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FOREST SERVICE

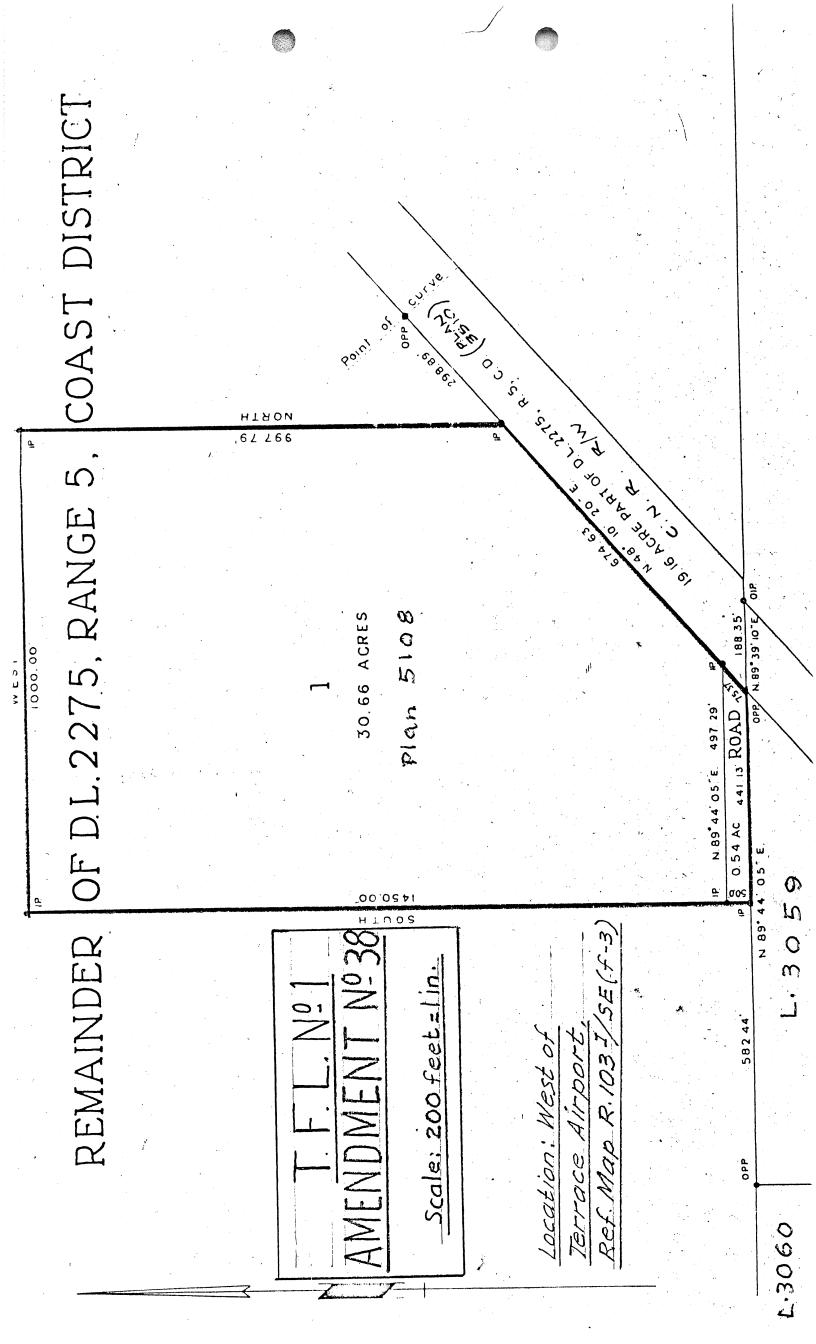
IN THE MATTER OF TREE FARM LICENCE NUMBER 1

AMENDMENT NO. 38

Whereas Lot 1 of Lot 2275, Range 5 Coast Land District, Plan 5108, said to contain 30.66 acres, more or less, is within Tree Farm Licence Number 1 and is found to be suitable for a higher economic use and whereas the withdrawal of the aforementioned lands will have little effect on the sustained yield management of the said Tree Farm Licence.

Therefore pursuant to Subsection (14) of Section 36 of the "Forest Act" being Chapter 153 of the Revised Statutes of British Columbia 1960 and Clause 13 of the said Tree Farm Licence, the Licensor hereby consents to the following lands being withdrawn from the said Tree Farm Licence, being Lot 1 of Lot 2275, Range 5 Coast Land District, Plan 5108, aforesaid and containing 30.66 acres, more or less, shown outlined in bold black on the sketch attached hereto and the lands so withdrawn are and shall be henceforth no longer subject to the said Tree Farm Licence.

Minister of Lands, Forests, and Water Resources



MEMO

TO THE HONOURABLE THE MINISTER

Your signature is recommended on the attached copies of Amendment Number 38 to Tree Farm Licence Number 1 - Celgar Limited. This Amendment releases from Schedule "A" lands a parcel required by B.C. Hydro & Power Authority as a sub-station site.

Also attached for signature is release to be sent to the Land Registry Office.

E.F. Swannell Chief Forester

F.S. 142-50M (50)-1165-8707 (6)