blocks in 5 year increments over a period of 20 years, or longer if the Licensee so chooses, which is consistent with;
 - (i) this Licence;
 - (ii) the forestry legislation;
 - (iii) higher level plans; and
 - (iv) subject to Paragraph 7.35, the guidelines referred to in Subparagraph 7.02(a).
- 7.19 Where the District Manager accepts a 20-year plan referred to under Paragraph 7.17 or Subparagraph 7.20(b):
- (a) the District Manager, within three months after the date on which the 20-year plan is submitted under Paragraph 7.17, or one month after the date the 20-year plan is submitted under Subparagraph 7.20(b), will in a notice to the Licensee accept the 20-year plan, subject to such conditions as considered necessary or appropriate; and
 - (b) where the District Manager accepts the 20-year plan under Subparagraph 7.19(a), provide the Licensee with an assessment of the strengths and weaknesses of the 20-year plan.
- 7.20 Where the District Manager does not accept a 20-year plan under Paragraph 7.19:
- (a) the District Manager, within three months after the date on which the District Manager receives a 20-year plan submitted under Paragraph 7.17, or one month after the date on which the District Manager receives a 20-year plan submitted under Subparagraph 7.20(b), will specify in a notice given to the Licensee why the District Manager has not accepted the 20-year plan; and
 - (b) the Licensee, within one month after the date on which the Licensee is given the notice referred to in Subparagraph 7.20(a), will submit a new or revised 20-year plan to the District Manager.

TIMBER SUPPLY ANALYSIS

- 7.21 Where the timber supply forester accepts the assumptions and the methodology under Paragraph 7.05, the Licensee, not less than 10 months prior to the date on which the management plan in effect under this Licence is due to expire, will submit a timber supply analysis to the timber supply forester.
- 7.22 A timber supply analysis submitted under Paragraph 7.21 or Subparagraph 7.24(b) must be based on the assumptions, and use the methodology, accepted by the timber supply forester under Paragraph 7.05.
- 7.23 Where the timber supply forester accepts a timber supply analysis under Paragraph 7.21 or Subparagraph 7.24(b):
- (a) the timber supply forester, within three months after the date on which the timber supply analysis is submitted under Paragraph 7.21, or one month after the date the timber supply analysis is submitted under Subparagraph 7.24(b), will in a notice given to the Licensee accept the timber supply analysis; and
 - (b) where the timber supply forester accepts the timber supply analysis under Subparagraph 7.23(a), provide the Licensee with an assessment of the strengths and weaknesses of the timber supply analysis.
- 7.24 Where the timber supply forester does not accept a timber supply analysis under Paragraph 7.23:
- (a) the timber supply forester, within three months after the date on which the timber supply forester receives a timber supply analysis submitted under Paragraph 7.21, or one month after the date on which the timber supply forester receives a timber supply analysis submitted under Subparagraph 7.24(b), will specify in a notice given to the Licensee why the timber supply forester has not accepted the timber supply analysis; and
 - (b) the Licensee, within one month after the date on which the Licensee is given the notice referred to in Subparagraph 7.24(a), will submit a new or revised timber supply analysis to the timber supply forester.

PROPOSED MANAGEMENT PLAN

- 7.25 The Licensee, not less than four months prior to the date on which the management plan in effect under this Licence is due to expire, will submit to the Chief Forester and Regional Manager a proposed management plan:
- (a) which is based on the draft management plan referred to in Paragraph 7.07 including the requirements of Section 7.08; and
 - (b) which incorporates the Licensee's proposals, if any, to address the comments received from the review of the draft management plan as specified in Paragraph 7.16;

- (c) and which includes;
 - (i) the timber supply analysis accepted under Subparagraph 7.23(a), together with the assessment referred to in Subparagraph 7.23(b);
 - (ii) the 20-year plan accepted under Subparagraph 7.19(a), together with the assessment referred to in Subparagraph 7.19(b).

7.26 Subject to Paragraphs 7.27 and 7.28, the Chief Forester, within two months after the date on which the Chief Forester receives a proposed management plan submitted under Paragraph 7.25, Subparagraph 7.29(b) or Subparagraph 7.39(b), will in a notice given to the Licensee approve the proposed management plan, subject to such conditions as the Chief Forester considers necessary or appropriate, if:

- (a) the Chief Forester is satisfied that the proposed management plan;
 - (i) meets the requirements of Paragraph 7.25 or Clause 7.39(b)(i), as the case may be; and
 - (ii) incorporates the proposals referred to in Subparagraph 7.25(b).

7.27 The Chief Forester, in a notice given to the Licensee, may refuse to approve a proposed management plan under Paragraph 7.26 until such time as:

- (a) a timber supply analysis is accepted under Paragraph 7.23; or
- (b) a 20-year plan is accepted under Paragraph 7.19.

7.28 Where a timber supply analysis accepted under Paragraph 7.23 or a 20-year plan accepted under Paragraph 7.19 was not included in the proposed management plan referred to in Paragraph 7.25, before approving a proposed management plan under Paragraph 7.26, the Chief Forester, in a notice given to the Licensee, may require the Licensee to refer the timber supply analysis or the 20-year plan, as the case may be, to persons interested in or affected by operations under this Licence.

7.29 Where the Chief Forester does not approve a proposed management plan under Paragraph 7.26:

- (a) subject to Paragraphs 7.27 and 7.28, the Chief Forester, within two months after the date on which the Chief Forester receives the proposed management plan, will specify in a notice given to the Licensee why the Chief Forester has not approved the proposed management plan; and
- (b) the Licensee, within one month after the date on which the Licensee is given the notice referred to in Subparagraph 7.29(a), will submit a new or revised proposed management plan to the Chief Forester.

7.30 Subject to Paragraphs 7.27 and 7.28, if:

(a) the Chief Forester, within three months after the date on which the Chief Forester receives a proposed management plan submitted under Paragraph 7.25; has neither

(i) approved the proposed management plan under Paragraph 7.26; nor

(ii) given the Licensee a notice referred to in Subparagraph 7.29(a); and

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

then the term of the management plan referred to in Subparagraph 7.30(b) is deemed to be extended until such time as the Chief Forester approves the proposed management plan under Paragraph 7.26, or gives the Licensee a notice referred to in Subparagraph 7.29(a), as the case may be.

7.31 Before approving a proposed management plan under Paragraph 7.26, the Chief Forester, at his or her sole discretion and notwithstanding the Licensee's obligations under this part, may consult, or further consult, persons who may be interested in or affected by operations under or associated with this Licence, including but not restricted to:

(a) resource agencies;

(b) trappers, guide outfitters, range tenure holders, and other licenced resource users;

(c) aboriginal groups;

(d) local governments; and

(e) members of the public;

and, subject to Paragraph 7.32, may consider any comments received as a result of consultation under this paragraph.

7.32 If, because of comments received as a result of consultation under Paragraph 7.31, the Chief Forester is considering:

(a) not accepting or not approving; or

(b) imposing a condition upon acceptance or approval of;

the proposed management plan referred to in Paragraph 7.31, the Regional Manager or the Chief Forester, as the case may be, will provide the Licensee with an opportunity to respond to the comments before making a decision.

MISCELLANEOUS

7.33 If the Chief Forester is satisfied that the Licensee or a Ministry employee is trying in good faith to fulfill a requirement or obligation under this part, but for reasons beyond the control of the Licensee or the Ministry employee, as the case may be, cannot:

- (a) meet a deadline referred to in this part; or
- (b) where there is a management plan in effect under this Licence, fulfill the requirement or obligation before the management plan is due to expire;

then the Chief Forester, in a notice given to the Licensee, will, as applicable;

- (c) extend the deadline by a period the Chief Forester considers sufficient to allow the Ministry employee or the Licensee, as the case may be, to fulfill the requirement or obligation; or
- (d) extend the term of the management plan by a period the Chief Forester considers sufficient to allow the Ministry employee or the Licensee, as the case may be, to fulfill the requirement or obligation in accordance with applicable deadlines;

subject to such conditions as the Chief Forester considers necessary or appropriate.

7.34 Subject to this Licence, unless otherwise agreed to between the parties:

- (a) each document accepted or approved under this part must be consistent with the documents previously accepted or approved under this part; and
- (b) subject to Paragraphs 7.35 and 7.36, no acceptance or approval given under this part may be revoked or revised.

7.35 If the Licensee:

- (a) submits a timber supply analysis information package under Paragraph 7.03, or the information or proposals referred to in Subparagraph 7.06(b) less than 10 months;
- (b) submits a timber supply analysis under Paragraph 7.21 or Subparagraph 7.24(b), or a 20-year plan under Paragraph 7.17 or Subparagraph 7.20(b) less than 4 months; or
- (c) submits a draft management plan under Paragraph 7.07 less than 12 months;

prior to the date on which the management plan in effect under this Licence is due to expire, the Chief Forester, in a notice given to the Licensee within one month of the date on which the applicable item is submitted, may require the Licensee to amend one or more of the items referred to in Subparagraphs 7.35(a) through (c) inclusive, to the extent required to address any new issues that may have arisen and ensure consistency with any new guidelines or manuals in effect on the date the Licensee is given the notice, higher level plans, and the forestry legislation.

- 7.36 If the Chief Forester considers that:
- (a) damage to timber in the licence area as a result of fire, flood, wind, insects, disease, or other causes;
 - (b) operations conducted in accordance with the management plan are causing or could cause serious damage to the natural environment, including soils, fisheries, wildlife, water, range, and recreation resources;
 - (c) establishment, variance, cancellation or replacement of a higher level plan;
 - (d) a potential unjustifiable infringement of an aboriginal interest or proven aboriginal right including aboriginal title or a treaty right; or
 - (e) a change in the allowable annual cut as a result of a determination by the Chief Forester under the *Forest Act*.
- have rendered the management plan in effect under the Licence inadequate, the Chief Forester, in a notice given to the Licensee, may require that the management plan be amended.
- 7.37 A notice referred to in Paragraph 7.36 must specify:
- (a) why the Chief Forester considers the management plan has been rendered inadequate;
 - (b) the extent to which the management plan is inadequate; and
 - (c) the changes required by the Chief Forester.
- 7.38 Where the Chief Forester gives the Licensee a notice referred to in Paragraph 7.36, the Licensee, within three months after the date on which the notice is given, will submit for the Chief Forester's approval a proposed amendment to the management plan, which incorporates the changes referred to in Subparagraph 7.37(c), to have effect during the unexpired term of the management plan.
- 7.39 If the Licensee fails to comply with the requirements of Paragraph 7.38, the management plan in effect under this Licence will expire three months after the date on which the notice referred to in Paragraph 7.36 is given to the Licensee, in which case:
- (a) within three months after the date on which the management plan expires under this subparagraph, the Licensee will;
 - (i) refer a draft management plan to the Regional Manager; and
 - (ii) at the same time, refer the draft management plan referred to in Clause 7.39(a)(i) to Resource Agencies and make it available for comment in accordance with Paragraphs 7.09 and 7.10; and

- (b) within six months after the date on which the management plan expires under this paragraph, the Licensee will submit to the Chief Forester a proposed management plan which is based on the draft management plan referred to in Subparagraph 7.39(a), and a summary of;
 - (i) all comments received by the Licensee in complying with the requirements of Subparagraph 7.39(a); and
 - (ii) the differences, if any, between the draft management plan and the proposed management plan, including differences resulting from modifications made in response to the comments referred to in Clause 7.39(b)(i).
- 7.40 The Licensee will implement the management plan in effect under this Licence.
- 7.41 The management plan in effect under this Licence is deemed to be part of this Licence.
- 7.42 Subject to Paragraphs 7.30, 7.33, and 7.39, a management plan expires five years after the date on which it takes effect.

8.00 CUTTING PERMITS

- 8.01 Subject to Part 1 and Paragraph 8.02, the Licensee may submit an application to the District Manager for a cutting permit to authorize the Licensee to harvest one or more proximate areas of Schedule “A” or “B” Lands for the portion of the allowable annual cut available to the Licensee that are:
 - (a) identified on an approved forest development plan; or
 - (b) exempted under the *Forest Practices Code of British Columbia Act* from the requirement of a forest development plan, or exempted under the *Forest and Range Practices Act* from the requirement for a forest stewardship plan; or
 - (c) located within a forest development unit of an approved forest stewardship plan.
- 8.02 For those areas of Schedule “B” Land or in timber licences under Schedule “A” Land to be included in the application under Paragraph 8.01, the Licensee must ensure that cruise and appraisal data submitted is gathered and compiled according to the appraisal manual.
- 8.03 An application for a cutting permit submitted under Paragraph 8.01 must:
 - (a) be in a form established by the District Manager;
 - (b) state the 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 cruise data and appraisal data referred to in Paragraph 8.02; and

a description acceptable to the District Manager of any timber that is reserved from cutting, removal or cutting and removal.

8.04 The areas of land shown on the map referred to in clause 8.03(c)(i) must be:

- (a) the areas referred to in Subparagraph 8.01(a); or
- (b) areas referred to in Subparagraph 8.01(b); or
- (c) located within a forest development unit referred to in Subparagraph 8.01(c);

allowing for difference in scale between maps used in the forest development plan, forest stewardship plan, or exemption and the map referred to in clause 8.03(c)(i).

8.05 Subject to Paragraphs 8.06 through 8.09 inclusive and 8.04, upon receipt of an application under Paragraph 8.01, the District Manager will issue a cutting permit to the Licensee if:

- (a) there is a management plan in effect under this Licence;
- (b) the District Manager is satisfied that:
 - (i) the requirements of Paragraphs 8.01, 8.02, 8.03 and 8.04 have been met;
 - (ii) activities and operations under the cutting permit will be consistent with this Licence and the management plan referred to in Subparagraph 8.05(a).

8.06 The District Manager may consult aboriginal group(s) who exercise, or claim 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 as submitted and/or operations under the cutting permit may result in:

- (a) an impact to an aboriginal interest(s) that requires consideration of accommodation; or
- (b) an infringement of a proven aboriginal right(s), including aboriginal title, or treaty right(s) that may require justification.

8.07 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.
- 8.08 The District Manager may refuse to issue 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.
- 8.09 If the District Manager:
 - (a) determines that a cutting permit may not be issued because the requirements of Paragraph 8.05 have not been met;
 - (b) is carrying out consultations under Paragraph 8.06; or
 - (c) refuses to issue a cutting permit under Paragraph 8.08;
 the District Manager will notify the Licensee within 45 days of the date on which the application for the cutting permit was received.
- 8.10 A cutting permit must:
 - (a) identify the boundaries of the areas of Schedule “A” or “B” Land which, subject to this Licence, the Licensee is authorized to conduct operations;
 - (b) specify the term stated in the application;
 - (c) specify a timber mark to identify all timber removed under the cutting permit;
 - (d) specify, for timber on Schedule “A” Land subject to a timber licence and Schedule “B” Land, whether, for the purpose of determining the amount of stumpage payable in respect of timber removed under the cutting permit, the volume or 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, removal, or cutting and removal; and
 - (f) include such other provisions, consistent with this Licence, as determined by the District Manager.

- 8.11 The District Manager may amend a cutting permit only with the consent of the Licensee.
- 8.12 The Licensee 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.
- 8.13 A cutting permit is deemed to be part of this Licence.
- 8.14 All cutting permits in effect that were issued under the tree farm licence that is replaced by this Licence continue under this Licence for the duration of their respective terms.

9.00 ACCESS AND ACCOMMODATION

- 9.01 Nothing in this Licence authorizes the Licensee to in any way restrict the Crown's right of access to Crown lands.
- 9.02 Any Ministry employee may:
 - (a) enter onto Schedule "A" Land; and
 - (b) use roads owned or deemed to be owned by the Licensee;for any purpose arising out of the administration of this Licence.
- 9.03 The Licensee will allow any person who has been granted rights to timber referred to in Part 2.00 or under Section 69 of the *Forest Act*, to use any road referred to in Subparagraph 9.02(b) for the purpose of exercising rights or fulfilling obligations within the licence area.
- 9.04 The Licensee will not require any payment from a person referred to in Paragraph 9.03 other than a reasonable payment in respect of the actual maintenance costs of the road.
- 9.05 The Ministry may carry out on Crown lands:
 - (a) silviculture operations the Crown is required to carry out under the forestry legislation; and
 - (b) any other silviculture operations, provided it does not:
 - (i) compromise the management plan in effect under this Licence or a forest development plan or forest stewardship plan approved in respect of this Licence; or
 - (ii) unreasonably interfere with the Licensee's operations under this Licence.
- 9.06 Where the Regional Manager, District Manager or Timber Sales Manager carries out silviculture referred to in Paragraph 9.05, the Regional Manager, District Manager or Timber Sales Manager, as the case may be, will ensure the silviculture is consistent with the intent of the management plan in effect under this Licence, except where the Regional Manager or

District Manager is required to depart from the intent of the management plan because of the requirements of a higher level plan or the forestry legislation.

- 9.07 Upon reasonable notice from the Regional Manager, District Manager or Timber Sales Manager, the Licensee will provide a Ministry employee with reasonable office and living accommodation on premises owned or operated by the Licensee in or near the licence area, to enable the Ministry employee to fulfill an obligation or exercise a right under this Licence.
- 9.08 The Licensee may charge the Regional Manager, District Manager or Timber Sales Manager, as the case may be, for costs reasonably incurred in providing the accommodation referred to in Paragraph 9.07.
- 9.09 Subject to safety requirements, the Licensee will not restrict access to Crown lands to any member of a First Nation whose asserted interests overlap the TFL, so that they may exercise their aboriginal interests, including fishing, plant gathering, bark stripping, spiritual activities, and hunting. This includes the use of roads identified in 9.02(b).

10.00 CONTRACTORS

- 10.01 Each year during the term of this Licence, the Licensee will ensure that not less than:
 - (a) **50 %** of the volume of timber harvested by or on behalf of the Licensee from the licence area during the year, multiplied by;
 - (b) the result obtained by the division of;
 - (i) the portion of the allowable annual cut that the Chief Forester determines is attributable to Schedule “B” Land; by
 - (ii) the allowable annual cut;is harvested by persons under contract with the Licensee.
- 10.02 Compliance with Paragraph 10.01 will be calculated in accordance with the method prescribed under the *Forest Act* or the regulations made under that Act.
- 10.03 If in a calendar year the volume of timber harvested by persons under contract with the Licensee is less than the volume required under Paragraph 10.01, the Regional Manager, in a notice given to the Licensee, may require the Licensee to pay an amount determined in accordance with Paragraph 10.04.
- 10.04 For the purpose of determining the amount payable under Paragraph 10.03, the Regional Manager will multiply:
 - (a) the volume required under Paragraph 10.01, minus the volume harvested during the calendar year by persons under contract; by

- (b) the average stumpage rate charged for sawlogs in statements or invoices issued to the Licensee during the calendar year in respect of timber harvested under this Licence.
- 10.05 The Minister may relieve the Licensee from the requirements of this part to the extent provided for under the *Forest Act* or the regulations made under that Act.
- 10.06 The Licensee may contract to have more than the volume required under Paragraph 10.01 harvested by persons under contract.

11.00 COURT DETERMINED ABORIGINAL RIGHTS AND/OR TITLE

- 11.01 Notwithstanding any other provision of this Licence, if a court of competent jurisdiction:
 - (a) determines that activities or operations under or pursuant to 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 11.01(a); or
 - (c) grants an injunction pending a determination of whether activities or operations under or pursuant to 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, in whole or in part, or refuse to issue a cutting permit, road permit, special use permit or free use permit issued to the Licensee so as to be consistent with the court determination.
- 11.02 Subject to this Licence and forestry legislation, if:
 - (a) under Paragraph 11.01, the Regional Manager or District Manager has varied a cutting permit, road permit, special use permit or free use permit 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 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 11.01.
- 11.03 Subject to this Licence and the forestry legislation, if:

- (a) under Paragraph 11.01, the Regional Manager or District Manager has suspended a cutting permit, road permit, special use permit or free use permit 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 reinstate the permit for the remainder of its term.

11.04 Subject to this Licence, if:

- (a) under Paragraph 11.01, the Regional Manager or District Manager has refused to issue a cutting permit, road permit, special use permit or free use permit 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 issue the permit.

12.00 REPORTING

- 12.01 The Regional Manager, in a notice given to the Licensee by April 1, may require the Licensee to carry out audits and submit reports containing such information as the government requires concerning:
- (a) the Licensee's performance of its obligations under or in respect of this Licence; and
 - (b) the approved management plan and allowable annual cut rationale and conditions from the Chief Forester's approval letter;
- in the previous calendar year if the information is not included in any other reports which the Licensee must submit under the forestry legislation.
- 12.02 Upon receipt of a notice referred to in Paragraph 12.01, the Licensee, on or before the date specified in the notice, must submit a report to the Regional Manager containing the required information.
- 12.03 Subject to Paragraph 12.04, the Regional Manager may include the information contained in a report submitted under Paragraph 12.02 in any reports prepared by the Ministry for public review.

- 12.04 Subject to the *Freedom of Information and Protection of Privacy Act*, the Regional Manager will not disclose information provided in confidence by the Licensee in a report submitted under Paragraph 12.02.

13.00 FINANCIAL AND DEPOSITS

- 13.01 In addition to any money payable under the forestry legislation in respect of this Licence, a cutting permit, road permit associated with this Licence, special use permit or a free use permit issued to the Licensee, the Licensee will 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;

- (A) Schedule “B” Land; or

- (B) Schedule “A” Land subject to a timber licence; or

- (ii) under a road permit;

at rates determined, redetermined and varied under Section 105 of that Act; and

- (b) any payments required under Part 6.00 or Part 10.00 of this Licence.

- 13.02 During the term of this Licence, the Licensee will maintain with the Crown a deposit in the amount prescribed under the *Forest Act* or the regulations made under that Act, in a form acceptable to the Minister, as security for the Licensee’s performance of its obligations under or in respect of this Licence, a cutting permit, road permit or special use permit, or a free use permit issued to the Licensee.

- 13.03 If the Regional Manager or District Manager gives the Licensee a notice that an amount has been taken under this part from the deposit, the Licensee, within four weeks of the date on which the notice is given, will pay to the Crown, in a form acceptable to the Minister, an amount sufficient to replenish the deposit.

- 13.04 If the Licensee fails:

- (a) to pay money that the Licensee is required to pay to the Crown under;

- (i) this Licence, a cutting permit, road permit, special use permit, free use permit issued to the Licensee; or

- (ii) in respect of this Licence, a cutting permit, road permit, special use permit, free use permit issued to the Licensee; or

- (b) to otherwise perform its obligations under;

- (i) this Licence, a cutting permit, road permit, special use permit, free use permit issued to the Licensee; or

(ii) in respect of this Licence, a cutting permit, road permit, special use permit, free use permit issued to the Licensee;

the Regional Manager or District Manager, after at least four weeks notice to the Licensee, may instruct the Crown agency holding the deposit to take from the deposit;

- (c) an amount equal to the money which the Licensee failed to pay;
- (d) an amount sufficient to cover all costs reasonably incurred by the Regional Manager or District Manager in remedying the Licensee's failure to perform its obligations; or
- (e) an amount equal to the Regional Manager's or District Manager's estimate of the costs which the Regional Manager or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations;

and for that purpose a security included in the deposit may be realized.

13.05 A notice referred to in Paragraph 13.04 must specify:

- (a) the money which the Licensee has failed to pay or the obligation which the Licensee has failed to perform; and
- (b) the amount the Regional Manager or District Manager intends to take from the deposit.

13.06 Subject to Paragraphs 13.08, 13.09 and 13.10, if:

- (a) the Crown agency holding the deposit, under Paragraph 13.04, takes from the deposit an amount equal to the Regional Manager's or District Manager's estimate of the costs which the Regional Manager or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations; and
- (b) the costs reasonably incurred by the Regional Manager or District Manager in remedying the Licensee's failure to perform its obligations are less than the amount taken from the deposit;

the Crown will as soon as feasible return to the Licensee an amount equal to the difference between the amount taken from the deposit and the costs reasonably incurred by the Regional Manager or District Manager.

13.07 If:

- (a) the Crown agency holding the deposit, under Paragraph 13.04, takes from the deposit an amount equal to the Regional Manager's or District Manager's estimate of the costs which the Regional Manager or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations; and

- (b) the costs reasonably incurred by the Regional Manager or District Manager in remedying the Licensee's failure to perform its obligations are greater than the amount taken from the deposit;

the Crown agency holding the deposit may take from the deposit an additional amount equal to the difference between the costs incurred by the Regional Manager or District Manager and the amount originally taken from the deposit, and for that purpose a security included in the deposit may be realized.

- 13.08 If the Crown agency holding the deposit, under Paragraph 13.04, takes from the deposit an amount equal to the Regional Manager's or District Manager's estimate of the costs which the Regional Manager or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations, the Regional Manager or District Manager is under no obligation to remedy the Licensee's failure.

- 13.09 If:

- (a) the Crown agency holding the deposit, under Paragraph 13.04, takes from the deposit an amount equal to the Regional Manager's or District Manager's estimate of the costs which the Regional Manager or District Manager could reasonably expect to incur in remedying the Licensee's failure to perform its obligations;
- (b) the Regional Manager or District Manager does not remedy the Licensee's failure to perform its obligations; and
- (c) the Regional Manager or District Manager gives a notice to the Licensee indicating that the Crown will not be remedying the Licensee's failure to perform its obligations;

subject to Paragraph 13.10, the Crown may retain the amount taken from the deposit under Paragraph 13.04.

- 13.10 If, after receiving a notice referred to in Paragraph 13.09, the Licensee:

- (a) remedies the failure to perform its obligations; and
- (b) gives a notice to that effect to the Regional Manager or District Manager within three months of the date on which the notice referred to in Paragraph 13.09 is given to the Licensee, or within such longer period as the Regional Manager may approve;

the Crown will return to the Licensee an amount equal to the difference between the amount taken from the deposit and any costs reasonably incurred by the Regional Manager or District Manager in respect of the Licensee's failure to perform its obligations.

- 13.11 Subject to the *Forest Act* and the regulations made under that Act, the Crown will return to the Licensee the deposit, less deductions made under Paragraphs 13.04 and 13.07, when:

- (a) this Licence expires, or is surrendered; and
- (b) the Minister is satisfied that the Licensee has fulfilled its obligations under this Licence.

14.00 CONDITIONS IMPOSED UPON ACCEPTANCE OR APPROVAL

- 14.01 Where, under this Licence, a Ministry employee has discretion to make his or her acceptance or approval of a document or plan subject to a condition, the Ministry employee will exercise that discretion in a reasonable manner, having regard to the purposes and functions of the Ministry set out in Section 4 of the *Ministry of Forests Act*.
- 14.02 The Licensee, in a notice given to the appropriate Ministry employee within 15 days of the date on which the notice of acceptance or approval is given to the Licensee, may reject any condition to which the acceptance or approval is subject, in which case the notice of approval or acceptance is deemed to be a notice that the applicable document or plan is not accepted or approved for the reasons set out in the conditions.

15.00 LIABILITY AND INDEMNITY

- 15.01 Subject to Paragraph 15.04, the Licensee will 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 Licensee;
 - (b) an employee of the Licensee;
 - (c) an agent of the Licensee;
 - (d) 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, a cutting permit, road permit or special use permit, or a free use permit issued to the Licensee; or
 - (e) any other person who on behalf of or with the consent of the Licensee engages in any activity or carries out any operation, including but not restricted to the Licensee's operations, under or associated with this Licence, a cutting permit, road permit or special use permit, or a free use permit issued to the Licensee.
- 15.02 For greater certainty, the Licensee has no obligation to indemnify the Crown under Paragraph 15.01 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 Licensee, to whom the Crown has granted the right to use or occupy Crown land, including a person who has been granted the right to harvest timber referred to in Part 2, in the course of exercising those rights.
- 15.03 The Crown 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.
- 15.04 Paragraph 15.01 does not apply to an act or omission which is a direct response to, and complies with, an order made by a Ministry employee or another officer of the Crown.
- 15.05 Amounts taken under Part 13.00 from the deposit, any payments required under Part 6.00 or Part 10.00, any reductions made under the *Forest Act* and regulations to the portion of the allowable annual cut available to the Licensee, and payments required further to the indemnity referred to in Paragraph 15.01, are in addition to and not in substitution for any other remedies available to the Crown in respect of a default of the Licensee.

16.00 TERMINATION

- 16.01 If this Licence expires and is not replaced under Section 36 of the Forest Act, or is surrendered, cancelled or otherwise terminated:
 - (a) all cutting permits will immediately terminate; and
 - (b) timber, including logs and special forest products, cut under the authority of this Licence and which are still located on Crown land, vest in the Crown, without right of compensation to the Licensee; and
 - (c) unless otherwise agreed to between the District Manager and the Licensee prior to the surrender, cancellation or termination of this Licence, title to all improvements, including roads and bridges, constructed by the Licensee on Crown land under the authority of this Licence vest in the Crown, without right of compensation to the Licensee; and
 - (d) the Licensee may continue to enter and use Crown land for a period of one month after the expiry or termination of this Licence for the purpose of removing the Licensee's property.
- 16.02 The Licensee will not take away any improvements or remove any timber referred to in Subparagraph 16.01(b), unless authorized to do so by the Regional Manager.

- 16.03 If the Licensee commits an act of bankruptcy, makes a general assignment of its creditors or otherwise acknowledges its insolvency the Licensee is deemed to have failed to perform an obligation under this Licence.

17.00 WAIVER

- 17.01 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.

18.00 NOTICE

- 18.01 A notice given under this Licence must be in writing.
- 18.02 A notice given under this Licence may be:
- (a) delivered by hand;
 - (b) sent by mail; or
 - (c) subject to Paragraph 18.05, 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.
- 18.03 If a notice is given under this Licence, it is deemed to have been given:
- (a) if it is given in accordance with Subparagraph 18.02(a), on the date it is delivered by hand;
 - (b) if it is given in accordance with Subparagraph 18.02(b), subject to Paragraph 18.04, on the eighth day after it is properly deposited in a Canada Post Office at any place in Canada; and
 - (c) if it is given in accordance with Subparagraph 18.02(c), subject to Paragraph 18.05, on the date it is sent by facsimile transmission.
- 18.04 If, between the time a notice is mailed in accordance with Subparagraph 18.02(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.

- 18.05 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.
- 18.06 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.

19.00 MISCELLANEOUS

- 19.01 This Licence will inure to the benefit of, and be binding on, the parties and their respective heirs, executors, successors and permitted assigns.
- 19.02 The laws of British Columbia will govern the interpretation of this Licence and the performance of the Parties' obligations under this Licence.
- 19.03 Any power conferred or duty imposed on a Ministry employee referred to in this Licence may be exercised or fulfilled by another Ministry employee designated or authorized to do so by the Minister, the Chief Forester, the Regional Manager, or the District Manager, as appropriate.
- 19.04 The Schedules to this Licence are deemed to be part of this Licence.
- 19.05 Nothing in this Licence or a cutting permit issued under this Licence is to be construed as authorizing the Licensee to engage in any activities or carry out any operations otherwise than in compliance with the requirements of the forestry legislation.
- 19.06 Subject to this Licence and all applicable legislation, including but not restricted to the forestry legislation, the Minister will ensure that the obligations under this Licence of the Ministry employees referred to in this Licence are fulfilled.
- 19.07 The Licensee 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 Licence.
- 19.08 Nothing in this Licence entitles the Licensee to have an area of Schedule "A" Land subject to a timber licence or Schedule "B" Land, to be 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 licence area under the forestry legislation, or under any other Act or regulation; or

this Licence expires, is surrendered, is cancelled or otherwise terminated.

19.09 At the request of the Regional Manager or District Manager, the Licensee will survey and define on the ground any or all boundaries of the licence area.

19.10 Where:

- (a) the boundaries of the licence area are based on boundaries established under existing or expired timber licences;
- (b) the legal description of the boundaries of the licence area has been derived from original timber licence survey plans or from reference maps prepared from original timber licence survey plans; and
- (c) the legal description differs from the actual ground location of timber licence corner posts;

the boundaries of the licence area are the boundaries as originally established by the actual ground location of the timber licence corner posts.

19.11 The Licensee will use the services of one or more professional foresters to manage the licence area.

20.00 INTERPRETATION & DEFINITIONS

20.01 This Licence 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.

20.02 In this Licence, unless the context otherwise requires:

“aboriginal interest” means a potential aboriginal right or aboriginal title that has not been proven through a court process;

“alienated Crown land” means Crown land which is not available for inclusion in Schedule “A” Land subject to a timber licence or Schedule “B” Land, and, without restricting the generality of the foregoing, includes Crown land which;

(a) is, as of the effective date of this Agreement, within the area of:

- (i) a park, ecological reserve or conservancy;

- (ii) a lease, licence of exclusive occupation, or timber licence held by a person other than the Licensee; or
 - (iii) a highway or road right of way where the highway or road is, or is deemed, declared or determined to be a public highway under the *Highway Act* or a forest service road under the *Forest Act*; or
- (b) becomes vested in the Crown by escheat, reversion, transfer or otherwise during the term of this Agreement, except as provided in the Agreement;

“cutting permit” means a cutting permit, as amended, issued under this Licence, or an amendment to a cutting permit, as the context requires;

“deposit” means the deposit referred to in Paragraph 13.02;

“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 Licence is situated; and
- (b) any person authorized to act as the District Manager to exercise a power or fulfill a duty under this Licence;

“*Forest Act*” means the *Forest Act*, R.S.B.C. 1996, c. 157, as amended from time to time, or the successor to this 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 development plan” means a forest development plan referred to in the *Forest Practices Code of British Columbia Act*;

“forest stewardship plan” means a forest stewardship plan referred to in the *Forest and Range Practices Act*;

“the forestry legislation” includes;

- (a) the *Forest Act*;
- (b) the *Forest Practices Code of British Columbia Act*;
- (c) the *Forest and Range Practices Act*;

and the regulations under those Acts;

“free use permit” means a free use permit issued under the *Forest Act* to;

- (a) the Licensee; or
- (b) to a person other than the Licensee;

to authorize the harvest of timber within the licence area;

“harvest” means to;

- (a) cut;

(b) remove; or

(c) cut and remove;

“higher level plan” means a higher level plan that is applicable to all or part of the licence area;

“licence area” means Schedule “A” and “B” Lands;

“management plan” means a plan approved under the Tree Farm Licence for managing, protecting and conserving both the timber resources and the non-timber values and resources of the licence area, and integrating the primary logging and removal of timber and related activities with use of the licence area for purposes other than timber production;

“manual” means a guideline, guidebook, policy, procedure, or manual set or approved by the Ministry for preparation of;

(a) a timber supply analysis information package;

(b) a timber supply analysis;

(c) a management plan;

(d) inventories referred to in Part 7.00;

“merchantable Crown timber” has the same meaning as described in the Provincial Logging Residue and Waste Measurements Procedure Manual, as amended or replaced from time to time;

“Ministry” means the Ministry of Forests and Range;

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

“ministry officer” means an employee of the Ministry;

“person” includes a corporation and a partnership;

“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 and Range Act*, for a forest region in which all or part of the licence area is situated; and

(b) any person authorized to act as the Regional Manager to exercise a power or fulfill a duty under this Licence;

“remove” means the removal of timber from the licence area and

“removed” and “removing” have the corresponding meanings;

“resource agency” 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 Licence 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 Licence;

“Schedule “A” Land” means the private land and timber licences described in Schedule “A” to this Licence;

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

“Timber Harvesting Land Base” means the portion of the total licence area considered to contribute to, and be available for, long-term timber supply;

“Timber Sales Manager” means;

(a) a Timber Sales Manager appointed under the *Ministry of Forests and Range Act* for a BC timber sales business area in which all or part of the Licence is situated; and

(b) any person authorized by the Timber Sales Manager to exercise a power or fulfil a duty under this Licence;

“timber supply analysis” means an analysis of the short-term and long-term availability of timber in the licence area, including an analysis of the short and long-term effect of management practices on the availability of timber;

“timber supply analysis information package” means information relating to the preparation of a timber supply analysis, including information regarding the assumptions to be incorporated into a timber supply analysis, and the methodology to be used in the timber supply analysis;

“timber supply forester” means the Ministry officer designated by the Chief Forester to review the timber supply analysis information package and the timber supply analysis;

“20-year plan” means an operational timber supply projection for the licence area, prepared in support of a timber supply analysis, that indicates the availability of timber over a period of not less than 20 years;

“waste” has the same meaning as described in the *Provincial Logging Residue and Waste Measurement Procedures Manual*;

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

20.03 Unless otherwise provided in Paragraph 20.02, if a word or phrase used in this Licence is defined in the *Forest Act*, the *Forest and Range Practices*

Act, the *Forest Practices Code of British Columbia Act* or the *Wildfire Act*, the definition in the Act applies to this Licence, and where the word or phrase in the Act is replaced by a new word or phrase, this Licence is deemed to have been amended accordingly.

20.04 If a provision of the *Forest Act*, the *Forest and Range Practices Act*, the *Forest Practices Code of British Columbia Act* or the *Wildfire Act* referred to in this Licence is renumbered, the reference in this Licence is to be construed as a reference to the provision as renumbered.

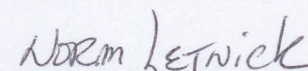
20.05 In this Licence, unless the context otherwise requires:

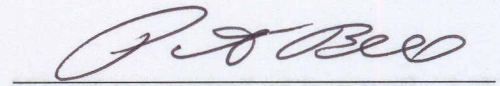
- (a) the singular includes the plural and the plural includes the singular; and
- (b) the masculine, the feminine and the neuter are interchangeable.

IN WITNESS WHEREOF this Licence has been executed by the Minister and the Licensee on the date dates written below.

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

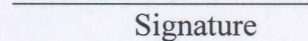

Signature)


Printed Name)


The Honourable Pat Bell
Minister of Forests and Range

AUG 27/09
Dated

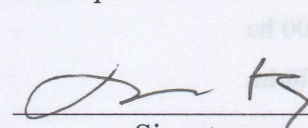
THE COMMON SEAL of)
the Licensee was affixed)
in the presence of:)


Signature)



Printed Name)

(or)

SIGNED by the Licensee
in the presence of:


Signature)

MARILYN MAURITZ
Printed Name)


John Horning, CFO & Sr VP
and Corporate Secretary


Licensee

DUNCAN DAVIES
PRESIDENT + CEO
Printed Name and Title

OCTOBER 9, 2009
Dated

SCHEDULE "A"
TREE FARM LICENCE 23
ARROW LAKES TREE FARM LICENCE
DESCRIPTION OF CROWN LAND GRANTS AND TIMBER LICENCES
SCHEDULE A

1.00 Fee simple private forest lands subject to **Tree Farm Licence 23** and Crown land subject to timber licences contained within the boundaries of the Tree Farm Licence and subject to the Licence.

BLOCK 1 – Removed by Instrument No. 135.

BLOCK 2

Crown Grants	Land District	Hectares More or Less	Parcel Identifier
The east half of District Lot 770	Kootenay	64.752 ha	014-044-471
The west half of District Lot 770	Kootenay	64.752 ha	014-044-544
District Lot 5069 (except part included in Plans 10811 and NEP20562)	Kootenay	71.246 ha	014-015-617
		200.75 ha	

Timber Licences

T0420	Kootenay	64.00 ha
T0442	Kootenay	70.00 ha
T0490	Kootenay	71.00 ha
		205.00 ha

SUMMARY BLOCK 2

CROWN GRANTS	200.75 ha
TIMBER LICENCES	205.00 ha
SUB TOTAL	405.75 ha

SCHEDULE "A"
TREE FARM LICENCE 23
ARROW LAKES TREE FARM LICENCE
DESCRIPTION OF CROWN LAND GRANTS AND TIMBER LICENCES

BLOCK 3

Crown Grants	Land District	Hectares More or Less
		Nil
Timber Licences		
T0109	Kootenay	49.00 ha
T0120	Kootenay	41.00 ha
T0145	Kootenay	18.00 ha
T0150	Kootenay	26.00 ha
T0159	Kootenay	122.00 ha
T0160	Kootenay	63.00 ha
T0170	Kootenay	223.00 ha
T0190	Kootenay	780.00 ha
T0215	Kootenay	55.00 ha
T0220	Kootenay	27.00 ha
T0240	Kootenay	223.00 ha
T0300	Kootenay	187.00 ha
T0350	Kootenay	12.00 ha
T0370	Kootenay	221.00 ha
T0460	Kootenay	27.00 ha
T0479	Kootenay	40.00 ha
T0480	Kootenay	62.00 ha
T0500	Kootenay	10.00 ha
T0519	Kootenay	46.00 ha
T0540	Kootenay	37.00 ha
T0558	Kootenay	113.00 ha
T0570	Kootenay	152.00 ha
T0595	Kootenay	87.00 ha
T0610	Kootenay	102.00 ha
T0620	Kootenay	147.00 ha
T0631	Kootenay	259.00 ha
T0639	Kootenay	84.00 ha
T0642	Kootenay	125.00 ha
T0649	Kootenay	67.00 ha
		3405.00 ha

SUMMARY BLOCK 3

CROWN GRANTS	Nil
TIMBER LICENCES	3405.00 ha
SUB TOTAL	3405.00 ha

SCHEDULE "A"
TREE FARM LICENCE 23
ARROW LAKES TREE FARM LICENCE
DESCRIPTION OF CROWN LAND GRANTS AND TIMBER LICENCES
BLOCK 4

	Hectares More or Less
Crown Grants	Nil
Timber Licences	Nil

SUMMARY BLOCK 4

CROWN GRANTS	Nil
TIMBER LICENCES	Nil
SUB TOTAL	Nil

SUMMARY ALL BLOCKS

CROWN GRANTS	200.75 ha
TIMBER LICENCES	3610.00 ha
GRAND TOTAL	3810.75 ha

SCHEDULE "B"
TREE FARM LICENCE 23
ARROW LAKES TREE FARM LICENCE
DESCRIPTION OF CROWN LAND SUBJECT TO THE LICENCE

SCHEDULE B

Interpretation of Schedule B, TFL 23

1. Schedule "B" Land

- 1.1 For the purposes of the definition of "Schedule 'B' Land" in Paragraph 20.02 of this Licence, "Crown land described in Schedule 'B'" means all Crown land within the boundaries described in Paragraph 2 (metes and bounds) and any land added since the boundaries were established, and excluding the following:
Alienated Crown Land, and any land deleted since the boundaries were established.

2. Boundaries

- 2.1 The boundaries referred to in Paragraph 1 are as follows:
"Metes and bounds legal description"

3. Interpretation

- 3.1 "Alienated Crown Land" means alienated Crown land as described in Paragraph 20.02.
- 3.2 The map(s) accompanying this Schedule are for convenience only, and do not reflect the changes to the TFL 23 boundary identified in 1.1 above, or the deletion of all remaining private land from TFL 23 effective October 31, 2008. If there is any discrepancy between the map(s) and the description of boundaries in Paragraph 2, the description in Paragraph 2 will be deemed to be correct.
- 3.3 All alienated Crown Land may not be identified as such on the attached Schedules and maps.

Note: Crown land does not include land owned by an agent of the Crown, nor land vested in the federal Crown.

SCHEDULE “B”
TREE FARM LICENCE 23
ARROW LAKES TREE FARM LICENCE
DESCRIPTION OF CROWN LAND SUBJECT TO THE LICENCE

All Crown lands not otherwise alienated within the area outlined in bold black on the accompanying maps except Crown land reverted subsequent to 1971, which was subject to an old temporary tenure (within the meaning of the *Forest Act* assented to March 30, 1972) and held by a person other than the licensee.

BLOCK 1

Removed by Instrument Number 135. Now forms Selkirk Tree Farm Licence Number 55 and Goldstream Tree Farm Licence Number 56.

BLOCK 2

Area A

Commencing at the northwest corner of Lot 863, Kootenay Land District, also being a point on the natural boundary of Upper Arrow Lake on the easterly shore thereof; thence in a general northwesterly direction along the natural boundary of said Upper Arrow Lake on the easterly shore thereof to the southeast corner of Lot 8130; thence northerly and westerly along the easterly and northerly boundaries of Lots 8130 and 8408 to the natural boundary of aforesaid Upper Arrow Lake on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Upper Arrow Lake on the easterly shore thereof to the southwest corner of Lot 1139; thence easterly and northerly along the southerly and easterly boundaries of said Lot 1139 to the southwest corner of Lot 3945; thence easterly along the southerly boundary of said Lot 3945 to the northwest corner of Lot 1138; thence southerly and easterly along the westerly and southerly boundaries of said Lot 1138 to the southeast corner thereof; thence northerly and westerly along the easterly and northerly boundaries of said Lots 1138 and 3945 to the northwest

SCHEDULE “B”
TREE FARM LICENCE 23
ARROW LAKES TREE FARM LICENCE
DESCRIPTION OF CROWN LAND SUBJECT TO THE LICENCE

corner of said Lot 3945; thence southerly along the westerly boundary of said Lot 3945 to the northeast corner of aforesaid Lot 1139; thence westerly along the northerly boundary of said Lot 1139 to the natural boundary of aforesaid Upper Arrow Lake on the easterly shore thereof; thence in a general northwesterly direction along the natural boundary of said Upper Arrow Lake on the easterly shore thereof to the northwest corner of Lot 5069; thence easterly along the northerly boundary of said Lot 5069 to the westerly limit of the right of way of Highway No. 23; thence in a general northerly direction along the westerly limit of the right of way of said Highway No. 23 to a point 372 metres north and 1.251 kilometres west of the northeast corner of said Lot 5069; thence west to the natural boundary of aforesaid Upper Arrow Lake on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Upper Arrow Lake on the easterly shore thereof to the southwest corner of Lot 11005; thence easterly and northerly along the southerly and easterly boundaries of Lots 11005, 2451 and 100 to the northeast corner of said Lot 100; thence westerly along the northerly boundary of said Lot 100 to the natural boundary of aforesaid Upper Arrow Lake on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Upper Arrow Lake on the easterly shore thereof to a point 107 metres south and 464 metres west of the southwest corner of Lot 12459; thence south 3.181 kilometres; thence east 1.615 kilometres; thence north to the southerly boundary of Lot 1146; thence easterly along the southerly boundary of said Lot 1146 to the southeast corner thereof; thence northerly along the easterly boundary of said Lot 1146 to the southerly boundary of Lot 7044; thence easterly and northerly along the southerly and easterly boundaries of said Lot 7044 to the southerly boundary of Lot 7635; thence easterly along the southerly boundary of said Lot 7635 to the westerly boundary of Lot 10633; thence southerly, easterly, northerly, easterly and northerly along the westerly, southerly, easterly, southerly and

SCHEDULE “B”
TREE FARM LICENCE 23
ARROW LAKES TREE FARM LICENCE
DESCRIPTION OF CROWN LAND SUBJECT TO THE LICENCE

easterly boundaries of said Lot 10633 to the southerly boundary of Lot 1143; thence easterly along the southerly boundary of said Lot 1143 to the southeast corner thereof; thence northerly along the easterly boundaries of Lots 1143 and 2112 to the northeast corner of said Lot 2112; thence due north to the southerly boundary of Lot 7818; thence easterly along the southerly boundary of said Lot 7818 to the southeast corner thereof; thence northerly along the easterly boundaries of Lots 7818, 8668, 7956 and 7957 to the northeast corner of said Lot 7957; thence northerly along the westerly boundary of Lot 6012 to the northwest thereof; thence northerly in a straight line to the southeast corner of Lot 8406; thence northerly along the easterly boundary of said Lot 8406 to the southwest corner of Lot 7584; thence easterly and northerly along the southerly and easterly boundaries of said Lot 7584 to the northeast corner thereof; thence westerly along the northerly boundaries of Lots 7584, 8308, 8309, 8683 and 8614 to the northwest corner of said Lot 8614; thence southerly along the westerly boundary of said Lot 8614 to the northerly boundary of Lot 2111; thence westerly along the northerly boundaries of Lots 2111 and 8407 to the northwest corner of said Lot 8407; thence southerly along the westerly boundary of said Lot 8407 to the natural boundary of Galena Bay on the westerly shore thereof; thence in a general southwesterly direction along the natural boundary of said Galena Bay on the westerly shore thereof to the natural boundary of aforesaid Upper Arrow Lake on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Upper Arrow Lake on the easterly shore thereof to the natural boundary of the Northeast Arm of said Upper Arrow Lake on the southerly shore thereof; thence in a general northeasterly direction along the natural boundary of the Northeast Arm of said Upper Arrow Lake on the southeasterly shore thereof to a point 998 metres south and 3.793 kilometres west of the southwest corner of Lot 11331; thence east to the natural boundary of Beaton Creek on the right bank thereof; thence in a

SCHEDULE “B”
TREE FARM LICENCE 23
ARROW LAKES TREE FARM LICENCE
DESCRIPTION OF CROWN LAND SUBJECT TO THE LICENCE

general northerly direction along the natural boundary of said Beaton Creek on the right bank thereof to the southerly boundary of Lot 505; thence easterly and northerly along the southerly and easterly boundaries of said Lot 505 to the southerly boundary of Lot 502; thence easterly along the southerly boundary of said Lot 502 to the southwest corner of Lot 7959; thence northerly along the westerly boundary of said Lot 7959 to the southwest corner of Lot 1 of said Lot 7959, Plan 1321, Nelson Land Title Office; thence easterly along the southerly boundaries of Lots 1 and 2 of said Lot 7959, Plan 1321 to the southeast corner of said Lot 2; thence northerly along the easterly boundary of said Lot 2 to the northeast corner thereof; thence due north to the southerly boundary of Assigned Parcel Number 1 (Reference Plan 5828-I); thence in a general easterly, northerly, westerly, southwesterly and southerly direction along the southerly, easterly, northerly, northwesterly and westerly boundaries of said Assigned Parcel Number 1 (Reference Number 5828-I) to the northerly limit of Camborne Road, Plan 1521; thence in a general southwesterly direction along the northerly limit of said Camborne Road, Plan 1521 to the westerly boundary of aforesaid Lot 7959; thence northerly along the westerly boundary of said Lot 7959 to the natural boundary of the Northeast Arm of aforesaid Upper Arrow Lake on the southerly shore thereof; thence in a general southeasterly, northerly and westerly direction along the natural boundary of the Northeast Arm of said Upper Arrow Lake on the southerly, easterly, and northerly shores thereof to the southwest corner of Lot 503; thence northerly along the westerly boundary of said Lot 503 to the northwest corner thereof; thence easterly along the northerly boundary of said Lot 503 101 metres; thence north 1.127 kilometres; thence west 111 metres; thence northwesterly in a straight line to the summit of Comaplix Mountain, also being a point on the westerly boundary of the watershed of Incomappleux River; thence in a general northerly direction along westerly boundary of the watershed of said Incomappleux River

SCHEDULE “B”
TREE FARM LICENCE 23
ARROW LAKES TREE FARM LICENCE
DESCRIPTION OF CROWN LAND SUBJECT TO THE LICENCE

to the northerly boundary of the watershed of MacDougal Creek, also being a point on the southerly boundary of Glacier National Park; thence in a general easterly direction along the southerly boundary of said Glacier National Park to the easterly boundary of the watershed of aforesaid Incomappleux River; thence in a general southerly direction along the easterly boundary of the watershed of said Incomappleux River to the northwesterly boundary of Lot 1973; thence southwesterly along the northwesterly boundary of said Lot 1973 to the northeasterly boundary of Lot 2150; thence northwesterly along the northeasterly boundaries of Lots 2150, 2151 and 2147 to the most northerly corner of said Lot 2147; thence southwesterly along the northwesterly boundary of said Lot 2147 to the most westerly corner thereof; thence southeasterly along the southwesterly boundaries of Lots 2147, 2151 and 2150 to the most southerly corner of said Lot 2150; thence northeasterly along the southeasterly boundary of said Lot 2150 to the southwesterly boundary of aforesaid Lot 1973; thence southeasterly along the southwesterly boundary of said Lot 1973 to the easterly boundary of the watershed of aforesaid Incomappleux River; thence in a general southerly direction along the easterly boundary of the watershed of said Incomappleux River to the northeasterly boundary of the watershed of Ferguson Creek; thence in a general southeasterly direction along the northeasterly boundary of the watershed of said Ferguson Creek to the northwesterly boundary of Lot 4705; thence southwesterly, southeasterly and northeasterly along the northwesterly, southwesterly and southeasterly boundaries of said Lot 4705 to the easterly boundary of the watershed of said Ferguson Creek; thence in a general southerly direction along the easterly boundary of the watershed of said Ferguson Creek to the northerly boundary of the watershed of Lardeau Creek; thence in a general northeasterly direction along the northerly boundary of the watershed of said Lardeau Creek to the southwesterly boundary of Lot 4725; thence southeasterly along the southwesterly boundary of said Lot 4725 to

SCHEDULE “B”
TREE FARM LICENCE 23
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the northwesterly boundary of Lot 4722; thence southwesterly, southeasterly, northeasterly and northwesterly along the northwesterly, southwesterly, southeasterly and northeasterly boundaries of said Lot 4722 to the northerly boundary of the watershed of aforesaid Lardeau Creek; thence in a general northeasterly direction along the northerly boundary of the watershed of said Lardeau Creek to the southwesterly boundary of Lot 4568; thence southeasterly and northeasterly along the southwesterly and southeasterly boundaries of said Lot 4568 to the northerly boundary of the watershed of said Lardeau Creek; thence in a general northeasterly and southerly direction along the northerly and easterly boundaries of the watershed of said Lardeau Creek to a point due east of the most southerly corner of Lot 8681; thence west to the southeasterly boundary of Lot 5696; thence northeasterly, northwesterly and southwesterly along the southeasterly, northeasterly and northwesterly boundaries of said Lot 5696 to the southeasterly boundary of Lot 7433; thence northeasterly, northwesterly and southwesterly along the southeasterly, northeasterly and northwesterly boundaries of said Lot 7433 to the most westerly corner thereof; thence southeasterly along the southwesterly boundaries of Lots 7433 and 5696 to a point due east of the most southerly corner of aforesaid Lot 8681; thence west to the most easterly northeast boundary of Lot 13044; thence northwesterly and southwesterly along the northeasterly and northwesterly boundaries of said Lot 13044 to the northeasterly boundary of Lot 13046; thence northwesterly and southwesterly along the northeasterly and northwesterly boundaries of said Lot 13046 to the northwesterly boundary of Lot 13048; thence southwesterly along the northwesterly boundary said Lot 13048 to a point due east of the most southerly corner of aforesaid Lot 8681; thence west to the most southerly corner of said Lot 8681; thence northeasterly, southeasterly, northeasterly and northwesterly along the southeasterly, southwesterly, southeasterly and northeasterly boundaries of said Lot 8681 to the southerly boundary of Lot 8680; thence

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easterly, northerly, westerly, southerly and easterly along the southerly, easterly, northerly, westerly and southerly boundaries of said Lot 8680 to the northwesterly boundary of said Lot 8681; thence southwesterly and southeasterly along the northwesterly and southwesterly boundaries of said Lot 8681 to the most southerly corner thereof; thence south 37 degrees west 1.851 kilometres; thence south 44 degrees west 2.300 kilometres, more or less, to a point on the natural boundary of Trout Lake on the northeasterly shore thereof; thence in a general northwesterly direction along the natural boundary of said Trout Lake on the northeasterly shore thereof to the southerly boundary of Lot 10645; thence easterly, northerly and westerly along the southerly, easterly and northerly boundaries of said Lot 10645 to the southeast corner of Lot 769; thence northerly along the easterly boundaries of Lots 769 and 1147 to the northeast corner of said Lot 1147; thence westerly along the northerly boundary of said Lot 1147 to the easterly boundary of Lot 771; thence northerly, westerly, southerly and easterly along the easterly, northerly, westerly and southerly boundaries of said Lot 771 to the northwest corner of Lot 11328; thence southerly and easterly along the westerly and southerly boundaries of Lots 11328 and 190 to the natural boundary of aforesaid Trout Lake on the southwesterly shore thereof; thence in a general southeasterly direction along the natural boundary of said Trout Lake on the southwesterly shore thereof to a point 242 metres north and 280 metres west of the northwest corner of Lot 15703; thence south 60 degrees west 13.325 kilometres, more or less, to the easterly boundary of the watershed of Halfway River; thence in a general southerly direction along the easterly boundary of the watershed of said Halfway River to the northerly boundary of the watershed of Kuskanax Creek; thence in a general southwesterly direction along the northerly boundary of the watershed of said Kuskanax Creek to a point due east of the northeast corner of Lot 11743; thence west to the northeast corner of said Lot 11743; thence westerly along the

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northerly boundaries of Lots 11743 and 863 to the northwest corner of said Lot 863, being the point of commencement.

Excluding thereout all that foreshore and land covered by water within the above described area.

Area B

Commencing at the northwest corner of Lot 12769, Kootenay Land District; thence north 402 metres; thence east 1.609 kilometres; thence north 402 metres; thence east 1.609 kilometres; thence south 402 metres; thence east 1.609 kilometres; thence south 805 metres; thence west 1.609 kilometres; thence south 402 metres; thence west 1.609 kilometres; thence north 402 metres; thence west 1.609 kilometres, more or less, to the westerly boundary of aforesaid Lot 12769; thence northerly along the westerly boundary of said Lot 12769 to the northwest corner thereof, being the point of commencement.

Excluding thereout all that foreshore and land covered by water within the above described area.

Area C

Commencing at the southeast corner of Lot 12459, Kootenay Land District; thence southerly along the westerly boundary of Lot 1146 68.470 metres; thence due west to the natural boundary of Upper Arrow Lake on the easterly shore thereof; thence in a general northeasterly direction along the natural boundary of said Upper Arrow Lake on the easterly shore thereof to the westerly boundary of aforesaid Lot 12459; thence southerly

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and easterly along the westerly and southerly boundaries of said Lot 12459 to the southeast corner thereof, being the point of commencement.

Excluding thereout all that foreshore and land covered by water within the above described area, and those areas of land described below, which are currently active amendments and instruments within Tree Farm Licence 23, Block 2.

<u>Document</u>	<u>Date</u>	<u>Particulars</u>
Am #8	56-10-19	Removes Lots 8291, 8292 and 10373, Kootenay Land District.
Am #9	57-01-04	Removes Lots 15771 - 15778, Kootenay Land District
Am #15	58-10-23	Removes Lookout site.
Am #33	61-05-03	Removal for proposed Park.
Am #34	61-05-02	Removal for proposed Park
Am #60	65-01-06	Removes Blocks 1 - 34, 36 - 41, 50 & 55 Plan 6713, Nelson Land Title Office
Am #80	68-05-17	Removes 2 gravel pits
Am #90	69-11-06	Removes 14.4 acres (north of Lot 7952, Kootenay Land District)
Instr #114	78-10-05	Removes area near Galena Bay
Instr #119	80-02-27	Removes Pipeline R/W and parking lot
Instr #134	91-10-02	Removes Lot 16952, Kootenay Land District

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BLOCK 3

Commencing at the northeast corner of Lot 10391, Kootenay Land District, also being a point on the natural boundary of Lower Arrow Lake on the westerly shore thereof; thence westerly and southerly along the northerly and westerly boundaries of said Lot 10391 to the northerly boundary of Lot 8180; thence westerly along the northerly boundary of said Lot 8180 to the easterly boundary of Lot 8409; thence northerly and westerly along the easterly and northerly boundaries of Lots 8409 and 10026 to the northwest corner of said Lot 10026; thence southerly along the westerly boundary of said Lot 10026 to the most northerly northeast corner of Lot 10387; thence westerly along the northerly boundary of said Lot 10387 to the northwest corner thereof; thence southerly along the westerly boundaries of Lots 10387 and 8101 to the northerly boundary of Lot 9148; thence westerly along the northerly boundary of said Lot 9148 to the northwest corner thereof; thence south 37 degrees west to a point lying due east of the southeast corner of Lot 8546; thence west to the southeast corner of said Lot 8546; thence westerly and northerly along the southerly and westerly boundaries of said Lot 8546 to the southeast corner of Lot 7893; thence westerly along the southerly boundary of said Lot 7893 to the southwest corner thereof, also being the southwest corner of Block 86 of Lot 7893, Plan 1194, Nelson Land Title Office; thence northerly along the westerly boundaries of Blocks 86 and 85 to the northwest corner of said Block 85; thence easterly along the northerly boundary of said Block 85 to the northeast corner thereof; thence easterly in a straight line to the northwest corner of Block 18; thence easterly along the northerly boundary of said Block 18 to the southeast corner of Block 19; thence northerly along the easterly boundary of said Block 19 to the southeast corner of Block 20; thence westerly along the southerly boundary of said Block 20 to the southwest corner thereof; thence westerly in a straight line to the southeast corner of Block 83; thence westerly along the southerly

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boundary of said Block 83 to the southwest corner thereof; thence northerly along the westerly boundaries of Blocks 83, 22, 24, 26, 28, 30, 32 and 34 to the southwest corner of Block 36; thence northerly and easterly along the westerly and northerly boundaries of Blocks 36 and 43 to a point due south of the southwest corner of Block 44; thence northerly in a straight line to the southwest corner of said Block 44; thence northerly and easterly along the westerly and northerly boundaries of said Block 44 to the northwest corner of Block 40; thence easterly, southerly and easterly along the northerly, easterly and northerly boundaries of said Block 40 to the most easterly northeast corner thereof; thence southerly along the easterly boundary of said Block 40 to the southeast corner thereof; thence due south to the northerly boundary of Block 42; thence easterly along the northerly boundary of said Block 42 to the northeast corner thereof; thence easterly in a straight line to the northwest corner of Block 37; thence easterly along the northerly boundary of said Block 37 to the northeast corner thereof, also being a point on the natural boundary of Barnes Creek on the right bank thereof; thence in a general southerly direction along the easterly boundaries of Blocks 37, 35, 33, 31, 29, 27 and 25 to the northerly boundary of Block 23; thence easterly along the northerly boundary of said Block 23 to the northeast corner thereof, also being a point on the westerly boundary of aforesaid Lot 8546; thence northerly and easterly along the westerly and northerly boundaries of said Lot 8546 to the southeast corner of Lot 8186; thence northerly along the easterly boundary of said Lot 8186 to the southerly boundary of Lot 8548; thence easterly along the southerly boundary of said Lot 8548 to the southeast corner thereof; thence northerly and westerly along the easterly and northerly boundaries of Lots 8548 and 8170 to the northwest corner of said Lot 8170, also being a point on the natural boundary of Whatshan Lake on the easterly shore thereof; thence in a general southerly, westerly and northerly direction along the natural boundary of said Whatshan Lake on the

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easterly, southerly and westerly shores thereof to the southeast corner of Lot 8187; thence westerly and northerly along the southerly and westerly boundaries of said Lot 8187 to the most southerly southeast corner of Lot 8189; thence westerly along the southerly boundaries of Lots 8189 and 8544 to the southwest corner of said Lot 8544; thence due west to the westerly boundary of the watershed of aforesaid Barnes Creek; thence in a general northerly direction along the westerly boundaries of the watersheds of Barnes Creek, Whatshan Lake, Arrow Park Creek and Upper Arrow Lake to the southerly boundary of Monashee Provincial Park, established by Order In Council 1201, approved and ordered August 2, 1990; thence in a general easterly and northwesterly direction along the southerly, and northeasterly boundaries of said Monashee Provincial Park to the westerly boundary of the watershed of aforesaid Upper Arrow Lake; thence in a general northerly direction along the westerly boundary of the watershed of said Upper Arrow Lake to a point due west of the southwest corner of the southeast quarter of Section 5, Township 23, Range 2, W6M; thence east to the southwest corner of the southeast quarter of said Section 5; thence easterly along the southerly boundaries of Sections 5, 4 and 3 to the northwest corner of Section 34, Township 22, Range 2, W6M; thence easterly along the northerly boundary of said Section 34 to the northwest corner of Section 35; thence southerly and easterly along the westerly and southerly boundaries of said Section 35 to the natural boundary of aforesaid Upper Arrow Lake on the westerly shore thereof; thence in a general southerly direction along the natural boundary of said Upper Arrow Lake on the westerly shore thereof to the easterly boundary of Section 7, Township 22, Range 1, W6M; thence southerly along the easterly boundaries of Sections 7 and 6 to the northwest corner of the southwest quarter of Section 5; thence easterly and southerly along the northerly and easterly boundaries of the southwest quarter of said Section 5 to the northerly boundary of Section 32, Township 21, Range 1, W6M; thence easterly along

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the northerly boundary of said Section 32 to the westerly limit of the right of way of Highway No. 23; thence in a general southeasterly direction along the westerly limit of the right of way of said Highway No. 23 to the easterly boundary of aforesaid Section 32; thence southerly along the easterly boundary of said Section 32 to the northwest corner of the southwest quarter of Section 33; thence easterly along the northerly boundary of the southwest quarter of said Section 33 to the westerly limit of the right of way aforesaid Highway No. 23; thence in a general southeasterly direction along the westerly limit of the right of way of said Highway No. 23 to the easterly boundary of the southwest quarter of said Section 33; thence southerly along the easterly boundary of the southwest quarter of said Section 33 to the northwest corner of the northeast quarter of Section 28; thence easterly and southerly along the northerly and easterly boundaries of the northeast quarter of said Section 28 to the northerly boundary of Legal Subdivision 12 of Section 27; thence easterly along the northerly boundaries of Legal Subdivisions 12 and 11 to the natural boundary of aforesaid Upper Arrow Lake on the westerly shore thereof; thence in a general southeasterly direction along the natural boundary of said Upper Arrow Lake on the westerly shore thereof to the easterly boundary of the west half of Section 23; thence southerly along the easterly boundary of the west half of said Section 23 to the northerly boundary of Section 14; thence easterly along the northerly boundary of said Section 14 to the northeast corner thereof; thence southerly along the easterly boundaries of Sections 14 and 11 to the northwest corner of Section 1; thence easterly and southerly along the northerly and easterly boundaries of the northwest quarter and the southeast quarter of said Section 1 to the northeast corner of Section 36, Township 20, Range 1, W6M; thence southerly along the easterly boundary of said Section 36 to the northwest corner of the fractional south half of Section 31, Township 20, Range 29, W5M; thence easterly along the northerly boundary of the fractional south half of said Section 31 to the northeast

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corner thereof; thence southerly along the easterly boundaries of Sections 31 and 30 to the southwest corner of fractional Section 29; thence easterly along the southerly boundary of said fractional Section 29 to a point due north of the northwest corner of Lot 5092; thence south to the northwest corner of said Lot 5092; thence southerly and easterly along the westerly and southerly boundaries of said Lot 5092 to the northwest corner of Lot 3257; thence southerly along the westerly boundary of said Lot 3257 to the natural boundary of aforesaid Upper Arrow Lake on the westerly shore thereof; thence in a general southerly direction along the natural boundary of said Upper Arrow Lake on the westerly shore thereof to the westerly boundary of Lot 1095; thence southerly and easterly along the westerly and southerly boundaries of said Lot 1095 to the natural boundary of said Upper Arrow Lake on the westerly shore thereof; thence in a general southeasterly direction along the natural boundary of said Upper Arrow Lake on the westerly shore thereof to the westerly boundary of Lot 3259; thence southerly and easterly along the westerly and southerly boundaries of said Lot 3259 to the natural boundary of said Upper Arrow Lake on the westerly shore thereof; thence in a general southeasterly direction along the natural boundary of said Upper Arrow Lake on the westerly shore thereof to the westerly boundary of Lot 1096; thence southerly and easterly along the westerly and southerly boundaries of Lots 1096 and 445 to the natural boundary of aforesaid Upper Arrow Lake on the westerly shore thereof; thence in a general southerly direction along the natural boundary of said Upper Arrow Lake on the westerly shore thereof to the northerly boundary of Lot 8312; thence westerly along the northerly boundary of said Lot 8312 to the northwest corner thereof; thence southerly along the westerly boundaries of Lots 8312 and 12898 to the southwest corner of said Lot 12898, also being a point on the natural boundary of aforesaid Upper Arrow Lake on the westerly shore thereof; thence in a general southerly direction along the natural boundary of said Upper Arrow Lake on the

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westerly shore thereof to the natural boundary of an unnamed creek on the right bank thereof, said unnamed creek flowing southeasterly into said Upper Arrow Lake at a point 117 metres south and 435 metres east of the most southerly southwest corner of Lot 7902; thence in a general northwesterly direction along the natural boundary of said unnamed creek on the right bank thereof to a point 5 metres north and 201 metres east of the most southerly southwest corner of said Lot 7902; thence south 1.152 kilometres; thence due east to the natural boundary of aforesaid Upper Arrow Lake on the westerly shore thereof; thence in a general southerly direction along the natural boundary of said Upper Arrow Lake on the westerly shore thereof to the northerly boundary of Lot 4576; thence westerly along the northerly boundaries of Lots 4576 and 7897 to the northwest corner of said Lot 7897; thence southerly and easterly along the westerly and southerly boundaries of Lots 7897 and 7677 to the southwest corner of Lot 7676; thence easterly along the southerly boundary of said Lot 7676 to the natural boundary of aforesaid Upper Arrow Lake on the westerly shore thereof; thence in a general southerly direction along the natural boundary of said Upper Arrow Lake on the westerly shore thereof to the northerly boundary of Lot 10591; thence westerly, southerly and easterly along the northerly, westerly and southerly boundaries of said Lot 10591 to the natural boundary of aforesaid Upper Arrow Lake on the westerly shore thereof; thence in a general southerly direction along the natural boundary of said Upper Arrow Lake on the westerly shore thereof to the westerly boundary of Lot 12325; thence southerly and easterly along the westerly and southerly boundaries of said Lot 12325 to the natural boundary of said Upper Arrow Lake on the westerly shore thereof; thence in a general southerly direction along the natural boundary of said Upper Arrow Lake on the westerly shore thereof to the northerly boundary of Lot 8033; thence westerly and southerly along the northerly and westerly boundaries of said Lot 8033 to the northerly boundary of Lot 8034; thence westerly along the northerly

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boundary of said Lot 8034 to the northeast corner of Lot 8510; thence westerly and southerly along the northerly and westerly boundaries of Lots 8510, 12774, 8564, and 12775 to the northerly boundary of Lot 8566; thence westerly along the northerly boundary of said Lot 8566 to the easterly boundary of Lot 12340; thence northerly and westerly along the easterly and northerly boundaries of said Lot 12340 to the northeast corner of Lot 8333; thence westerly and southerly along the northerly and westerly boundaries of said Lot 8333 to the northerly boundary of Lot 373; thence westerly and southerly along the northerly and westerly boundaries of Lots 373 and 8029 to the southwest corner of said Lot 8029; thence easterly along the southerly boundary of said Lot 8029 to the northwest corner of Lot 8030; thence southerly along the westerly boundaries of Lots 8030 and 12776 to the southwest corner of said Lot 12776; thence easterly along the southerly boundaries of Lots 12776 and 7105 to the northwest corner of Lot 7104; thence southerly along the westerly boundaries of Lots 7104 and 8512 to the southwest corner of said Lot 8512; thence easterly along the southerly boundary of said Lot 8512 to the northwest corner of Lot 8027; thence southerly and easterly along the westerly and southerly boundaries of said Lot 8027 to the westerly boundary of Lot 3619; thence southerly along the westerly boundaries of Lots 3619, 3620 and 7690 to the southwest corner of said Lot 7690; thence easterly along the southerly boundary of said Lot 7690 to the northwest corner of Lot 7691; thence southerly along the westerly boundaries of Lots 7691 and 12777 to the southwest corner of said Lot 12777; thence easterly along the southerly boundaries of Lots 12777, 8159 and 7692 to the natural boundary of aforesaid Lower Arrow Lake on the westerly shore thereof; thence in a general southerly and southwesterly direction along the natural boundary of said Lower Arrow Lake on the westerly and northerly shores thereof to the easterly boundary of Lot 7967; thence northerly along the easterly boundary of said Lot 7967 to the northeast

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corner thereof; thence westerly along the northerly boundaries of Lots 7967 and 8691 to the easterly boundary of Lot 10593; thence northerly and westerly along the easterly and northerly boundaries of said Lot 10593 to the easterly boundary of Lot 12786; thence northerly along the easterly boundaries of Lots 12786, 12785 and 9892 to the northeast corner of said Lot 9892; thence westerly and southerly along the northerly and westerly boundaries of said Lot 9892 to the northerly boundary of Lot 9889; thence westerly along the northerly boundaries of Lots 9889 and 11162 to the northwest corner of said Lot 11162; thence southerly along the westerly boundaries of Lots 11162, 12784 and 9893 to the southwest corner of said Lot 9893; thence easterly along the southerly boundary of said Lot 9893 to the northwest corner of Lot 9895; thence southerly and easterly along the westerly and southerly boundaries of said Lot 9895 to the southeast corner thereof; thence northerly along the easterly boundaries of Lots 9895 and 9894 to the southwest corner of aforesaid Lot 12786; thence easterly along the southerly boundaries of said Lot 12786 and aforesaid Lot 10593 to the westerly boundary of aforesaid Lot 8691; thence southerly along the westerly boundaries of Lots 8691 and 12895 to the southwest corner of said Lot 12895; thence south 805 metres; thence west 604 metres; thence south to the natural boundary of aforesaid Lower Arrow Lake on the westerly shore thereof; thence in a general southwesterly direction along the natural boundary of said Lower Arrow Lake on the westerly shore thereof to the northeast corner of aforesaid Lot 10391, being the point of commencement.

Excluding thereout all that foreshore and land covered by water within the above described area, and those areas of land described below, which are currently active amendments and instruments within Tree Farm Licence 23, Block 3.

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<u>Document</u>	<u>Date</u>	<u>Particulars</u>
Am #4	56-01-09	Removes R/W
Am #14	58-05-20	Removes Hydro R/W
Am #19	59-10-05	Removes Lookout site
Am #21	60-01-12	Removes Lots 16071 - 16080, 16088 - 16095, 16101, 16111 & 16112, Kootenay Land District
Am #22	60-03-09	Removes lookout site
Am #25	60-08-02	Removes T.V. transmission site
Am #27	60-10-20	Removes Hydro R/W
Am #32	62-04-19	Removes special use area
Am #37	61-09-25	Removes T.V. transmission site
Am #42	62-10-30	Removes picnic site
Am #53	64-07-21	Removes Ptn. of Lot 8543, Kootenay Land District
Am #72	66-11-28	Removes hydro sites
Am #75	67-06-22	Removes hydro R/W
Am #97	70-08-24	Removes navigational aid sites
Am #98	70-12-16	Removes hydro R/W
Am #102	71-08-31	Removes snow course reserve
Am #103	71-09-15	Removes hydro R/W
Am #106	72-07-31	Removes highway rest area
Am #109	72-12-05	Removes repeater site
Instr #123	85-10-15	Removes special use area

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BLOCK 4

Area A

Commencing at the southeast corner of Sub Lot 17 of Lot 7159, Kootenay Land District, also being a point on the natural boundary of Lower Arrow Lake on the westerly shore thereof; thence in a general southerly direction along the natural boundary of said Lower Arrow Lake on the westerly shore thereof to a point due north of the most northerly corner of Lot A of Sub Lot 12 of Lot 7159, Plan 6505, deposited in Nelson Land Title Office; thence south to the most northerly corner of Lot A of said Plan 6505; thence southerly along the westerly boundary of Lot A of said Plan 6505 to the southwest corner thereof; thence easterly along the southerly boundary of Lot A of said Plan 6505 and the easterly prolongation thereof to the natural boundary of aforesaid Lower Arrow Lake on the westerly shore thereof; thence in a general southerly direction along the natural boundary of said Lower Arrow Lake on the westerly shore thereof to the northerly boundary of Lot 8069; thence westerly along the northerly boundary of said Lot 8069 to the northwest corner thereof; thence southerly along the westerly boundary of said Lot 8069 and the southerly prolongation thereof to the northerly boundary of Sub Lot 37 of Lot 5817; thence easterly along the northerly boundary of said Sub Lot 37 to the southwest corner of Sub Lot 10; thence easterly along the southerly boundary of said Sub Lot 10 to the southeast corner thereof, also being a point on the natural boundary of aforesaid Lower Arrow Lake on the westerly shore thereof; thence in a general southerly direction along the natural boundary of said Lower Arrow Lake on the westerly shore thereof to the northerly boundary of Sub Lot 24 of aforesaid Lot 5817; thence westerly along the northerly boundary of said Sub Lot 24 to the northwest corner thereof; thence southwesterly in a straight line to a point, said point being 1.050 kilometres north and 5.507 kilometres west of the northeast corner of Lot 6613; thence west to the westerly

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boundary of the watershed of aforesaid Lower Arrow Lake; thence in a general northerly direction along the westerly boundary of the watershed of said Lower Arrow Lake to a point due west of the southwest corner of Sub Lot 17 of aforesaid Lot 7159; thence east to the southwest corner of said Sub Lot 17; thence easterly along the southerly boundary of said Sub Lot 17 to the southeast corner thereof, being the point of commencement.

Excluding thereout all that foreshore and land covered by water within the above described area.

Area B

Commencing at the northwest corner of Lot 7630, Kootenay Land District, also being a point on the natural boundary of Lower Arrow Lake on the easterly shore thereof; thence southerly, easterly, northerly and easterly along the westerly, southerly, easterly and southerly boundaries of said Lot 7630 to the southwest corner of Lot 7629; thence easterly along the southerly boundaries of Lots 7629 and 7628 to the most southerly southeast corner of said Lot 7628; thence northerly and easterly along the easterly and southerly boundaries of said Lot 7628 to the southwest corner of Lot 8032; thence easterly along the southerly boundaries of Lots 8032 and 7977 to the most southerly southeast corner of said Lot 7977; thence northerly and easterly along the easterly and southerly boundaries of said Lot 7977 to the westerly boundary of Lot 8026; thence southerly and easterly along the westerly and southerly boundaries of Lots 8026, 8160 and 7696 to the northwest corner of Lot 8161; thence southerly along the westerly boundary of said Lot 8161 to the northerly boundary of Lot 8700; thence westerly, southerly and easterly along the northerly, westerly and southerly boundaries of said Lot 8700 to the westerly boundary of Lot 8031; thence southerly, easterly and northerly along

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the westerly, southerly and easterly boundaries of said Lot 8031 to the most westerly southwest corner of Lot 8047; thence easterly, southerly and easterly along the southerly, westerly and southerly boundaries of said Lot 8047 to the southwest corner of Lot 8048; thence easterly, northerly and westerly along the southerly, easterly and northerly boundaries of said Lot 8048 to the southeast corner of Lot 7980; thence northerly along the easterly boundary of said Lot 7980 to the northeast corner thereof; thence due north to the northerly boundary of the watershed of Snow Creek; thence in a general easterly direction along the northerly boundary of the watershed of said Snow Creek to the northwesterly boundary of Lot 2204; thence southwesterly along the northwesterly boundary of said Lot 2204 to the northerly boundary of Lot 2205; thence westerly along the northerly boundaries of Lots 2205 and 2207 to the northwest corner of said Lot 2207; thence southerly along the westerly boundary of said Lot 2207 to the northerly boundary of Lot 2206; thence westerly, southerly, easterly and northerly along the northerly, westerly, southerly and easterly boundaries of said Lot 2206 to the southerly boundary of aforesaid Lot 2205; thence easterly and northerly along the southerly and easterly boundaries of said Lot 2205 to the southwesterly boundary of aforesaid Lot 2204; thence southeasterly along the southwesterly boundary of said Lot 2204 to the westerly boundary of Lot 2209; thence southerly and northeasterly along the westerly and southeasterly boundaries of said Lot 2209 to the most southerly corner of aforesaid Lot 2204; thence northeasterly along the southeasterly boundary of said Lot 2204 to the southwesterly boundary of Lot 2208; thence southeasterly and northeasterly along the southwesterly and southeasterly boundaries of said Lot 2208 to the northerly boundary of the watershed of aforesaid Snow Creek; thence in a general easterly direction along the northerly boundary of the watershed of said Snow Creek to the westerly boundary of Valhalla Provincial Park, established by Order In Council 1201, approved and ordered August 2, 1990;

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thence in a general southerly direction along the westerly boundary of said Valhalla Provincial Park to the southerly boundary of the watershed of Burton Creek; thence in a general westerly direction along the southerly boundary of the watershed of said Burton Creek to the easterly boundary of the watershed of Lower Arrow Lake; thence in a general southerly direction along the easterly boundary of the watershed of said Lower Arrow Lake to the northerly boundary of the watershed of Deer Creek; thence in a general westerly and southerly direction along the northerly and westerly boundaries of the watershed of said Deer Creek to a point due west of the northwest corner of Sub Lot 31 of Lot 5817; thence east to the northwest corner of said Sub Lot 31; thence southerly along the westerly boundaries of Sub Lots 31, 8, 7, 6 and 3 to the most northerly northeast corner of Sub Lot 17; thence westerly along the northerly boundary of said Sub Lot 17 to the easterly boundary of Sub Lot 21; thence northerly and westerly along the easterly and northerly boundaries of said Sub Lot 21 to the natural boundary of aforesaid Lower Arrow Lake on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Lower Arrow Lake on the easterly shore thereof to the southerly boundary of Sub Lot 1 of aforesaid Lot 5817; thence easterly, northerly and westerly along the southerly, easterly and northerly boundaries of said Sub Lot 1 to the southeast corner of Lot 15 of Sub Lots 1 and 19 of aforesaid Lot 5817, Plan 841, deposited in Nelson Land Title Office; thence westerly, northerly and easterly along the southerly, westerly and northerly boundaries of said Lot 15 to the northeast corner thereof; thence northerly along the easterly boundaries of Lots 16 and 23 to the northeast corner of said Lot 23; thence westerly along the southerly boundary of Lot 24 to the southwest corner thereof; thence southerly, westerly and northerly along the easterly, southerly and westerly boundaries of Lot 22 to the northwest corner thereof; thence westerly along the southerly boundary of Lot 26 to the natural boundary of aforesaid

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Lower Arrow Lake on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Lower Arrow Lake on the easterly shore thereof to the northerly boundary of said Lot 26; thence easterly along the northerly boundaries of Lots 26, 25 and 24 to the northeast corner of said Lot 24, also being a point on the easterly boundary of aforesaid Sub Lot 19; thence northerly and westerly along the easterly and northerly boundaries of Sub Lot 19 of said Lot 5817 to the natural boundary of aforesaid Lower Arrow Lake on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Lower Arrow Lake on the easterly shore thereof to the southerly boundary of Block 5 of Sub Lot 27 of aforesaid Lot 5817, Plan 5319; thence easterly along the southerly boundary of said Block 5, Plan 5319 to the southeast corner thereof; thence northerly along the easterly boundaries of Blocks 5, 4, 3 and 2 to the northeast corner of said Block 2; thence westerly along the northerly boundary of said Block 2 to the natural boundary of aforesaid Lower Arrow Lake on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Lower Arrow Lake on the easterly shore thereof to the southerly boundary of Lot 1 of aforesaid Plan 5319; thence easterly, northerly and westerly along the southerly, easterly and northerly boundaries of said Lot 1 to the natural boundary of aforesaid Lower Arrow Lake on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Lower Arrow Lake on the easterly shore thereof to the southerly boundary of Sub Lot 30 of aforesaid Lot 5817; thence easterly, northerly and westerly along the southerly, easterly and northerly boundaries of said Sub Lot 30 to the natural boundary of said Lower Arrow Lake on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Lower Arrow Lake on the easterly shore thereof to the southerly boundary of Lot 8066; thence easterly, northerly, and westerly along the southerly, easterly and northerly boundaries of said Lot 8066 to the

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natural boundary of aforesaid Lower Arrow Lake on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Lower Arrow Lake on the easterly shore thereof to the southerly boundary of Lot 8065; thence easterly, northerly and westerly along the southerly, easterly and northerly boundaries of said Lot 8065 to the natural boundary of aforesaid Lower Arrow Lake on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Lower Arrow Lake on the easterly shore thereof to a point 2.100 kilometres north and 405 metres west of the northeast corner of aforesaid Lot 8065; thence east 300 metres; thence north 400 metres; thence west 300 metres, more or less, to the natural boundary of aforesaid Lower Arrow Lake on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Lower Arrow Lake on the easterly shore thereof to a point 380 metres west and 399 metres south of the southeast corner of Lot 8063; thence east 105 metres; thence south 45 degrees east 275 metres; thence east 302 metres, more or less, to the easterly boundary of Lot 8062; thence northerly along the easterly boundary of said Lot 8062 543 metres; thence north 33 degrees west 60 metres, more or less, to the northerly boundary of said Lot 8062; thence westerly along the northerly boundary of said Lot 8062 to the southeast corner of aforesaid Lot 8063; thence northerly along the easterly boundary of said Lot 8063 302 metres; thence west 95 metres, more or less, to the natural boundary of aforesaid Lower Arrow Lake on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Lower Arrow Lake on the easterly shore thereof to the southerly boundary of Lot 7771; thence easterly along the southerly boundary of said Lot 7771 to the southeast corner thereof; thence easterly and northerly along the southerly and easterly boundaries of Lots 9144, 9146 and 6902 to the northeast corner of said Lot 6902; thence westerly along the northerly boundary of said Lot 6902 to the southeast corner of Lot 8097; thence northerly along the easterly

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boundaries of said Lots 8097, 6900 and 8095 to the northeast corner of said Lot 8095; thence westerly along the northerly boundary of said Lot 8095 to the southwest corner of Lot 11910; thence northerly and easterly along the westerly and northerly boundaries of said Lot 11910 to the northeast corner thereof; thence northerly along the easterly boundaries of Lots 10588, 7670 and 7126 to the northeast corner of said Lot 7126; thence easterly and northerly along the southerly and easterly boundaries of Lot 9159 to the northeast corner thereof; thence northerly along the easterly boundary of Lot 10389 to the northeast corner thereof; thence easterly and northerly along the southerly and easterly boundaries of Lot 9158 to the northeast corner thereof; thence northerly along the easterly boundary of Lot 8164 to the northeast corner thereof; thence easterly and northerly along the southerly and easterly boundaries of Lot 8165 to the southerly boundary of Lot 18 of Lots 8165 and 8799, Plan 1043, Nelson Land Title Office; thence easterly and northerly along the southerly and easterly boundaries of said Lot 18 to the southeast corner of Lot 17; thence northerly and westerly along the easterly and northerly boundaries of said Lot 17 to the easterly boundary of aforesaid Lot 8165; thence northerly and westerly along the easterly and northerly boundaries of said Lot 8165 to the southeast corner of Lot 8163; thence northerly along the easterly boundary of said Lot 8163 to the southwest corner of Lot 10029; thence easterly and northerly along the southerly and easterly boundaries of Lots 10029, 8808 and 8809 to the natural boundary of aforesaid Lower Arrow Lake on the easterly shore thereof; thence in a general northeasterly direction along the natural boundary of said Lower Arrow Lake on the easterly shore thereof to the southerly boundary of Lot 7631; thence easterly along the southerly boundary of said Lot 7631 765 metres; thence northeasterly in a straight line to the most northerly northeast corner of said Lot 7631; thence westerly along the northerly boundary of said Lot 7631 to the natural boundary of aforesaid Lower Arrow Lake on the easterly shore thereof; thence in

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a general northerly direction along the natural boundary of said Lower Arrow Lake on the easterly shore thereof to the southerly boundary of Lot 8688; thence easterly, northerly and westerly along the southerly, easterly and northerly boundaries of said Lot 8688 to the natural boundary of aforesaid Lower Arrow Lake on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Lower Arrow Lake on the easterly shore thereof to the northwest corner of said Lot 7630, being the point of commencement.

Excluding thereout all that foreshore and land covered by water within the above described area.

Area C

Commencing at the northeast corner of Lot 9154, Kootenay Land District; thence westerly and southerly along the northerly and westerly boundaries of Lots 9154 and 9068 to the natural boundary of Lower Arrow Lake on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Lower Arrow Lake on the easterly shore thereof to the easterly boundary of Lot 9429; thence northerly, westerly and southerly along the easterly, northerly and westerly boundaries of said Lot 9429 to the natural boundary of said Lower Arrow Lake on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Lower Arrow Lake on the easterly shore thereof to the easterly boundary of Lot 8070; thence northerly, westerly and southerly along the easterly, northerly and westerly boundaries of said Lot 8070 to the natural boundary of said Lower Arrow Lake on the easterly shore thereof; thence in a general northerly direction along the natural boundary of said Lower Arrow Lake on the easterly shore thereof to the easterly boundary of Lot 400; thence northerly and westerly

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along the easterly and northerly boundaries of said Lot 400 to the southeasterly boundary of the watershed of Deer Creek; thence in a general northeasterly direction along the southeasterly boundary of the watershed of said Deer Creek to the northerly boundary of the watershed of Cayuse Creek; thence in a general easterly and southerly direction along the northerly and easterly boundaries of the watershed of said Cayuse Creek to the northeasterly boundary of the watershed of Tulip Creek; thence in a general southeasterly and southerly direction along the northeasterly and easterly boundaries of the watershed of said Tulip Creek to a point due north of the northeast corner of aforesaid Lot 9154; thence south to the northeast corner of said Lot 9154, being the point of commencement.

Excluding thereout all that foreshore and land covered by water within the above described area, and those areas of land described below, which are currently active amendments and instruments within Tree Farm Licence 23, Block 4.

<u>Document</u>	<u>Date</u>	<u>Particulars</u>
Am #12	58-04-24	Removes lookout site
Am #20	59-12-23	Removes 3 cabin sites
Am #26	60-10-07	Removes transmission line R/W
Am #59	64-12-23	Removes Lot 2 of Sublot 12, Kootenay Land District Plan 5818, Nelson Land Title Office
Am #97	70-08-24	Removes navigational aids

TFL MAP(s)

The bold black line on the following map(s) generally describes the outer boundary of TFL 23 in March 2000, and does not reflect changes to the boundaries of TFL 23 since that time.