

Province of
British Columbia

Ministry of
Forests

Forest Service

TREE-FARM LICENCE NO. 23

ARROW LAKES TREE-FARM LICENCE

THIS LICENCE, made as of January 1, 1980

BETWEEN:

THE MINISTER OF FORESTS OF BRITISH
COLUMBIA, on behalf of HER MAJESTY
THE QUEEN IN RIGHT OF THE PROVINCE
OF BRITISH COLUMBIA,

(the "Licensor")

OF THE FIRST PART,

AND:

CANADIAN CELLULOSE COMPANY, LIMITED
1111 West Hastings Street
Vancouver, British Columbia
V6E 2K2

(the "Licensee")

OF THE SECOND PART

WITNESSES that, under section 33 of the Forest Act, the
parties agree as follows:

1.00 GRANT OF RIGHTS, LICENCE AREA AND TERM

1.01 Subject to this Licence and in consideration of the
Licensee's covenants in it the Licensor grants to the Licensee,

- (a) the right during the term of this Licence to enter and
occupy Crown land in the licence area for the purpose of
managing it according to management and working plans,
- (b) the right during the term of this Licence to manage Crown
land in the licence area according to management and
working plans, and

- (c) subject to paragraph 14.01 and the Forest Act, the exclusive right during the term of this Licence to harvest timber from Crown land in the licence area, according to management and working plans and from areas specified in cutting permits issued from time to time under this Licence.

1.02 The licence area is

- (a) the private land and Timber Licences described in Schedule "A" to this Licence, and
(b) the Crown land described in Schedule "B" to the Licence, and as shown outlined in bold black on the map attached to this Licence, but excludes Crown land deleted, from time to time, under the Forest Act.

1.03 As Timber Licences expire, or as areas are deleted from them under section 57 of the Forest Act, the land subject to the Timber Licences or the areas deleted, as the case may be, shall be deemed to be deleted from Schedule "A" and to be added to Schedule "B".

1.04 This Licence may be amended by agreement of the parties, by deleting from the licence area private land described in Schedule "A" to this Licence, where

- (a) the private land is required for a use that is more valuable than timber production, and
(b) the deletion would not, in the Chief Forester's opinion, unreasonably disturb the management of the licence area for timber production.

1.05 The term of this Licence is 25 years, beginning January 1, 1980.

1.06 On its tenth anniversary this Licence may be replaced according to the Forest Act.

2.00 MANAGEMENT AND WORKING PLANS

2.01 Not later than January 31, 1980 the Licensee will submit for the Chief Forester's approval a proposed management and working plan for the 5 year period beginning January 1, 1980.

2.02 The management and working plan approved under the Tree-farm Licence that, under the Forest Act, is replaced by this Licence shall, until March 31, 1980, be deemed to be a management and working plan approved under paragraph 2.07.

2.03 Not later than June 30, ¹⁹⁸⁴ ~~1980~~, and June 30 of every fifth year afterward, the Licensee will submit for the Chief Forester's approval a proposed management and working plan for the 5 year period beginning January 1 of the following year.

2.04 The Chief Forester, at the Licensee's request or on his own initiative, in a notice to the Licensee, may require that a management and working plan be amended or replaced where

- (a) timber in the licence area is damaged by fire, wind, insects, disease, or other natural forces, or
 - (b) damage is caused to a timber processing facility of the Licensee, or there is labour conflict, war, civil insurrection, adverse weather conditions, depressed markets or other circumstances beyond the Licensee's control, or
 - (c) serious and unforeseen damage is caused to soils, fisheries or wildlife resources, of the licence area,
- and the Chief Forester considers that the occurrence has rendered the management and working plan inadequate.

2.05 Where a notice is given under paragraph 2.04

- (a) the notice shall specify the occurrence, the extent to which the management and working plan is inadequate and the nature of the change required by the Chief Forester, and
- (b) the Licensee will, within 6 months after the notice, submit for the Chief Forester's approval a proposed management and working plan or a proposed amendment to the management and working plan, as the case may be, to have effect during the unexpired term of the then current management and working plan.

2.06 A proposed management and working plan shall be prepared, signed and sealed by a registered professional forester and shall contain

- (a) information respecting the inventory of the forest resources and, where available to the Licensee, and where required by the Chief Forester, respecting the soils, fisheries and wildlife resources and recreational capabilities, of the licence area,
- (b) a proposal for developing timber harvesting operations and providing access on the licence area,
- (c) a proposal for protecting the forest in the licence area from damage by fire, insects, and disease,
- (d) a proposal for reforestation and providing other silvicultural treatments to the licence area,
- (e) the Licensee's program for fulfilling its obligations under part 10.00, and
- (f) such other information respecting the development, management and use of the licence area as the Chief Forester requires.

2.07 The Chief Forester will approve, from time to time, management and working plans for the licence area, acceptable to him, that specify

- (a) an allowable annual cut that he determines may be sustained from the licence area, having regard to

- (i) the composition of the forest on the licence area and its expected rate of growth, determined from an inventory of the forest,
 - (ii) the expected time that it will take the forest to become re-established on the licence area following denudation,
 - (iii) silvicultural treatments to be applied to the licence area,
 - (iv) the standard of timber utilization and the allowances for waste and breakage it is expected will be applied with respect to timber harvesting operations conducted on the licence area, and
 - (v) any other information that relates to the capability of the licence area to produce timber,
- (b) measures taken and to be taken by the Licensee, consistent with this Licence and the Forest Act, for developing, protecting, restoring and improving the forest resources in the licence area, and for fulfilling its obligations under part 10.00, and
- (c) the portion of the allowable annual cut that the Chief Forester determines is attributable to Schedule "B" land at the beginning of the term of this Licence,
- and any management and working plan may provide for the protection of such unique features of the licence area as are identified from time to time, by studies within the licence area, the results of which are approved by the Chief Forester.

2.08 A management and working plan shall be deemed to be a part of, and shall be consistent with, this Licence.

3.00 CUTTING PERMITS

3.01 Without the Regional Manager's written consent the Licensee will not cut timber on the licence area except under a cutting permit issued under this Licence, or under a road permit.

3.02 On application by the Licensee the Regional Manager will, from time to time, issue cutting permits to the Licensee, to enable the Licensee to harvest timber from the licence area, within the limits specified in paragraph 4.02 and according to the management and working plan then in effect.

3.03 A cutting permit shall, subject to the management and working plan then in effect,

- (a) authorize timber to be harvested under this Licence from a specific area of land in the licence area,
- (b) be for a term, not exceeding 3 years, determined by the Regional Manager,
- (c) set out stumpage rates applicable to timber harvested under it and procedures for varying the stumpage rates, where stumpage is payable in respect of the timber,

- (d) prescribe utilization standards, other cutting specifications and forest practices to be followed in timber harvesting operations carried on under it,
- (e) prescribe the specifications and standards of roads to be built on the land subject to the cutting permit,
- (f) set out procedures for assessing timber wasted and damaged by the Licensee and damages payable to the Crown for timber wasted and damaged,
- (g) specify a timber mark to be used in conjunction with the timber harvesting operations carried on under it,
- (h) be deemed to be a part of this Licence, and
- (i) include such other provisions, consistent with this Licence and the Forest Act, as the Regional Manager determines.

3.04 The Licensee will define on the ground the boundaries of the areas authorized for harvesting under a cutting permit, unless the Regional Manager determines otherwise.

3.05 Timber cut under this Licence shall be marked according to the Forest Act and cutting permits, and shall, subject to the Forest Act, be scaled according to the Forest Act.

4.00 CUT CONTROL

4.01 In this part the "volume of timber harvested" during a period of time means the total of

- (a) the volume of timber cut under this Licence and under road permits, and
- (b) the volume of timber that is estimated to be wasted or damaged under cutting permits issued pursuant to this Licence and under road permits, and
- (c) the volume of timber cut during the period by the Licensee in the licence area, but not authorized for cutting under this Licence,

that is billed to the Licensee in statements issued on behalf of the Crown during the period, and in this paragraph "Licence" includes a Tree-farm Licence replaced by this Licence.

4.02 The Licensee will not permit the volume of timber harvested

- (a) during a calendar year
 - (i) to be more than 150%, or
 - (ii) to be less than 50%,
of the allowable annual cut approved in the management and working plan in effect during the calendar year, or
- (b) during a 5 year cut control period,
 - (i) to be more than 110%, or
 - (ii) to be less than 90%,
of the 5 year allowable cut for the 5 year cut control period.

4.03 If the volume of timber harvested during a calendar year exceeds 150% of the allowable annual cut specified in the management and working plan in effect during the calendar year, the Licensee will pay to the Crown, as liquidated damages, an amount of money equal to 2 times

- (a) the volume exceeding 150%, multiplied by
- (b) the average stumpage rate applicable to timber harvested under this Licence, billed to the Licensee in statements issued on behalf of the Crown during the calendar year.

4.04 If the volume of timber harvested during a 5 year cut control period exceeds 110% of the 5 year allowable cut for the 5 year cut control period, the Licensee will pay to the Crown, as liquidated damages, an amount of money equal to 2 times

- (a) the volume exceeding 110%, multiplied by
- (b) the average stumpage rate applicable to timber harvested under this Licence, that is billed to the Licensee in statements issued on behalf of the Crown during the last year of the 5 year cut control period.

5.00 FINANCIAL AND DEPOSITS

5.01 In addition to other money payable by the Licensee under the Forest Act and under this Licence, but without duplication, the Licensee will pay to the Crown, immediately on receipt of a statement issued on behalf of the Crown,

- (a) annual rent under the Forest Act,
- (b) in respect of timber cut under this Licence from Schedule "B" land, stumpage at rates set out and varied under cutting permits,
- (c) in respect of timber cut under this Licence from Schedule "A" land subject to Timber Licences, either
 - (i) stumpage at rates set out and varied under cutting permits, or
 - (ii) royalty at rates specified in the Forest Act, according to the election made under section 23 of the Forest Act in respect of the Timber Licences,
- (d) scaling fees determined under the regulations, and
- (e) waste and damage assessments made under cutting permits.

5.02 During the term of this Licence the Licensee will maintain with the Crown a deposit in an amount prescribed in the regulations, in cash or in negotiable securities acceptable to the Licensor, as security for the Licensee's performance of its obligations under this Licence and under the Forest Act.

5.03 If the Licensee fails to pay money it is required to pay to the Crown under the Forest Act, this Licence, a road permit or a cutting permit,

- (a) the payment may, after at least 30 days' notice has been given to the Licensee, be taken from the deposit maintained under paragraph 5.02 and for that purpose a security included in the deposit may be sold, and
- (b) the Licensee will forthwith pay to the Crown, in cash or in negotiable securities acceptable to the Licensor, an amount of money sufficient to maintain the deposit in the amount specified under paragraph 5.02.

5.04 Where the Regional Manager considers that timber harvesting or related operations that are proposed to be carried out under a cutting permit or road permit are likely to cause damage to the improvements or chattels of a lawful occupier or lawful user of Crown land, the Licensee may be required in the cutting permit or road permit

- (a) to prevent the damage from occurring,
- (b) to pay reasonable compensation to the occupier or user in respect of damage that occurs, and
- (c) to pay to the Crown a special deposit, in cash or in negotiable securities acceptable to the Licensor, in an amount determined by the Regional Manager to be adequate security for the Licensee's performance of requirements under subparagraphs (a) and (b).

5.05 Where under a cutting permit or road permit referred to in paragraph 5.04 the Licensee

- (a) fails to prevent the damage from occurring, and
- (b) fails to pay reasonable compensation to the occupier or user,

the occupier or user may, after at least 30 days' notice has been given to the Licensee, be paid reasonable compensation, on the Licensee's behalf, out of a deposit paid under paragraph 5.04 or maintained under paragraph 5.02, or both, and for that purpose a security included in either deposit, or both of them, may be sold.

5.06 The Licensor will refund to the Licensee

- (a) the deposit maintained under paragraph 5.02 (minus deductions made under paragraphs 5.03 and 5.05), when this Licence expires, is cancelled, or terminates and is not replaced under section 29 of the Forest Act, and
- (b) a special deposit paid under paragraph 5.04 (minus deductions made under paragraph 5.05), when the cutting permit or road permit referred to in paragraph 5.04 expires.

5.07 If this Licence is disposed of, within the meaning of the Interpretation Act, otherwise than bona fide by way of security, deposits held under this Licence shall be deemed to be assigned to the person taking the disposition of this Licence and the Crown shall not be bound afterward to account for the deposits to the person making the disposition.

6.00 ROADS

6.01 The locations, specifications and standards of all roads to be built on Crown land by the Licensee to provide access to or in the licence area,

- (a) shall, except branch or spur roads on land that is subject to a cutting permit, be included in road permits entered into under the Forest Act between the Regional Manager and the Licensee, and
- (b) shall be consistent with management and working plans in effect from time to time.

6.02 Where any part of the expense of constructing a logging access road to or in the licence area is to be applied as a credit against stumpage payable by the Licensee under section 88 of the Forest Act and the right-of-way of the road, or part of it, is to be located on private land, the Licensee will, if the Regional Manager in a notice to the Licensee requires,

- (a) at its own expense survey the part of the right-of-way located on private land and register a plan of the survey in the appropriate Land Registry Office, and
- (b) deliver to the Regional Manager, in consideration of \$1.00, a deed of land in registerable form over the part of the right-of-way to be located on private land, according to and in the form set out in the notice.

6.03 Before April 1 of each year during the term of this Licence the parties will review the road system in or serving the licence area and, after the review,

- (a) the Regional Manager, or a Forest Officer authorized by him, may, in a notice to the Licensee, identify roads that are to be maintained by the Licensee for forest protection and silviculture purposes, until April 1 of the following year, and
- (b) the Licensee will maintain the roads according to the notice.

7.00 FOREST PROTECTION

7.01 Before April 1 of every year during the term of this Licence, the Licensee will submit to the Regional Manager a fire protection pre-organization plan, including a duty roster, acceptable to the Regional Manager.

7.02 The Regional Manager will from time to time approve fire protection pre-organization plans acceptable to him.

7.03 A fire protection pre-organization plan approved by the Regional Manager shall be deemed to be part of the management and working plan then in effect and shall be consistent with this Licence.

7.04 The Licensee's obligations under a fire protection pre-organization plan shall be in addition to and do not replace its obligations under section 121 of the Forest Act.

8.00 FORESTRY

8.01 The Licensee will employ or contract for the services of, or both, as many registered professional foresters as the Chief Forester considers are reasonably required to manage the licence area according to this Licence.

8.02 The Licensee will not post a sign on or near the licence area concerning forestry practised on the licence area, unless the sign acknowledges the Crown's contributions to the forest practices.

9.00 FOREST SERVICE ACCOMMODATION AND ACCESS

9.01 After receiving reasonable notice from the Regional Manager, the Licensee will provide the Regional Manager and Forest Officers with reasonable office and living accommodation on the licence area, or at a headquarters or timber processing facility of the Licensee near the licence area, to enable the Regional Manager and Forest Officers to carry out their responsibilities in the licence area and the Licensee may charge the Licensor the reasonable cost of the provision of such office and living accommodation.

9.02 The Regional Manager and Forest Officers may at reasonable times

- (a) use roads on the licence area owned, or deemed to be owned, by the Licensee, and
 - (b) enter private land in the licence area,
- to carry out their responsibilities in the licence area.

10.00 CONTRACTORS

10.01 Each calendar year during the term of this Licence a volume of timber equal to at least

- (a) 50% of the volume of timber harvested by or for 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 specified in the management and working plan in effect during the calendar year that the Chief Forester determines is attributable to Schedule "B" land, by
 - (ii) the allowable annual cut specified in the management and working plan in effect during the calendar year,
- shall be harvested by persons under contract with the Licensee unless the Licensor, pursuant to the regulations, relieves the Licensee from this requirement in whole or in part.

10.02 Compliance with paragraph 10.01 shall be calculated according to the method prescribed in the regulations.

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 Licensee will on demand pay to the Crown, as liquidated damages, an amount of money equal to

- (a) the volume below the volume required under paragraph 10.01, multiplied by
- (b) the average stumpage rate applicable to timber harvested from the licence area, that is billed to the Licensee in statements issued on behalf of the Crown during the calendar year,

unless, and to the extent that, relief is given under paragraph 10.01.

11.00 TIMBER PROCESSING

11.01 The Licensee will give the Licensor at least three months prior notice in writing of closure or major reduction in capacity of a timber processing facility owned or operated by the Licensee or any of its affiliates within the meaning of the Companies Act.

12.00 LIABILITY AND INDEMNITY

12.01 The Licensee will indemnify the Crown against and will 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 wrongful acts and omissions on the licence area of the Licensee, and

- (a) an employee of the Licensee,
- (b) a person who performs work directly or indirectly under contract with the Licensee, and
- (c) any other person who carries on timber harvesting or related operations on the licence area with the consent of the Licensee, except
 - (i) the holder of a Free-Use Permit referred to in paragraph 14.01, or
 - (ii) the holder of a Timber Sale Licence entered into under the Forest Act, or
 - (iii) a servant or agent of the Crown, or
 - (iv) any other person who uses or occupies the licence area under rights granted by the Crown,

acting within the scope of his duties.

12.02 Paragraph 12.01 does not apply to an act or omission that is a reasonable response to, and complies with, an order made on behalf of the Crown.

12.03 Where the Licensee fails to perform an obligation it is required to perform under this Licence, a management and working plan, a fire protection pre-organization plan approved under paragraph 7.02, a cutting permit, or a road permit

- (a) the Regional Manager or a Forest Officer authorized by him may perform the obligation on the Licensee's behalf, and
- (b) the Licensee will on demand pay the Crown an amount of money equal to the reasonable costs incurred under subparagraph (a) to perform the obligation.

12.04 Liquidated damages paid by the Licensee to the Crown under this Licence

- (a) shall be in addition to, and not in substitution for, and
 - (b) shall not, if accepted on behalf of the Crown, be deemed to be a waiver of,
- any remedy available under the Forest Act to the Crown, the Licenser, the Regional Manager or a Forest Officer, in respect of the default of the Licensee that led to the payment of liquidated damages.

12.05 Notwithstanding this Licence, liquidated damages are not payable under this Licence in respect of the Licensee's default if the Licensee pays a penalty in respect of the default under section 139 of the Forest Act.

12.06 The Crown will indemnify the Licensee against and will save it harmless from all claims, demands, suits, actions, causes of action, costs, expenses and losses faced, incurred or suffered by the Licensee as a result, directly or indirectly, of wrongful acts or omissions on the licence area of the Crown, its employees, agents and contractors.

13.00 TERMINATION

13.01 If this Licence expires, or is terminated and is not replaced under section 29 of the Forest Act, or if this Licence is cancelled,

- (a) cutting permits and road permits will terminate when the expiry, termination or cancellation occurs,
- (b) Timber Licences that are in effect at termination or cancellation shall be replaced by new timber licences under the Forest Act,
- (c) title to all improvements, including roads and bridges, then fixed on Schedule "B" land shall vest in the Crown, without compensation to the Licensee provided that the Licensee may remove its improvements which are capable of removal in such manner as not to damage other improvements within thirty (30) days of such expiration, termination or cancellation.
- (d) property in logs, and in special forest products as defined in the Forest Act, then on Schedule "B" land shall pass to the Crown, without compensation to the Licensee.

13.02 Subject to paragraph 13.03 if the Licensee commits an act of bankruptcy, makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency, the Licensor may cancel this Licence in a notice served on the Licensee.

13.03 The Licensor will not cancel this Licence under paragraph 13.02 unless and until

- (a) he gives notice to
 - (i) the holder of a debenture, mortgage or other debt security that charges this Licence, then registered against the Licensee under the Companies Act, and
 - (ii) the trustee for the holder of a bond or debenture issued under a deed of trust that charges this Licence, then registered against the Licensee under the Companies Act, and
- (b) a person referred to in clauses (a)(i) or (a)(ii) has had a reasonable opportunity to exercise his rights and to pursue his remedies under the deed of trust, debenture, mortgage or other debt security, including the taking of possession of the Licensee's properties and assets.

14.00 MISCELLANEOUS

- AMENDMENT \$14.01 The Regional Manager may, on behalf of the Crown
- PARAGRAPH ~~14.01~~ 14.01 CHANGED
- SEE INST. NO. 129
- (a) grant free-use permits to persons other than the licensee authorizing the harvest of Crown timber from the licence area, but the volume of timber harvested under such free-use permits in any one year during the term of this Licence shall not exceed 1% of the allowable annual cut approved for that year,
 - (b) dispose of timber to Downie Street Sawmills Ltd. (Timber Sale A10295) from that part of the licence area delineated on Map 1 appended to the Map for Block 1, subject to the following provisions:
 - (i) during the term of such right of Downie Street Sawmills Ltd. to cut and remove timber, the Licensee shall be deemed not to be in occupancy pursuant to Section 121 of the Forest Act and shall be exempt from the obligation to pay annual rent and any and all obligations under this licence for management, administration or otherwise in respect of that part of the licence area delineated on Map 1 appended to Block 1,
 - (ii) such right shall terminate on or before December 31, 1990, subject to extensions of time at the discretion of the Licensor,
 - (iii) such right of Downie Street Sawmills Ltd. shall be administered according to Forest Service administration of timber sale licenses in the same Forest Region and shall be subject to the

- Forest Act and Regulations thereunder,
- (iv) the Licensors shall not give its consent to any assignment of such right of Downie Street Sawmills Ltd., and
 - (v) on termination or expiry of such right of Downie Street Sawmills Ltd. this sub-paragraph 14.01 (b) shall have no further effect.

14.02 The Licensee represents and warrants to the Licensors that it is the beneficial owner of the private land and the Timber Licences described in Schedule "A" unless the parties agree otherwise.

14.03 By April 1 of every year during the term of this Licence the Licensee will deliver to the Regional Manager an annual report in respect of this Licence for the preceding calendar year, reporting on inventory depletion, forestry and silviculture, engineering, inventory, protection, research, recreation and performance of the requirement under part 10.00, and containing such other information as the Regional Manager requires.

14.04 If the Licensors so directs the Licensee will, at its own expense, survey and define on the ground any or all boundaries of the licence area.

14.05 Where in this Licence an obligation is to be performed by the Chief Forester, the Regional Manager or a Forest Officer, the Licensors will cause the obligation to be performed by that person.

14.06 This Licence is subject to the Forest Act.

14.07 Where a notice is required under this Licence, the notice shall be in writing and shall be deemed to have been given if delivered to, or if sent by prepaid registered mail addressed to:

The Licensors:

HONOURABLE MINISTER OF FORESTS,
Parliament Buildings
Victoria, British Columbia
V8V 1X4,

and

The Licensee:

CANADIAN CELLULOSE COMPANY, LIMITED
1111 West Hastings Street
Vancouver, British Columbia
V6E 2K2

Attention: Chief Forester

or to such other address specified by one party to the other in a notice given according to this paragraph and, subject to paragraph 14.08, where service is by registered mail the notice shall be conclusively deemed to be given on the eighth day after its deposit in a Canada Post Office at any place in Canada.

14.08 Where, between the time a notice is mailed under paragraph 14.07 and the time it is actually received by a party, there occurs a postal strike, lockout or slowdown that might reasonably affect delivery of the notice, the notice shall not be deemed to be given until the party actually receives it.

14.09 This Licence will enure to the benefit of, and be binding on, the parties and their respective successors and permitted assigns.

* AMENDMENT * PARAGRAPH 3/4.10 ~~DELETED~~ AND 14.11 ADDED -- SEE INST. NO. 129
15.00 INTERPRETATION

15.01 In this Licence, unless the context otherwise requires,

- (a) "allowable annual cut" means the rate of timber harvesting specified as the allowable annual cut in a management and working plan,
- (b) "Chief Forester" means the chief forester appointed under the Ministry of Forests Act, S.B.C. 1978, c. 27,
- (c) "Crown" has the same meaning as in the Interpretation Act, S.B.C. 1974, c. 42, as amended,
- (d) "Crown land" has the same meaning as in the Land Act, S.B.C. 1970, c. 17, as amended,
- (e) "cutting permit" means a cutting permit issued under paragraph 3.02,
- (f) "5 year allowable cut" means the total of the allowable annual cuts in effect each year during a 5 year cut control period,
- (g) "5 year cut control period" means the 5 year period beginning January 1 of the year when the term of this Licence begins, and each successive 5 year period,
- (h) "Forest Act" means the Forest Act, S.B.C. 1978, c. 23, and includes amendments made to it and regulations made under it, from time to time,
- (i) "Forest Officer" means a person who is designated as a forest officer under the Forest Act,

- (j) "Forest Service" means the forest service continued under the Ministry of Forests Act, S.B.C. 1978, c. 27,
- (k) "harvest" includes entry on land for the purpose of cutting and removing timber, cutting the timber and removing the timber from the land,
- (l) "licence area" means
 - (i) the private land and Timber Licences described in Schedule "A" to this Licence, and
 - (ii) the Crown land described in Schedule "B" to this Licence,and as shown outlined in bold black on the map attached to this Licence, but excludes Crown land deleted, from time to time, under the Forest Act,
- (m) "management and working plan" means a management and working plan approved under paragraph 2.07, or deemed to be approved under paragraph 2.02,
- (n) "Minister" means minister within the meaning of the Forest Act,
- (o) "person" includes a corporation and a partnership,
- (p) "person under contract" has the meaning defined in the regulations,
- (q) "private land" means land that is not Crown land,
- (r) "Regional Manager" means the regional manager appointed under the Ministry of Forests Act, S.B.C. 1978, c. 27, for the forest region in which the licence area, or part, is situated,
- (s) "registered professional forester" means a person registered under the British Columbia Professional Foresters Act, S.B.C. 1970, c. 4,
- (t) "regulations" means regulations made under the Forest Act and includes amendments to them,
- (u) "road permit" means a road permit entered into between the Regional Manager and the Licensee under the Forest Act to provide access to or in the licence area,
- (v) "Schedule 'A' land" means the private land and Timber Licences described in Schedule "A" to this Licence, but excludes land deemed to be deleted, from time to time, from Schedule "A" under paragraph 1.03 and land deleted, from time to time, from Timber Licences under the Forest Act,

- (w) "Schedule 'B' land" means the land described in Schedule "B" to this Licence and land deemed to be added, from time to time, to Schedule "B" under paragraph 1.03, but excludes land deleted, from time to time, from Schedule "B" under the Forest Act,
- (x) "Timber Licence" means a Timber Licence described in Schedule "A" to this Licence,
- (y) "timber processing facility" means a facility using timber as defined in the Forest Act, or wood residue, or both, and
- (z) "wood residue" has the same meaning as in the Forest Act.

15.02 In this Licence, unless the context otherwise requires,

- (a) the singular includes the plural and the plural includes the singular,
- (b) the masculine, the feminine and the neuter are interchangeable, and
- (c) a reference to a series of numbers or letters, by the first and last numbers or letters of the series, includes the number or letter referred to first and the number or letter referred to last.

15.03 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 shall 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.

15.04 Where a section of the Forest Act referred to in this Licence is renumbered, the reference in this Licence shall be construed to be the section as renumbered.

IN WITNESS to this Licence, the Licensor has signed it on behalf of the Crown, and the common seal of the Licensee has been affixed to it in the presence of its officers who are authorized to do so.

SIGNED, SEALED AND)
DELIVERED by the)
HONOURABLE MINISTER OF)
FORESTS, on behalf of)
the Crown in the)
presence of:)

..... *M. H. H. H.*)
..... *Deputy Minister*)

..... *M. W. H. H.*)
..... Minister of Forests)

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

..... *Donald Watson*)
..... *N. H. H. H.*)

LEGAL APPROVAL
RECOMMENDED <i>PS</i>
APPROVED <i>PS</i>

APPROVED <i>W. H. H.</i>
FORESTRY

SCHEDULE "A"

Arrow Lakes Tree-farm Licence

Tree-farm Licence No. 23

Forest lands and merchantable timber in other tenures owned or controlled by the Licensee in the Arrow Lakes Tree-farm Licence No. 23.

I. BLOCK I

<u>A.</u>	<u>Crown Grants</u>		<u>Land District</u>	<u>Hectares</u>
	NIL		-	-
<u>B.</u>	<u>Timber Licence</u>	<u>Replaces Special Timber Licence</u>	<u>Land District</u>	<u>Hectares</u>
✓	T0617	TL 2328 ^P	Kootenay	106
	T0646	TL 4898 ^P	Kootenay	259
	T0648	TL 5372 ^P	Kootenay	138
	T0658	TL 12439 ^P	Kootenay	148
	T0662	TL 12440 ^P	Kootenay	259
				<hr/>
TOTAL				910

II. BLOCK II

<u>A.</u>	<u>Crown Grants</u>	<u>Land District</u>	<u>Hectares</u>
✓	Lot 770	Kootenay	129.504
	Lot 772	Kootenay	64.752
✓	Lot 5069	Kootenay	75.274
✓	Lot 7045	Kootenay	35.209

<u>Crown Grants</u>	<u>Land District</u>	<u>Hectares</u>
Lot 7046	Kootenay	37.637
Lot 7648 (Ex. Parcel "A",) D.D. 13449-I)) Parcel "A" D.D. 13449-I of) Lot 7648)	Kootenay	64.983
Lot 7959 (Ex. Parcel "I", Plan 5828-I and Plan 1321	Kootenay	109.259
Lot 8653	Kootenay	43.708
Lot 9126	Kootenay	16.188
	TOTAL	576.514

B.	<u>Timber Licence</u>	<u>Replaces Special Timber Licence</u>	<u>Land District</u>	<u>Hectares</u>
	T0420	TL 2671 ^P	Kootenay	64
	T0442	TL 2737 ^P	Kootenay	70
	T0490	TL 7318 ^P	Kootenay	71
			TOTAL	205

III. BLOCK III

A.	<u>Crown Grants</u>	<u>Land District</u>	<u>Hectares</u>
	Parcel 4 of Lot 373, Plan X13 (Ex. Ref. Plan 110363-1)	Kootenay	62.728
	Parcel A of Lot 811, Plan 596-1	Kootenay	2 257.416
	Lot 860	Kootenay	1 082.977
	Lot 870	Kootenay	303.102
	Lot 2719	Kootenay	55.039
	Lot 7682	Kootenay	32.376

<u>Crown Grants</u>	<u>Land District</u>	<u>Hectares</u>
✓ Blks. 17, 18, 20-37, 40, 42-44, 49, 50, 77, 83, 85, 86 of Lots 7893 and 7894, Plan 1194	Kootenay	200.326
✓ Blks. 20-23 of Lot 8029, Plan 822	Kootenay	17.402
TOTAL		4 011.366

B.	<u>Timber Licence</u>	<u>Replaces Timber Berth</u>	<u>Land District</u>	<u>Hectares</u>
	T0160	333	Kootenay	63
	T0190	392	Kootenay	780
	T0220	499	Kootenay	27
TOTAL				870

	<u>Timber Licence</u>	<u>Replaces Special Timber Licence</u>	<u>Land District</u>	<u>Hectares</u>
	T0109	TL 595 ^P	Kootenav	49
	T0120	TL 600 ^P	Kootenay	41
	T0145	TL 604 ^P	Kootenay	18
	T0150	TL 607 ^P	Kootenay	26
	T0159	TL 879 ^P	Kootenay	122
	T0170	TL 880 ^P	Kootenay	223
	T0215	TL 881 ^P	Kootenav	55
	T0240	TL 882 ^P	Kootenay	223
	T0300	TL 883 ^P	Kootenay	185
	T0350	TL 884 ^P	Kootenay	12

<u>Timber Licence</u>	<u>Replaces Special Timber Licence</u>	<u>Land District</u>	<u>Hectares</u>
T0370	TL 885 ^P	Kootenay	221
T0460	TL 4842 ^P	Kootenay	27
T0479	TL 4843 ^P	Kootenay	40
T0480	TL 4845 ^P	Kootenay	62
T0500	TL 10014 ^P	Kootenay	10
T0519	TL 10015 ^P	Kootenay	46
T0540	TL 10016 ^P	Kootenay	37
T0558	TL 10017 ^P	Kootenay	113
T0570	TL 10019 ^P	Kootenay	152
T0595	TL 10029 ^P	Kootenay	87
T0610	TL 10030 ^P	Kootenay	102
T0620	TL 2982 ^P	Kootenay	147
T0631	TL 2983 ^P	Kootenay	259
T0639	TL 2984 ^P	Kootenay	84
T0642	TL 2985 ^P	Kootenay	125
T0649	TL 10031 ^P	Kootenay	67
TOTAL			2 533

IV. BLOCK IV

<u>A. Crown Grants</u>	<u>Land District</u>	<u>Hectares</u>
Sublot 6 of Lot 4599, Plan X-35	Kootenay	56.658
Blocks 1-5, 7-12, Plan 1605 and Block 6, Plan 853 of Lot 6549	Kootenay	65.966
TOTAL		122.624

V. SUMMARY

Total Crown Grants	4 710.504
Total Timber Licences	<u>4 518.000</u>
GRAND TOTAL:	<u><u>9 228.504</u></u>

SCHEDULE "B"

Arrow Lakes Tree-farm Licence

Tree-farm Licence No. 23

Description

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

BLOCK I

"Commencing at a point on the right bank of the Columbia River, said point being 110 metres north and 100 metres west of the confluence of Martha Creek and the left bank of the Columbia River (said point being also the northeast corner of Timber Berth 74, Kootenay); thence due west to the easterly boundary of the watershed of Jordan River; thence in a general northerly and westerly direction along the easterly and northerly boundaries of the watershed of said Jordan River to the westerly boundary of the watershed of Frisby Creek, being a point on the westerly boundary of the watershed of the aforesaid Columbia River; thence in a general northerly direction along the said westerly boundary of the watershed of the Columbia River to a point due west of a point 25 metres south and 10 metres west of the confluence of Nagle Creek and the right bank of the Columbia River; thence due east to

the right bank of the Columbia River (being also the northeast corner of S.T.L. 1526^P); thence south 65 degrees east to the easterly boundary of the watershed of Mica Creek; thence in a general southerly direction along the easterly boundaries of the watersheds of Mica Creek, Bigmouth Creek, Goldstream River, Downie Creek, Carnes Creek and La Forme Creek to the northerly boundary of Mount Revelstoke Park; thence westerly along the said northerly boundary of Mount Revelstoke Park to the westerly boundary of the watershed of aforesaid La Forme Creek; thence in a general northerly direction along the said westerly boundary of the watershed of La Forme Creek to the northerly boundary of the watershed of Martha Creek; thence in a general westerly direction along the said northerly boundary of the watershed of Martha Creek to the highwater mark on the left bank of the Columbia River; thence westerly in a straight line to the point of commencement (being also the northeast corner of Timber Berth 74); save and excepting thereout those lands lying below the 573 metre contour of the Columbia River valley."

BLOCK II

"Commencing at the most northerly northwest corner of Lot 863, Kootenay Land District, being a point on the easterly highwater mark of Upper Arrow Lake and situated north of Nakusp; thence in a general northwesterly direction along the said easterly highwater mark of Upper Arrow Lake to the southeast corner of Lot 8130; thence northerly and westerly along the

easterly and northerly boundaries of Lots 8130 and 8408 to the northwest corner of said Lot 8408, being a point on the aforesaid easterly highwater mark of Upper Arrow Lake; thence in a general northerly direction along the said easterly highwater mark of Upper Arrow Lake to the southwest corner of Lot 1139; thence easterly to the southeast corner of said Lot 1139; thence northerly along the easterly boundary of Lot 1139 to the southwest corner of Lot 3945; thence easterly along the southerly boundary of Lot 3945 to the northwest corner of Lot 1138; thence southerly and easterly along the westerly and southerly boundaries of Lot 1138 to the southeast corner thereof; thence northerly and westerly along the easterly and northerly boundaries of Lots 1138 and 3945 to the northwest corner of said Lot 3945; thence southerly to the northeast corner of Lot 1139; thence westerly along the northerly boundary of Lot 1139 to the southeast corner of Lot 5069; thence northerly to the northeast corner thereof; thence westerly along the northerly boundary of Lot 5069 1.086 kilometres to the Celgar road right-of-way; thence following the said right-of-way northerly for 422 metres more or less; thence west 201 metres more or less to the easterly highwater mark of Upper Arrow Lake; thence in a general northerly direction along the said easterly highwater mark of Upper Arrow Lake 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 to the

northwest corner of said Lot 100, being a point on the aforesaid easterly highwater mark of Upper Arrow Lake; thence in a general northerly direction along the said easterly highwater mark to the most westerly northwest corner of Lot 12459; thence southerly and easterly along the westerly and southerly boundaries of Lots 12459 and 1146 to the southeast corner of said Lot 1146; thence northerly to the northeast corner of said Lot 1146; thence easterly and northerly along the boundaries of Lot 7044 to the northeast corner thereof; thence easterly to the southeast corner of Lot 7635; thence southerly, easterly, northerly, easterly and northerly along the boundaries of Lot 10633 to the northeast corner thereof; thence easterly to the southeast corner of Lot 1143; thence northerly along the easterly boundaries of Lots 1143 and 2112 and the northerly prolongation thereof to the southerly boundary of Lot 7818; thence easterly to the southeast corner of said Lot 7818; thence northerly along the easterly boundaries of Lots 7818, 8668, 7956, 7957, 7583 and 8406 to the northeast corner of said Lot 8406; thence easterly and northerly along the boundaries of 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 to the southwest corner of said Lot 8614; thence westerly along the northerly boundaries of Lots 2111 and 8407 to the northwest corner of said Lot 8407; thence southerly to the northeast corner of Lot 8653; thence westerly and southerly along

the boundaries of said Lot 8653 to the southwest corner thereof, being a point on the aforesaid highwater mark of Upper Arrow lake; thence in a general westerly and northerly direction along the said highwater mark of Upper Arrow Lake to the northwest corner of Lot 7045; thence southerly to the southwest corner of said Lot 7045; thence easterly and northerly along the southerly and easterly boundaries of Lots 7045 and 7046 to the northeast corner of said Lot 7046, being a point on the southerly highwater mark of the Northeast Arm of aforesaid Upper Arrow Lake; thence in a general northeasterly direction along the said southerly highwater mark of the Northeast Arm of Upper Arrow Lake to a point 2.293 kilometres north and 714 metres east of the southeast corner of Lot 7585 (being also a point due west of the northwest corner of cancelled Lot 7586, expired T.L. 4872^P); thence due east to the left bank of Beaton Creek; thence in a general northerly direction along the said left bank of Beaton Creek to the southerly boundary of Lot 505; thence easterly and northerly along the boundaries of said Lot 505 to the northeast corner thereof; thence easterly along the southerly boundary of Lot 502 to the southeast corner thereof; thence northerly along the westerly boundary of Lot 7959 to the southwest corner of Lot 1 of Plan 1321 of Lot 7959; thence easterly along the southerly boundaries of Lots 1 and 2 of said Plan 1321 to the southeast corner of said Lot 2; thence northerly along the easterly boundary of said Lot 2 and the northerly prolongation thereof 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 boundaries of said Assigned Parcel Number 1 (Reference Plan 5828-I) to Camborne Road; thence in a general southwesterly direction along said Camborne Road to the westerly boundary of aforesaid Lot 7959; thence northerly along the westerly boundary of said Lot 7959 to the northerly highwater mark of the Northeast Arm of Upper Arrow Lake; thence in a general northerly and westerly direction along the said northerly highwater mark of the Northeast Arm of Upper Arrow Lake to the westerly boundary of Lot 503; thence northerly along the westerly boundary of said Lot 503 to the northwest corner thereof; thence east 101 metres (to the westerly boundary of cancelled Lot 7643, expired T.L. 2112^P); thence north 1.127 kilometres (to the southerly boundary of T.L. 2737^P); thence west 111 metres (to the most southerly southwest corner of T.L. 2737^P); thence northerly in a straight line to the summit of Comaplix Mountain, being a point on the westerly boundary of the watershed of Incomappleux River; thence in a general northerly direction following the said westerly boundary of the watershed of Incomappleux River to the northerly boundary of the watershed of MacDougal Creek, being a portion of the southerly boundary of Glacier National Park; thence in a general easterly direction along the said southerly boundary of Glacier National Park to the easterly boundary of the watershed of Battle Brook; thence southerly along the easterly boundaries of the

watersheds of Battle Brook, Kellie Creek, Boyd Creek and Ferguson Creek to the northerly boundary of the watershed of Finkle Creek, being a point on the northerly boundary of the watershed of Lardeau Creek; thence in a general easterly and southerly direction along the northerly and easterly boundaries of the watershed of Lardeau Creek to a point due east of the most southerly corner of Lot 8681; thence westerly to the boundary of Lot 13050; thence northwesterly and southwesterly along the boundary of Lot 13050 to a point due east of the said most southerly corner of Lot 8681; thence westerly to Lot 13044; thence northwesterly and southwesterly along the boundaries of Lots 13044 and 13046 to a point due east of the most southerly corner of Lot 8681; thence west to the said most southerly corner of Lot 8681; thence south 37 degrees west 1.851 kilometres (to the southeast corner of expired S.T.L. 7835^P); thence south 44 degrees west to the northeasterly highwater mark of Trout Lake (being also the southeast corner of expired S.T.L. 7833^P); thence in a general northwesterly direction along the said northeasterly highwater mark of Trout Lake to the most southerly southwest corner of Lot 10645; thence easterly, northerly and westerly along the 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 to the northwest corner of said Lot 1147; thence northerly to the northeast corner of Lot 771; thence westerly, southerly and

easterly along the 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 southeast corner of said Lot 190, being a point on the southwesterly highwater mark of Trout Lake; thence in a general southeasterly direction along the said southwesterly highwater mark of Trout Lake to a point 191 metres north and 241 metres west of the northwest corner of Lot 15703 (being also the southeast corner of expired S.T.L. 11050^P); thence south 60 degrees west to the easterly boundary of the watershed of Halfway Creek; thence in a general southerly direction along the easterly boundaries of the watersheds of Halfway Creek and St. Leon Creek to the northerly boundary of the watershed of Kuskanax Creek; thence in a general southwesterly direction along the said northerly boundary of the watershed of Kuskanax Creek to a point due east of the northeast corner of Lot 11743; thence due west to said northeast corner of Lot 11743; thence westerly along the northerly boundaries of Lots 11743 and 863 to the point of commencement, also including expired S.T.L. 7319^P and eliminated portion of T0490 (S.T.L. 7318^P)."

BLOCK III

"Commencing at the northeast corner of Lot 10391, Kootenay District, being a point on the westerly highwater mark of Lower Arrow Lake and situated north of Needles; thence westerly and southerly along the boundaries of said Lot 10391 to the

northerly boundary of Lot 8180; thence westerly along the said northerly boundary of 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 to the most northerly northeast corner of Lot 10387; thence westerly to the northwest corner of said Lot 10387; thence southerly along the westerly boundaries of Lots 10387 and 8101 to the southwest corner of said Lot 8101; thence westerly to the northwest corner of Lot 9148; thence south 37 degrees west to a point due east of the southeast corner of Lot 8546 (also being the southeast corner of Lot 9882, expired S.T.L. 6929^P); thence due west to the said southeast corner of Lot 8546; thence due west to the southwest corner of Lot 8546; thence northerly along the westerly boundary 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, being also the southwest corner of Lot 86 of Lot 7893, Kootenay District, Plan 1194, registered in the Land Registry Office in Nelson; thence northerly along the westerly boundaries of Lots 86 and 85, said Plan 1194 to the northwest corner of said Lot 85; thence easterly along the northerly boundary of said Lot 85, said Plan 1194 to the northeast corner thereof; thence east to the northwest corner of Lot 18, said Plan 1194; thence easterly along the northerly boundary of said Lot 18, said Plan 1194 to the southeast corner of Lot 19, said Plan 1194; thence northerly along

the easterly boundary of said Lot 19, said Plan 1194 to the southeast corner of Lot 20, said Plan 1194; thence westerly along the southerly boundary of said Lot 20, said Plan 1194 to the southwest corner thereof; thence west to the southeast corner of Lot 83, said Plan 1194; thence westerly along the southerly boundary of said Lot 83, said Plan 1194 to the southwest corner thereof; thence northerly along the westerly boundaries of Lot 83, 22, 24, 26, 28, 30, 32 and 34, said Plan 1194, to the southwest corner of Lot 36, and Plan 1194; thence northerly and easterly along the westerly and northerly boundaries of Lots 36 and 43, said Plan 1194, to a point due south of the southwest corner of Lot 44, said Plan 1194; thence north to said corner; thence northerly and easterly along the westerly and northerly boundaries of said Lot 44, said Plan 1194 to the northwest corner of Lot 40, said Plan 1194; thence easterly, southerly and easterly along the northerly boundary of said Lot 40, said Plan 1194 to the most easterly northeast corner thereof; thence southerly along the easterly boundary of said Lot 40, said Plan 1194 to the southeast corner thereof; thence due south to the northerly boundary of Lot 42, said Plan 1194; thence easterly along the said northerly boundary of Lot 42, said Plan 1194 to the northeast corner thereof; thence east to the northwest corner of Lot 37, said Plan 1194; thence easterly along the northerly boundary of said Lot 37, said Plan 1194 to the northeast corner thereof, being a point on the highwater mark of Barnes Creek on the right bank thereof;

thence in a general southerly direction along the easterly boundaries of Lots 37, 35, 33, 31, 29, 27 and 25 to the northerly boundary of said Lot 23, and Plan 1194; thence easterly along the northerly boundary of said Lot 23, and Plan 1194 to the northeast corner thereof, being a point on the westerly boundary of aforesaid Lot 8546; thence northerly along the westerly boundary of Lot 8546 to the northwest corner thereof; thence easterly along the northerly boundary of Lot 8546 to the northeast corner hereof; thence northerly along the easterly boundary of Lot 8186 to the southwest corner of Lot 8548; thence easterly along the southerly boundary of Lot 8548 to the southeast corner; thence northerly and westerly along the easterly and northerly boundaries of Lot 8548 and 8170 to the northwest corner of said Lot 8170, being a point on the easterly highwater mark of Whatshan Lake; thence in a general southerly, westerly and northerly direction along the said highwater mark of Whatshan Lake to the southeast corner of Lot 8187; thence westerly and northerly along the 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 and the westerly prolongation thereof to the westerly boundary of the watershed of 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 the watershed of Margie Lake, being the southerly boundary of Monashee Provincial

Park; thence in a general easterly direction (following the boundaries of Monashee Provincial Park) along the said southerly boundary of the watershed of Margie Lake to the most southerly point thereon; thence due east to the middle line of Fosthall Creek; thence in a general northerly direction along the said middle line of Fosthall Creek to its intersection with the middle line of an unnamed creek, flowing southerly into said Fosthall Creek at a distance of 805 metres, more or less, easterly from the outlet of Margie Lake; thence in a general northerly direction along the said middle line of the unnamed creek to the headwaters thereof, being a point on the northerly boundary of the watershed of aforesaid Margie Lake; thence in a general westerly direction along the said northerly boundary of the watershed of Margie Lake to the aforesaid westerly boundary of the watershed of Upper Arrow Lake; thence in a general northerly direction along the westerly boundaries of the watersheds of Upper Arrow Lake and the Columbia River to a point due west of the northwest corner of Section 35, Township 22, Range 2, west of the Sixth Meridian; thence east to the said northwest corner of Section 35; thence southerly to the southwest corner of said Section 35; thence easterly along the southerly boundary of said Section 35 to the right bank of the Columbia River; thence in a general southerly direction along the said right bank of the Columbia River to the most easterly northeast corner of Section 7 of Township 22, Range 2; 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 Section 5, Township 22, Range 2 to the northerly boundary of Section 32, Township 21, Range 1; thence easterly along the northerly boundary of said Section 32 to Highway No. 23; thence southeasterly along 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 Highway No. 23; thence southeasterly along Highway No. 23 to the westerly boundary of the southeast quarter of Section 33; thence southerly and easterly along the westerly and southerly boundary of the southeast quarter of Section 33 to the southeast corner of Section 33, Township 21, Range 1; thence southerly to the southwest corner of the north half of the north half of Section 27, Township 21, Range 1; thence easterly along the southerly boundary of the said north half of the north half of Section 27 to the aforesaid right bank of the Columbia River; thence in a general southerly direction along the said right bank of the Columbia River to the easterly boundary of the west half of Section 26, of said Township 21, Range 1; thence southerly along the easterly boundaries of the west halves of Sections 26 and 23 to the southeast corner of the west half of said Section 23; thence easterly to the northeast corner of Section 14 of said

Township 21, Range 1; thence southerly along the easterly boundaries of Section 14 and 11 to the southeast corner of said Section 11; thence easterly and southerly along the boundaries of the northwest quarter of Section 1 of said Township 21, Range 1 to the southeast corner thereof; thence easterly to the northeast corner of the southeast quarter of said Section 1; thence southerly to the northwest corner of the fractional south half of Section 31, Township 20, Range 29, west of the Fifth Meridian; thence easterly to the northeast corner of the said south half of Section 31; thence southerly along the easterly boundaries of fractional Sections 31 and 30 to the southeast corner of said fractional Section 29 of said Township 20, Range 29 to a point due north of the northwest corner of Lot 5092; thence south to the said northwest corner of Lot 5092; thence southerly and easterly along the boundaries of said Lot 5092 to the northwest corner of Lot 3257; thence southerly along the westerly boundary of said Lot 3257 to the highwater mark of Columbia River on the right bank thereof, being also the easterly boundary of Lot 811; thence in a general southerly and easterly direction along the easterly boundaries of Lots 811 and 447 to the southwest corner of Lot 12898, being on the highwater mark of Upper Arrow Lake on the westerly shore thereof; thence in a general southerly direction along the said westerly highwater mark of Upper Arrow Lake to the northeast corner 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 Lot 7897 and 7677 to the southeast corner of said Lot 7677; thence easterly to the southeast corner of Lot 7676, being a point on the aforesaid westerly highwater mark of Upper Arrow Lake; thence in a general southerly direction along the said westerly highwater mark of Upper Arrow Lake to the northeast corner of Lot 8033; thence westerly and southerly along the boundaries of said Lot 8033 to the southwest corner thereof; thence westerly 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 southwest corner of said Lot 12775; thence westerly to the northwest corner of Lot 8566; thence northerly and westerly along the boundaries of Lot 12340 to the northwest corner thereof; thence westerly and southerly along the boundaries of Lot 8333 to the southwest corner thereof; thence westerly and southerly along the northerly and westerly boundaries of Lot 373 and 8029 to the southwest corner of said Lot 8029; thence easterly 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 Lot 8512; thence easterly to the northwest corner of Lot 8027; thence southerly and easterly along the boundaries of said Lot 8027 to the southeast corner thereof; thence southerly along the westerly boundaries of Lots 3619, 3620 and 7690 to the southwest

corner of said Lot 7690; thence easterly 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 southeast corner of said Lot 7692, being a point on the right bank of the Columbia River; thence in a general southwesterly direction along the said right bank of the Columbia River and the highwater mark of Lower Arrow Lake to the southerly boundary of Lot 2719; thence westerly, northerly and easterly along the southerly, westerly and northerly boundaries of said Lot 2719 to the southeast corner of Lot 7967; thence northerly to the northeast corner of said Lot 7967; thence westerly along the northerly boundaries of Lots 7967 and 8691 to the northwest corner of said Lot 8691; thence northerly and westerly along the boundaries of 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 boundaries of said Lot 9892 to the southwest corner thereof; 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 to the northwest corner of Lot 9895; thence southerly and easterly along the 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 Lot

12786; thence easterly along the southerly boundaries of Lots 12786 and 10593 to the southeast corner of said Lot 10593; thence southerly along the westerly boundaries of Lots 8691 and 12895 to the most northerly northwest corner of Indian Reserve "Arrow Lake"; thence southerly, westerly and southerly along the boundaries of said Indian Reserve "Arrow Lake" to the southeast corner thereof, being a point on the aforesaid westerly highwater mark of Lower Arrow Lake; thence in a general southwesterly direction along the said westerly highwater mark of Lower Arrow Lake to the aforesaid northeast corner of Lot 10391, being the point of commencement."

BLOCK IV

"Commencing at the northwest corner of Lot 7630, Kootenay Land District, being a point on the easterly highwater mark of Lower Arrow Lake, situated southwest of Burton; thence southerly, easterly, northerly and easterly along the 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 boundaries of said Lot 7628 to the most easterly southeast corner thereof; 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 boundaries of said Lot 7977 to the most easterly southeast corner thereof; 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 to the southwest corner of said Lot 8161; thence westerly to the northwest corner of Lot 8700; thence southerly and easterly along the westerly and southerly boundaries of Lots 8700 and 8031 to the southeast corner of said Lot 8031; thence northerly to the most westerly southwest corner of Lot 8047; thence easterly, southerly and easterly along the boundaries of said Lot 8047 to the southeast corner thereof; thence easterly, northerly and westerly along the boundaries of Lot 8048 to the northwest corner thereof; thence northerly along the easterly boundary of Lot 7980 and the northerly prolongation thereof to the northerly boundary of the watershed of the main stream of Snow Creek; thence in a general easterly direction along the said northerly boundary of the watershed of Snow Creek to the easterly boundary of the watershed thereof, being a point on the easterly boundary of the watershed of Lower Arrow Lake; thence in a general southerly direction along the said easterly boundary of the watershed of Lower Arrow Lake to the northerly boundary of the watershed of Tulip Creek; thence in a general easterly and southerly direction along the northerly and easterly boundaries of the watershed of Tulip Creek to a point due north of the northeast corner of Lot 9154; thence south to said corner; thence westerly and southerly along the northerly and westerly boundaries of Lots 9154 and 9068 to the southwest corner of said Lot 9068, being a point on the northeasterly highwater mark of Lower Arrow Lake; thence in a general northwesterly direction along the said northeasterly highwater mark of Lower

Arrow Lake to the southeast corner of Lot 8070; thence northerly and westerly along the boundaries of said Lot 8070 to the northwest corner thereof, being a point on the aforesaid northeasterly highwater mark of Lower Arrow Lake; thence in a general northwesterly direction along the said northeasterly highwater mark of Lower Arrow Lake to the southeast corner of Lot 400; thence northerly and westerly along the easterly and northerly boundaries of Lot 400 and Sub-Lot 22 of Lot 5817 to the northwest corner of said Sub-Lot 22 of Lot 5817; thence southerly to the northerly boundary of Sub-Lot 3 of said Lot 5817; thence westerly and southerly along the boundaries of said Sub-Lot 3 of Lot 5817 to the most northerly northeast corner of Sub-Lot 17 of said Lot 5817; thence westerly to the northwest corner of said Sub-Lot 17; thence northerly and westerly along the easterly and northerly boundaries of Sub-Lot 21 of said Lot 5817 to the northwest corner thereof, being a point on the easterly highwater mark of aforesaid Lower Arrow Lake; thence westerly in a straight line to the most northerly northeast corner of Lot 8069, being a point on the westerly highwater mark of aforesaid Lower Arrow Lake; thence westerly to the northwest corner of said Lot 8069; thence southerly along the westerly boundary of said Lot 8069 and the southerly prolongation thereof, to the southerly boundary of Sub-Lot 18, of aforesaid Lot 5817; thence easterly along the southerly boundaries of Sub-Lots 18 and 10 of said Lot 5817 to the southeast corner of said Sub-Lot 10, being a point on the aforesaid westerly highwater mark of Lower Arrow Lake; thence in a

general southeasterly direction along the said highwater mark of Lower Arrow Lake to the most northerly northeast corner of Sub-Lot 24 of aforesaid Lot 5817; thence westerly to the northwest corner of said Sub-Lot 24 of Lot 5817; thence south 45 degrees west 13.277 kilometres (to the northeast corner of Lot 10199, expired T.L. 5481^P); thence due west to the westerly boundary of the watershed of aforesaid Lower Arrow Lake; thence in a general northerly direction along the said westerly boundary of the watershed of Lower Arrow Lake to a point due west of the southwest corner of Sub-Lot 17 of Lot 7159; thence east to the said southwest corner of Sub-Lot 17 of Lot 7159; thence easterly to the southeast corner of said Sub-Lot 17 of Lot 7159; thence northeasterly in a straight line to the southwest corner of Lot 7771; thence easterly along the southerly boundaries of Lots 7771 and 9144 to the southeast corner of said Lot 9144; thence northerly to the northeast corner of said Lot 9144; thence easterly and northerly along the southerly and easterly boundaries of Lots 9146 and 6902 to the northeast corner of said Lot 6902; thence westerly to the southeast corner of Lot 8097; thence northerly along the easterly boundaries of Lots 8097, 6900 and 8095 to the northeast corner of said Lot 8095; thence westerly, northerly and easterly along the boundaries of Lot 11910 to the southeast corner of Lot 10588; thence northerly along the easterly boundaries of Lots 10588, 7670 and 7126 to the southwest corner of Lot 9159; thence easterly to the southeast corner of said Lot 9159; thence northerly along the easterly boundaries of Lots 9159

and 10389 to the northeast corner of said Lot 10389; thence easterly to the southeast corner of Lot 9158; thence northerly along the easterly boundaries of Lots 9158 and 8164 to the northeast corner of said Lot 8164; thence easterly, northerly and westerly along the boundaries of Lot 8165 to the southeast corner of Lot 8163; thence northerly 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 northeast corner of said Lot 8809, being a point on the aforesaid easterly highwater mark of Lower Arrow Lake; thence in a general northerly direction along the said easterly highwater mark of Lower Arrow Lake to the northwest corner of Lot 7630, being the point of commencement."