

PROVINCE OF BRITISH COLUMBIA

MINISTRY OF FORESTS

BETWEEN:

THE MINISTER OF FORESTS

AND:

CANADIAN CELLULOSE COMPANY,
LIMITED

INSTRUMENT NO. 116

AMENDMENT

to TREE FARM LICENCE NUMBER 23

PROVINCE OF BRITISH COLUMBIA

Ministry of Forests

IN THE MATTER OF TREE FARM LICENCE NUMBER 23

INSTRUMENT NUMBER 116

Amendment

WHEREAS by an agreement made in duplicate on the 26th day of September, 1978.

BETWEEN:

THE MINISTER OF FORESTS of the Province of British Columbia,

(hereinafter called the "Minister")

OF THE ONE PART

AND:

CANADIAN CELLULOSE COMPANY, LIMITED, a corporation duly incorporated and having its registered office at 1200 - 1111 West Hastings Street in the City of Vancouver in the said Province,

(hereinafter called the "Licensee")

OF THE OTHER PART

WHEREAS the Licensee is the assignee of Tree Farm Licence number twenty-three (23) on the Forest Service Register of Tree Farm Licences and known as the "Arrow Lakes Tree Farm Licence" or "Tree Farm Licence No. 23", (hereinafter called the "Tree Farm Licence");

AND WHEREAS section 36(30) of the Ministry of Forests Act provides that the Minister may, at his discretion, give the owner of a sawmill or other forest industry a licence to cut Crown timber within the Tree Farm Licence area;

AND WHEREAS it has now been found the description shown in Appendix 1 is defective in part;

THEREFORE Amendment Number 113 is hereby cancelled and replaced.

AND WHEREAS the parties hereto, pursuant to Clause 48 of the Tree Farm Licence, have agreed to further amend the Tree Farm Licence.

NOW THEREFORE THIS INDENTURE WITNESSETH THAT, in consideration of the premises and the sum of One Dollar now paid by the Licensee to the Minister, receipt whereof is hereby acknowledged, the parties hereto agree that:

1. That Tree Farm Licence be further amended by deleting therefrom Clause 54 as amended and substituting therefor the following:

"54. The Minister may from time to time sell timber by licence to Downie Street Sawmills Ltd. Such licence or licences will permit cutting and removal of timber only from that part of the Tree Farm Licence area described in Appendix 1 attached hereto; provided that on the granting of the right to cut and remove timber pursuant to this Clause the Licensee shall be deemed not to be in occupancy pursuant to Section 120 of the Ministry of Forests Act and shall be exempt from the obligation to pay forest protection tax, annual rent and any and all obligations under the Tree Farm Licence for management, administration or otherwise in respect of those portions of the Tree Farm Licence area described in Appendix 1; and further provided that any licence or licences issued pursuant to this Clause shall only be valid for so long as the provisions of the following sub-clauses are fully complied with:

- (a) The Licences shall terminate on or before December 31, 1990, subject to extensions of time at the discretion of the Minister;
- (b) The licences shall be administered according to Forest Service administration of timber sales in the same Forest District and shall be subject to the provisions of the Ministry of Forests Act and amendments thereto and regulations made thereunder;
- (c) In the event the licences are cancelled or otherwise terminated by the Minister and no other licences under this Clause shall then be in effect or in the process of being issued, the Minister shall thereupon notify the Licensee and from the date of such notice Clause 54 shall be deleted from the Tree Farm Licence and the area described in Appendix 1 shall revert to the Tree Farm Licence area; and

(d) The Minister shall not give his consent to any assignment of the licence or licences."

2. The Tree Farm Licence as heretofor amended, subject only to the amendments provided in this Agreement, is confirmed as being in full force and effect.

IN WITNESS WHEREOF the Minister has executed these presents and the Licensee has hereunto affixed its common seal in the presence of its duly authorized proper officers in that behalf as of the date hereof.

SIGNED, SEALED AND DELIVERED
by the Minister of Forests
in the presence of:




Virginia Lentucci




Minister of Forests

The Common Seal of Canadian
Cellulose Company, Limited)
was hereunto affixed in the)
presence of:)



President and Chief
Executive Officer)



Secretary)

Vice President, General Counsel
and Secretary)

APPENDIX 1

AMENDMENT NO. 116 - TREE FARM LICENCE NO. 23

All of the Soards block being compartments numbered 822, 824, 826, 828, 830, 832, 836, 838, 840, 842, 844, 846, 850, 852-west of the river, 854, 856, 858, 860, 862, 864, 866, 868, 870; and that part of the Kirbyville block being compartments 880, 882, 884, 886, 888, and 890, more particularly shown in bold black on the sketch attached hereto marked Exhibit "A".



Province of British Columbia
 Ministry of Forests
 FOREST SERVICE

EXHIBIT A

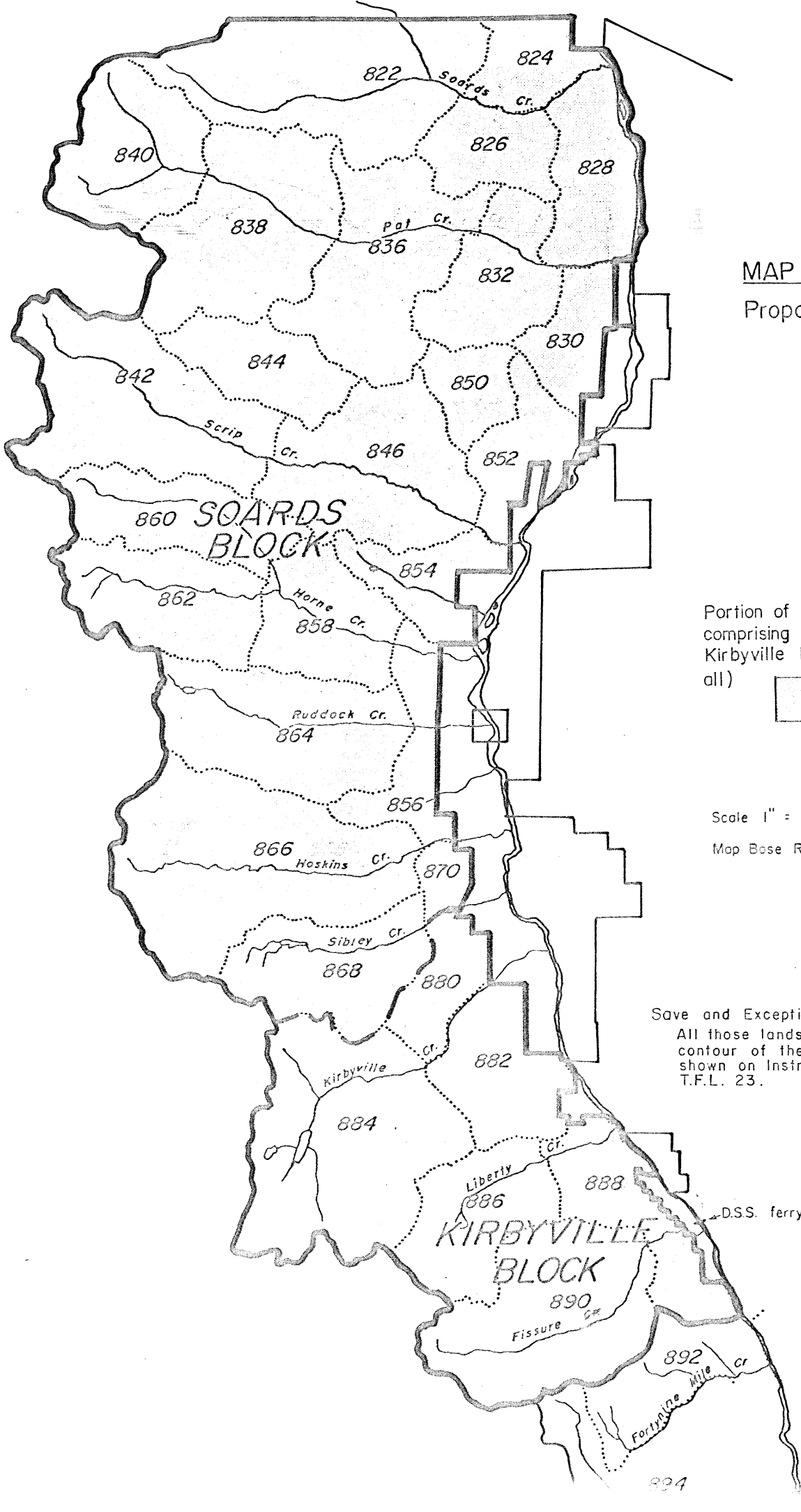
Date *June 27, 1978*

Atlas Ref. *82 M/NE*

INSTRUMENT NO. 116 to TREE FARM LICENCE 23

Shown _____ Area _____ +P.S.Y.U. *T.F.L. 23* Scale *1:250000*

Base _____ Region No. _____ Compt. No. _____ LAND DISTRICT *Kootenay*



MAP APPENDIX

Proposed Wood Supply Area

Portion of T.F.L. 23 Schedule B lands comprising Soards Block and part of Kirbyville Block (29 compartments in all)



Scale 1" = 4 miles

Map Base Ref.: Canadian Cellulose Co. Ltd.
 Appendix I
 Figure I.51(I) 12/2/68

Save and Excepting Thereout :

All those lands lying below the 1,880 foot contour of the Columbia River Valley, as shown on Instrument No.'s 110, 112 to T.F.L. 23.