

COPY

PROVINCE OF BRITISH COLUMBIA

Department of Lands, Forests, and Water Resources

FOREST SERVICE

IN THE MATTER OF TREE FARM LICENCE NUMBER 30

AMENDMENT NUMBER 2

THIS AGREEMENT made in duplicate this 8<sup>th</sup> day of  
AUGUST in the year of Our Lord one thousand nine hundred  
and sixty-six,

BETWEEN:

THE MINISTER OF LANDS, FORESTS, AND WATER RESOURCES  
of the Province of British Columbia, who with his  
successors in office, is

hereinafter called "the Minister"

OF THE ONE PART,

AND

SINCLAIR SPRUCE LUMBER COMPANY LTD., a Corporation  
duly incorporated under the laws of the Province of  
British Columbia, and having its registered office  
in the City of Vancouver, in the said Province,

hereinafter called "the Licensee"

OF THE OTHER PART.

WHEREAS by an Agreement made in duplicate on the 3rd day of  
June, 1959, between the Minister of Lands and Forests of the Province  
of British Columbia, therein called "the Minister" of the one part,  
and Sinclair Spruce Lumber Company Ltd., therein called "the Licensee"  
of the other part, the said Minister did, pursuant to Section 33 (now  
Section 36) of the Forest Act and in consideration of the payments,  
agreements and stipulations to be made and observed on the part of the  
Licensee, grant unto the Licensee that certain Tree Farm Licence which  
was numbered thirty (30) on the Forest Service Register of Tree Farm  
Licences and on official atlas maps of the Department of Lands and  
Forests, and known as the "Sinclair Tree Farm Licence" or "Tree Farm  
Licence No. 30";

AND WHEREAS by an Agreement made in duplicate on the 29th day of June, 1959, between the Minister of Lands and Forests of the Province of British Columbia, therein called "the Minister" of the one part, and Upper Fraser Spruce Mills Limited, therein called "the Licensee" of the other part, the said Minister did, pursuant to Section 33 (now Section 36) of the Forest Act and in consideration of the payments, agreements and stipulations to be made and observed on the part of the Licensee, grant unto the Licensee that certain Tree Farm Licence which was numbered thirty-one (31) on the Forest Service Register of Tree Farm Licences and on official atlas maps of the Department of Lands and Forests, and known as the "McGregor Tree Farm Licence" or "Tree Farm Licence No. 31";

AND WHEREAS by an Agreement made in duplicate on the 27th day of August, 1959, between the Minister of Lands and Forests of the Province of British Columbia, therein called "the Minister" of the one part, and Church Sawmill Limited, therein called "the Licensee" of the other part, the said Minister did, pursuant to Section 33 (now Section 36) of the Forest Act and in consideration of the payments, agreements and stipulations to be made and observed on the part of the Licensee, grant unto the Licensee that certain Tree Farm Licence which was numbered thirty-four (34) on the Forest Service Register of Tree Farm Licences and on official atlas maps of the Department of Lands and Forests, and known as the "Seebach Tree Farm Licence" or "Tree Farm Licence No. 34";

AND WHEREAS the said Tree Farm Licence No. 31 has been assigned and transferred as of the 1st day of March, 1965 by Upper Fraser Spruce Mills Limited to Sinclair Spruce Lumber Company Ltd. and the Minister has consented in writing on the 1st day of June, 1966 to the said assignment and transfer pursuant to the provisions of Clause 48 of the said Tree Farm Licence No. 31;

AND WHEREAS the said Tree Farm Licence No. 34 has been assigned and transferred as of the 1st day of March, 1965 by Church Sawmill Limited to Sinclair Spruce Lumber Company Ltd. and the Minister has consented in writing on the 1st day of June, 1966 to the said assignment and transfer pursuant to the provisions of Clause 48 of the said Tree Farm Licence No. 34;

AND WHEREAS the parties hereto are mutually agreeable to terminating and cancelling the said Tree Farm Licence No. 31 and the said Tree Farm Licence No. 34 and are mutually agreeable to consolidating the lands of the aforementioned Tree Farm Licence Nos. 31 and 34 in accordance with the principles of sustained yield management as part of the said Tree Farm Licence No. 30 and to amending the said Tree Farm Licence No. 30 as heretofore amended as hereinafter set forth;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the sum of one dollar (\$1.00) of lawful money of Canada now paid by the Licensee to the Minister the receipt whereof is hereby acknowledged, the parties hereto agree as follows:

- (1) That pursuant to the provisions of Clause 50 (a) of the said Tree Farm Licence No. 31 or McGregor Tree Farm Licence, the same is hereby terminated and cancelled and is hereby declared to be of no further force and effect as of the date hereof;
- (2) That pursuant to the provisions of Clause 50 (a) of the said Tree Farm Licence No. 34 or Seebach Tree Farm Licence, the same is hereby terminated and cancelled and is hereby declared to be of no further force and effect as of the date hereof;
- (3) That the said Tree Farm Licence No. 30 or Sinclair Tree Farm Licence, as hereafter amended shall be known as "Northwood Tree Farm Licence" or "Tree Farm Licence No. 30";
- (4) That the said Tree Farm Licence No. 30 or formerly Sinclair Tree Farm Licence dated the 3rd day of June, 1959, as heretofore amended be and the same is hereby further amended by:
  - (i) deleting therefrom paragraphs 1 to 54, both inclusive, Schedules "A" and "B" thereto and the plan attached thereto, all as amended to the date hereof, but excepting the testimonium and attestation clauses, and
  - (ii) substituting therefor Exhibit "A" attached hereto including Schedules "A" and "B" thereto and the plan attached to said Exhibit "A".

- (5) That hereafter the said document marked as Exhibit "A" shall for all purposes, save as provided for in the next succeeding clause, from the date hereof be read and construed as Northwood Tree Farm Licence or Tree Farm Licence No. 30;
- (6) That subject to the terms of this Agreement, the parties hereto confirm the Agreement of the 3rd of June, 1959, in all other respects.

This Agreement shall enure to the benefit of and shall be binding upon, not only the parties hereto, but also the successors in office of the Minister, and the successors and assigns of the Licensee respectively.

IN WITNESS WHEREOF the Minister has executed these presents and the Licensee has hereunto affixed its common seal by the hands of its proper officers in that behalf.

SIGNED SEALED AND DELIVERED  
in the presence of:

"Eleanore Challen"  
Witness

"Ray Williston"  
Minister of Lands, Forests, and Water Resources

THE COMMON SEAL OF SINCLAIR SPRUCE  
LUMBER COMPANY LTD. was hereunto  
affixed in the presence of:

"A. H. Zimmerman"  
PRESIDENT

"D. C. Davenport"  
SECRETARY

EXHIBIT "A"

This is Exhibit "A" referred to in sub-clause (ii) of clause (4) of the Agreement dated the 8<sup>th</sup> day of AUGUST in the year of Our Lord one thousand nine hundred and sixty-six.

NORTHWOOD TREE FARM LICENCE

TREE FARM LICENCE NO. 30

1. This tree farm licence may be referred to as the "Northwood Tree Farm Licence" and is numbered Thirty (30) on the Forest Service register of tree farm licences and on the official atlas maps of the Department of Lands, Forests, and Water Resources.
2. This licence is given for the maintenance of the manufacturing plant or plants owned and operated by the Licensee and its present or future parent, subsidiary and affiliated companies. Said plant or plants shall be capable of using an amount equivalent to the allowable cut from the tree farm licence area, and such plant or plants shall be maintained in operation in sufficient continuity to use the wood product of the tree farm licence annually. Notwithstanding the provisions of this clause, the Minister may, for good and sufficient reasons, at his discretion, in writing, afford such relief from the provisions of this clause as he may see fit.
3. The Licensee shall manage the tree farm licence area in accordance with the provisions of the said Section 36 of the Forest Act and of regulations under the said Act for the regulation of tree farm licences, and in accordance with the management working plan applicable thereto, for the purpose of growing continuously successive crops of forest products to be harvested in approximately equal annual or periodic cuts equalling the sustained yield capacity of the tree farm licence area.
4. The term of this tree farm licence shall be 21 years from the 3rd day of June, 1959, subject to the provisions of the Forest Act, the regulations made hereunder and the provisions of this agreement, and compliance with the management working plan. This tree farm licence shall be renewable but subject to renegotiation of the terms and conditions of the contract according to the provisions of the Forest Act and the regulations in force at the time of the application for renewal.

5. The tree farm licence area includes all Crown lands not otherwise alienated at this date, as set forth in Schedule "B" hereto, together with all the lands owned or controlled by the Licensee, as set forth in Schedule "A" hereto and shall include, immediately following their reversion, all the lands not otherwise permanently alienated at this date all of which are within the area outlined in bold black line on the plan attached hereto, subject, however, to any increase, decrease, re-allocation or exchange of lands as provided by this agreement or by Subsection (14) of Section 36 of the Forest Act; and in addition it includes any and all lands that may be subsequently acquired by the Licensee and incorporated into said Schedule "A" pursuant to Clause 7 hereof, provided also that any lands included in Schedule "A", the title or interest to which reverts to the Crown, or which the Licensee elects to revert to the Crown, shall be considered as being included in Schedule "B" immediately following their reversion.

6. The Licensee hereby declares that it owns or controls the cutting rights on each parcel of the lands listed and described in Schedule "A" hereto.

7. The acquisition by the Licensee of Crown granted forest lands within the boundaries of the tree farm licence subsequent to the issuance of this tree farm licence, shall, pursuant to Subsection (9) of the said Section 36, be reported to the Minister, and such Crown granted forest lands if they are located in the watershed and drainage basins as defined in Clause 8 hereunder shall be included forthwith in the tree farm licence area and be incorporated in Schedule "A" hereof.

8. For the purposes of Subsection (8) of Section 36 of the Forest Act, the watershed and drainage basins relating to this tree farm licence are defined as the watersheds and drainage basins or parts thereof enclosed by the description of lands as outlined in Schedule "B".

9. The Minister may from time to time withdraw from the Crown lands included in the tree farm licence area such lands as are required for forest experimental purposes, parks, or for aesthetic purposes; but

the lands so withdrawn shall not exceed one per cent of the total area of lands in the tree farm licence area without the consent of the Licensee, and no land shall be withdrawn from areas being developed under the current cutting plan of the tree farm licence without the consent of the Licensee. Any such withdrawals shall be deducted from Schedule "B" of the tree farm licence.

10. If at any time, or from time to time, part of the Crown lands within the tree farm licence area is found to be required for a higher economic use than raising forest crops, or for any use deemed to be essential to the public interest, said lands may be withdrawn from the licence area by the Minister, provided that if by such withdrawal the productive capacity of the licence area is diminished by more than one-half of one per cent of its total productive capacity, other lands, if available, will be added to the licence area in substitution therefor. Any such withdrawals shall be deducted from Schedule "B", and any such additions shall be added to Schedule "B". For the purposes of this clause, the development of mines and mineral claims may be deemed to be essential to the public interest.

11. It is expressly understood that the Minister may at his discretion and at any time, either permanently or for a specified time, withdraw from this tree farm licence and from the tree farm licence area any Crown lands needed for rights-of-way under Part VI of the Forest Act, or for railway, highway, power transmission, or other right-of-way purposes, and such lands will be deducted from Schedule "B" of the tree farm licence.

12. In the event of the withdrawal of any lands from the tree farm licence area pursuant to Clauses 9, 10, 11 and 14 hereof, the Minister may require the Licensee to remove from such lands within one hundred and twenty days thereafter all timber then cut thereon and all buildings, machinery, equipment, and other property placed by it thereon and which is capable of removal. Compensation shall be paid to the Licensee in respect of improvements capable of removal from the lands

so withdrawn to the extent only of the cost of removal and damage incidental thereto; and compensation shall be paid to the Licensee in respect of improvements not capable of removal on the basis of cost less depreciation.

Without limiting the generality of the foregoing, the term "improvements" means all buildings, structures, fixtures, and things erected upon or affixed to such lands and shall include machinery, boilers, tanks, pipes, dams, flumes, roads, railways, transmission lines, and other works used in connection with the business of the Licensee. Improvements shall also mean areas artificially reforested by planting or seeding, compensation for which shall be the cost incurred in the act of reforesting.

If the amount of compensation payable to the Licensee is not agreed upon, then such amount shall be appraised and awarded by a single arbitrator in case the Minister and Licensee agree upon one; otherwise by three arbitrators, one to be appointed by the Minister, one to be appointed by the Licensee, and the third to be appointed by writing under the hands of the two appointed, such arbitration to be in accordance with the provisions of the "Arbitration Act" of the Province of British Columbia. In the event that both parties are unable to agree on a third arbitrator, the Chief Justice of the Supreme Court of British Columbia shall be requested to make an appointment.

13. If at any time, or from time to time, part of the lands included in Schedule "A" is found to be required for a higher economic use than raising forest crops, said lands may be withdrawn from the tree farm licence area at the request of the Licensee and on the consent of the Minister, and after such withdrawal such lands will be deducted from Schedule "A" and shall be disposed of by the Licensee for the purpose for which they were withdrawn.

14. Where the tree farm licence includes within the described boundaries a belt or area of non-productive land surrounding or adjacent to the productive forest land of the licence, any or all of such



non-productive land may be withdrawn from the tree farm licence at the pleasure of the Minister.

15. Other tenures included in this tree farm licence shall not be sold, transferred, or otherwise disposed of except as hereinbefore provided or except as provided in Section 36 of the Forest Act.

16. This tree farm licence, insofar as Crown lands in Schedule "B" are concerned, shall not be considered to limit the use of the lands at the discretion of the Minister for other purposes such as mining, trapping, hunting, fishing, hydro-electric development, or any use that does not materially prejudice the rights granted to the Licensee to employ the use of the lands for the growing and harvesting of forest products under the terms of this tree farm licence.

17. It is understood and agreed between the parties hereto that any rights under this agreement in respect of Crown lands do not include any riparian or foreshore rights, and all such riparian and foreshore rights vested in the Crown in respect of the said Crown lands mentioned in this agreement shall remain in the same status as if this agreement had not been entered into, and the Licensee shall have no rights or claims whatsoever in respect thereto by virtue of this agreement.

18. The Minister may direct the Licensee to have surveyed and defined on the ground, and at the Licensee's expense, any or all the boundaries of the tree farm licence area which he may deem necessary to have so surveyed and defined. In the event of failure of the Licensee to complete any such survey within time limits set by the Minister, the Minister may cause the survey to be made and the costs shall be charged to and be payable forthwith by the Licensee.

19. As a first essential to the primary object of sustained yield management of this tree farm licence, it is agreed that all potentially productive forest land within the tree farm licence area shall be kept by the Licensee in growing stock as provided in Clause 20 hereof, and adequately stocked in accordance with standards to be defined from time to time by the Forest Service for lands of a comparable site quality in British Columbia.

20. Any lands in the tree farm licence area denuded before the date of this agreement which are found to be stocked below the minimum standards defined by the Forest Service as provided in Clause 19, above, shall be classified as to site quality and those determined by the Forest Service to be of a site quality index equal to or better than 80, unless in the opinion of the Minister they are occupied by an advanced growth of brush, or otherwise in such condition as to make planting operations economically impractical, shall be reforested by the Licensee by artificial means with a merchantable species suitable to the locality at a rate per year of not less than one thousand acres, or ten per cent of the total acreage of such lands, whichever is the lesser, all to the satisfaction of the Minister.

The Licensee further agrees that lands of site quality index better than 110 denuded after the date of this agreement, and not found to be restocked satisfactorily five years after logging, will be artificially regenerated by the Licensee before the end of the seventh year after logging; and that lands of site quality index between 80 and 110 not found to be restocked satisfactorily eight years after logging, will be artificially regenerated by the Licensee before the end of the tenth year after logging, all to the satisfaction of the Minister.

Where, in the opinion of the Chief Forester, there is a likelihood of the cutover lands being rendered unplantable through brush encroachment, earlier action than specified above may be required by the Minister.

21. On failure of the Licensee to comply with the provisions of Clause 20, the Minister, his servants or agents, may enter on the tree farm licence lands in respect of which the Licensee is in default, and restock them, and the cost thereof shall be recoverable by the Crown from the Licensee and may be taken in whole or in part from the deposit referred to in Clause 35 hereof.

22. The operations covered by the tree farm licence shall be managed in accordance with the currently approved management working plan, each of which in turn as approved for each successive period is hereby incorporated into and made a part of this agreement.

23. Management working plans for the tree farm licence will be approved for such period as the Chief Forester may decide, and will be subject to revision as set forth in the said plans.

24. Revised management working plans for the tree farm licence shall be submitted for the approval of the Chief Forester not later than six months prior to the expiry of currently approved plans.

25. The object of each succeeding plan shall be to implement the primary object of the tree farm licence; i.e. sustained yield in equal annual or periodic cuts, and the plan may embody any method of attaining that objective that over a reasonable period of years is likely to prove economically feasible, that is approved by the Chief Forester, and that is not inconsistent with the spirit and intent of the Act and regulations. In preparing the management working plan, advantage shall be taken of all available data and experience.

26. Should it appear at any time to either party hereto necessary or expedient in case of emergency to increase or decrease the rate of cutting contemplated by the cutting budget then in effect, or to alter the cutting plan then being observed, then, subject to the approval of the Chief Forester, emergency revision of the management working plan will be undertaken upon the request of either the Licensee or the Chief Forester.

Without limiting the generalities of the preceding paragraph, cause for revision on account of emergency conditions will cover such things as fire damage of major proportions, serious windthrow, insect or disease attacks, serious damage to the Licensee's manufacturing plant, or other catastrophe of great moment, or should there occur a national emergency brought about by war, or an economic depression severe enough in the opinion of the Minister to justify revision of the management working plan.

27. In the process of harvesting the crop from the tree farm licence area, regardless of the tenure of the land from which it is harvested, the Licensee shall provide the opportunity for contractors, other than the Licensee's own employees or shareholders who own more

than one per cent interest to harvest a volume equivalent to a minimum of fifty per cent of the allowable cut from Crown lands not held under other tenure but where the Minister is satisfied that such contract operation is not feasible, either by reason of lack of operators or for other good and sufficient reason, the Minister may relieve the Licensee in whole or in part from this responsibility.

28. In the event of the development on the tree farm licence area of injurious insects in numbers which in the opinion of the Minister will seriously reduce the current or future allowable annual harvest of wood, and which in the opinion of the Minister can be controlled, then the Licensee and the Minister shall take such control measures as may be mutually agreed upon, or the Licensee shall take such control measures as the Minister shall direct, provided that the cost of such control measures to the Licensee at his own expense in any one calendar year shall not exceed one half the cost of such control measures incurred during that calendar year, or the total stumpage value of that year's allowable cut, whichever may prove to be the lesser. For the purposes of this clause, the stumpage value shall be the value appraised by the Forest Service.

29. In the event that mutual agreement cannot be reached between the parties hereto as to the sustained-yield cutting capacity or as to the sequence or methods of cutting to be employed at the time an emergency, or any other revision of the cutting plan or cutting budget is undertaken, the Minister shall determine the permissible cut and the plan and methods of cutting.

30. The Licensee, in his logging operations on the tree farm licence area, shall at all times maintain at least as high a standard of utilization as, in the Chief Forester's reasonable opinion, is being maintained by well-conducted logging operations in the Prince George Forest District.

31. Cutting on the tree farm licence area shall be done only in accordance with the management working plan, and only after notice of intent has been given to the Chief Forester and a cutting permit has been issued. Such cutting permit shall be issued by the Chief Forester

if the proposed cutting is in keeping with the provisions of this tree farm licence and the management working plan. If the proposed cutting is to be on other tenures, the cutting permit will constitute the Minister's concurrence that the cutting is according to plan and specify such other details as he may deem necessary, such details, however, always to be in keeping with the provisions of the management working plan and this agreement. If cutting is on Crown lands not held under other tenures, the cutting permit will, in addition, fix the stumpage in accordance with Subsection (20), Section 36 of the Forest Act. Any cutting not covered by a cutting permit will be deemed to be in trespass and the Licensee shall be assessed a sum by the Minister in respect thereof in an amount not in excess of the value of the logs or other product so cut or wasted or destroyed.

32. Timber marks shall be secured by the Licensee and marking carried out as required by Part IX of the Forest Act.

33. All timber harvested on the tree farm licence area shall be scaled in cubic feet and otherwise in all respects in accordance with the provisions of Part VIII of the Forest Act.

34. Timber and wood cut from lands included in this tree farm licence, regardless of the tenure of the lands, shall be subject in all respects to the provisions of Part X of the Forest Act insofar as they relate to lands granted after the 12th day of March 1906.

35. The Licensee herewith deposits, pursuant to Subsection (6) of Section 36 of the Forest Act, the sum of Twenty-seven Hundred and Fifty Dollars (\$2,750.00), receipt of which is acknowledged and will supplement this deposit by the payment of ten cents on each one hundred cubic feet of wood harvested but the sum total of deposits held at any one time by the Minister under this clause shall not exceed Fifty-five Hundred Dollars (\$5,500.00). In the event that the amount of the deposit becomes less than Twenty-seven Hundred and Fifty Dollars (\$2,750.00), the Licensee will forthwith deposit sufficient money with the Minister to bring the total amount up to Twenty-seven Hundred and Fifty Dollars (\$2,750.00), and thereafter will supplement the deposit by the payment

of ten cents on each one hundred cubic feet of wood harvested to bring the total amount up to Fifty-five Hundred Dollars (\$5,500.00). The said deposits shall be held for the purpose of ensuring compliance on the part of the Licensee with the terms of the Forest Act, the regulations made thereunder, this agreement, the management working plan, and any permit issued pursuant to this agreement.

36. The Licensee agrees to pay stumpage on all merchantable wood cut, wasted, or removed by the Licensee or his agents on or from that part of the tree farm licence area described in Schedule "B" hereto, as provided in this agreement, the Forest Act and the cutting permit.

37. Starting on the first day of January, 1965, the wood harvested from the tree farm licence area in any one year shall not be less than fifty per cent and not more than one hundred and fifty per cent of the approved annual cut, and shall not vary more than ten per cent from the total approved cut over a period of five years.

38. Damages, recoverable in full or in part from the deposit made by the Licensee under Clause 35 hereof, may be assessed by the Minister for failure to observe the provisions of Clause 37 of this agreement, as follows:

(a) The full stumpage value as appraised by the Forest Service on the quantity of timber by which the year's cut falls below fifty per cent of the approved annual cut.

(b) Double the stumpage value as appraised by the Forest Service on the quantity of timber by which the year's cut is in excess of one hundred and fifty per cent of the approved annual cut, whether cut from Crown lands or from other tenures, and any stumpage paid on such excess under Clause 36 above will be credited against such assessment.

(c) Should the total cut over five consecutive years vary more than ten per cent over the total of the five years' approved cut, a sum per one hundred cubic feet double the stumpage as established for the fifth year of the period, will be assessed by the Minister on the amount cut over the ten per cent allowance, whether cut from Crown land or from

other tenures. Should the total cut over five consecutive years vary more than ten per cent under the total of the five years' approved cut, a sum per one hundred cubic feet equal to the stumpage as established for the fifth year of the period, will be assessed by the Minister on the amount cut under the ten per cent allowance whether cut from Crown land or from other tenures.

(d) Should the total cut over ten consecutive years, including the five-year period referred to in (c) above, vary less than ten per cent from the total of the ten-year cutting budget as approved in the working plan, the damage assessed in paragraph (c) above, if any, will be refunded.

(e) For the purposes of Clause 38, stumpage shall be appraised on the same basis and in the same manner as provided in Clause 31 hereof.

(f) Any damages provided for in any cutting permit mentioned in Clause 31 may be deducted from the deposit mentioned in Clause 35, and thereupon the Licensee shall forthwith deposit with the Minister sufficient moneys to make the said deposit equal to the amount of deposit thus required.

(g) In the event that the tree farm licence is cancelled by reason of any default or breach of the tree farm licence by the Licensee, then all moneys on deposit with the Minister under the terms of this agreement shall be payable to the Crown for damages.

39. For the purpose of carrying out the provisions of Clause 38 hereof, the Licensee may elect to start a new five-year period from any year in which the periodic cut for the preceding five-year period is within ten per cent of the accumulated approved annual cuts.

40. The aggregate acreage of the Crown lands in the tree farm licence area for the purposes of rental under Subsection (19) of Section 36 of the Forest Act, as of this date, shall be the total acreage as set forth in Schedule "B" and the working plan.

41. For the purposes of Section 126, Subsection (1) of the Forest Act, Chapter 153 of the Statutes of British Columbia for 1960 and subsequent amendments, the approved annual productive capacity of the

tree farm licence shall be such as may be determined in the current approved working plan, and forest protection tax shall be payable as provided by the said Section 126.

42. All camps or other living quarters established incident to the management of the tree farm licence area shall be of a standard at least as high as those that, in the Minister's reasonable opinion, are being maintained by comparable well conducted forest operations in the Prince George Forest District.

43. All roads, on lands within the boundaries of this tree farm licence, including the lands listed in Schedule "A", shall be held available for public use in accordance with the terms of the "Industrial Transportation Act" and of the Forest Act relating thereto and more particularly Section 56 thereof.

44. The Licensee shall provide, to the satisfaction of the Chief Forester reasonable office and living accommodation for a reasonable Forest Service inspection staff on the tree farm licence area or at any headquarters, plant, or operation maintained by the Licensee, if instructed by the Chief Forester in writing so to do.

45. The Licensee shall employ one Forester, registered under the terms of Chapter 37 R.S.B.C., 1960, and amendments thereto, and as many additional Registered Foresters as may be deemed necessary by the Chief Forester. The working plan and all revisions and amendments thereto shall be signed and sealed by the Registered Forester, and by one other person authorized to sign contracts for the Licensee.

46. In the event of the bankruptcy or insolvency of the Licensee, the Minister may cancel the tree farm licence and any or all moneys on deposit may be declared by the Minister to be payable to the Crown for damages.

47. This agreement may be amended by the parties hereto by a memorandum in writing signed by the parties hereto.

48. This tree farm licence shall not be sold or transferred by the Licensee within ten years immediately subsequent to the issuance of this tree farm licence nor shall the control of the tree farm licence



be transferred in any manner whatsoever to any person or persons, firm or firms, corporation or corporations without the written consent of the Minister first having been obtained.

49. Any notice required to be given to the Licensee by the Minister or Chief Forester under this agreement, may be given by written notice sent by registered mail or delivered to the registered office of the Licensee in British Columbia, and shall be deemed to be so given on the day it would be received by the Licensee in the ordinary course of post, or on the day it was so delivered.

50. (a) This tree farm licence may be terminated at any time by mutual consent of the parties hereto.

(b) The Licensee may terminate this tree farm licence on two years' notice in writing given to the Minister subject as hereinafter provided.

(c) In the event that the Licensee serves notice of termination of this tree farm licence as provided in the next preceding sub-clause such termination shall be subject to the following conditions:

- (i) All moneys held as security deposit of whatsoever nature or kind or any part thereof may be declared by the Minister payable to the Crown for damages or otherwise and the Minister shall not be obliged to account in respect thereof.
- (ii) All tenures which have reverted to the Crown pursuant to this contract shall not revert in the Licensee.
- (iii) All improvements made on Crown lands included in Schedule "B" shall become and be the property of the Crown and the Licensee shall have no claim or in any way be entitled to compensation therefor:  
Provided the Licensee may remove its own fixtures in such a manner as not to damage other improvements:  
Provided also such removal shall not in any way affect the lien of the Crown on such fixtures as provided in the Forest Act.

- (iv) All cutting permits issued pursuant to this agreement shall terminate on the termination of the agreement.
- (v) The Licensee shall forthwith pay all moneys owing on outstanding accounts for stumpage, royalty, taxes, and annual rental.
- (vi) All rights granted pursuant to any statute or regulation or under this agreement as ancillary thereto and all appurtenances shall be cancelled effective on the termination of this tree farm licence.

51. In the event that this tree farm licence is cancelled or terminated, existing other tenures owned or controlled by the Licensee included within the tree farm licence area shall in no way be encumbered by any commitments, agreements, understanding or in any other manner arising out of the execution of this tree farm licence.

52. In this agreement:

"Act" means the Forest Act, R.S.B.C. 1960, Chapter 153, and amendments thereto in force from time to time during the currency of this agreement.

"Approved", if not otherwise defined in the context, means approved by the Minister.

"Denuded" or "denuded lands" means any forest lands in the tree farm licence area from or on which substantially all mature timber has been cut, logged, or destroyed, and on which trees of young growth in sufficient numbers to produce a valuable crop according to the standards of the Forest Service have not yet been established.

"Forest Service" means the Forest Service of the Department of Lands, Forests, and Water Resources, of British Columbia.

"Higher economic use" means that use which in the opinion of the Minister will contribute most to the good and welfare of the Province, including non-monetary uses.

"Minister" means the Minister of Lands, Forests, and Water Resources and his successors in office.

"Other tenure" means any title, licence, lease, or berth whereby the Licensee has the right to cut timber on land included in Schedule "A" hereto, or on land that subsequently may be acquired by the Licensee and added to the licence pursuant to Clause 7 hereof.

"Management working plan" means the management and working plan submitted by the Licensee with the application for this tree farm licence and approved prior to the execution of these presents and subsequent revised management working plans to be submitted by the applicant in accordance with the terms of this licence as herein appearing.

53. This licence shall enure to the benefit of and shall be binding upon, not only the parties hereto, but also the successors in office of the Minister and the successors and assigns of the Licensee, respectively.

54. This agreement is subject to the provisions of the Forest Act and amendments thereto as may be made from time to time and the regulations made from time to time pursuant thereto.

IN WITNESS WHEREOF the Licensor has executed these presents and the Licensee has hereunto affixed its corporate seal by the hands of its proper officers in that behalf.

SIGNED SEALED AND DELIVERED  
in the presence of:

"Noel Fergusson"

Witness

"Ray Williston"

Minister of Lands, Forests, and Water Resources

THE COMMON SEAL OF THE LICENSEE  
was hereunto affixed in the  
presence of:

"L.D. Cahoon"

"President"

"Elmore Meredith"

Witness "Secretary"

SCHEDULE "A"

This is Schedule "A" attached to Exhibit "A" as referred to  
in Sub-clause (ii) of Clause 4 of the Agreement dated the 8th  
day of AUGUST in the year of Our Lord one thousand nine hundred  
and sixty-six.

NORTHWOOD TREE FARM LICENCE

TREE FARM LICENCE NO. 30

Forest lands and merchantable timber in other tenures owned  
or controlled by the Licensee in the Northwood Tree Farm Licence No. 30.

Nil.

SCHEDULE "B"

This is Schedule "B" attached to Exhibit "A" as referred to in Sub-clause (ii) of Clause 4 of the Agreement dated the 8<sup>th</sup> day of AUGUST in the year of Our Lord one thousand nine hundred and sixty-six.

NORTHWOOD TREE FARM LICENCE

TREE FARM LICENCE NO. 30

Crown lands not otherwise alienated within the following described area: Commencing at the southwest corner of the fractional north half of Lot 3081, Cariboo District, being a point on the highwater mark of the Fraser River on the right bank thereof; thence in a general northwesterly direction along said highwater mark of the Fraser River on the right bank thereof to the highwater mark of McGregor River on the left bank thereof; thence in a general northeasterly direction along the said highwater mark of McGregor River on the left bank thereof to a point due east of the northeast corner of Lot 3051; thence west to the said northeast corner of Lot 3051; thence westerly along the northerly boundary of said Lot 3051 to the northwest corner of the northeast quarter thereof; thence due north 340 chains; thence due west 110 chains; thence due north 160 chains; thence due west 120 chains; thence due north 470 chains more or less to the northeasterly boundary of the watershed of the main stream of Seebach Creek; thence in a general northwesterly direction along the northeasterly boundary of the said watershed of the main stream of Seebach Creek to the northerly boundary of the watershed of said Seebach Creek; thence in a general easterly and southeasterly direction along the northerly and northeasterly boundaries of the said watershed of Seebach Creek to the northerly boundary of the watershed of Horne Creek; thence in a general easterly and southeasterly direction along the northerly and northeasterly boundaries of the said watershed of Horne Creek to a point 360 chains due north and 390 chains more or less due east of the intersection of the highwater mark of Seebach Creek on the left bank thereof with the highwater mark of the aforesaid McGregor River on the right bank thereof; thence due south 60 chains; thence due west 200 chains;

thence due south 60 chains; thence due west 80 chains; thence due south 60 chains; thence due west 50 chains; thence due south 80 chains; thence due west 40 chains; thence due south 145 chains more or less to the aforesaid highwater mark of McGregor River on the left bank thereof; thence in a general southeasterly direction along the said highwater mark of McGregor River on the left bank thereof to the westerly boundary of Lot 4840 (T.L. 8656P); thence southerly and easterly along the westerly and southerly boundaries of said Lot 4840 to the southwest corner of Lot 4841 (T.L. 8658P); thence easterly, northerly and westerly along the southerly, easterly and northerly boundaries of said Lot 4841 to the aforesaid highwater mark of McGregor River on the left bank thereof; thence in a general northerly direction along the said highwater mark of McGregor River on the left bank thereof to the easterly boundary of Lot 4842 (T.L. 8657P); thence northerly along the said easterly boundary of Lot 4842 to the said highwater mark of McGregor River on the left bank thereof; thence in a general easterly direction along the said highwater mark of McGregor River on the left bank thereof to a point due west of the southwest corner of Lot 7859 (T.L. 8659P); thence east to the said southwest corner of Lot 7859; thence easterly along the southerly boundary of said Lot 7859 a distance of 50 chains; thence due south 210 chains more or less to the northerly boundary of the watershed of Severeid Creek; thence in a general westerly and southerly direction along the northerly and westerly boundaries of the said watershed of Severeid Creek to the northeasterly boundary of the watershed of Woodall Creek; thence in a general southeasterly direction along the northeasterly boundaries of the watersheds of Woodall Creek and Torpy River to a point on the said northeasterly boundary of the watershed of Torpy River which is North 51 degrees East from a point on the southwesterly boundary of the watershed of said Torpy River which lies due north of the northeast corner of T.L. 8769P; thence South 51 degrees West to the said point on the southwesterly boundary of the watershed of Torpy River; thence in a general northwesterly direction along the said southwesterly boundary

of the watershed of Torpy River to a point South 35 degrees East of a point 140 chains due east of the northeast corner of T.L. 8789P; thence North 35 degrees West to the said point; thence west to the said northeast corner of T.L. 8789P; thence westerly along the northerly boundary of the said T.L. 8789P to the easterly boundary of T.L. 8788P; thence northerly and westerly along the easterly and northerly boundaries of said T.L. 8788P to the northwest corner thereof; thence due west to a point on the northerly prolongation of the easterly boundary of Lot 3088; thence southerly along the said northerly prolongation of the easterly boundary of Lot 3088 to the northeast corner of said Lot 3088; thence southerly and westerly along the easterly and southerly boundaries of the north half of said Lot 3088 to the southwest corner thereof; thence westerly along the southerly boundaries of the north half of Lot 3083 and the fractional north half of Lot 3081 to the southwest corner of said fractional north half of Lot 3081, being the point of commencement.

