

PROVINCE OF BRITISH COLUMBIA

Ministry of Forests

IN THE MATTER OF TREE FARM LICENCE NUMBER 39

INSTRUMENT NUMBER 158

Amendment

THIS AGREEMENT is made effective the 8th day of JUNE 1998.

BETWEEN:

THE MINISTER OF FORESTS, on behalf of
HER MAJESTY THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA, Parliament Buildings
Victoria, British Columbia, V8V 1X4

(the "Licensor")

OF THE FIRST PART

AND:

MACMILLAN BLOEDEL LIMITED

925 West Georgia Street
Vancouver, British Columbia
V6C 3L2

(the "Licensee")

OF THE SECOND PART

- A. The Licensor and the Licensee have entered into Tree Farm Licence 39 (the "TFL") dated March 1, 1995, pursuant to Section 36 of the *Forest Act*; and
- B. The parties have mutually agreed to amend the said Agreement, pursuant to Section 39(1)(e) of the *Forest Act*.

THEREFORE:

Pursuant to Section 39(1)(e) of the *Forest Act*, the parties agree to amend the TFL as follows:

Paragraphs 16.01, 16.02 and 16.03 are deleted and replaced with:

16.01 The Licensee will process all timber harvested under a cutting permit or road permit under this licence, or equivalent volumes of timber or wood residue (other than hog fuel) obtained directly or indirectly, through any one or more of the following timber processing facilities:

- (a) timber processing facilities owned or operated by the Licensee or an affiliate of the Licensee within the meaning of Section 53 of the *Forest Act*; and
- (b) the Powell River and Port Alberni pulp mills facilities owned by Pacifica Papers Inc., pursuant to one or more fibre supply agreements volumes; and

unless the Minister exempts the Licensee in whole or in part from the requirements of this paragraph.

16.02 If the Licensee

- (a) intends to close a timber processing facility or reduce its production; or
- (b) has reason to believe that an affiliate of the Licensee within the meaning of the Section 53(1) of the *Forest Act* intends to close a timber processing facility or reduce its production;

for a period of longer than 90 days, the Licensee will give the Minister at least three months notice prior to the closure or reduction.

16.03 If

- (a) the Licensee; or
- (b) an affiliate of the Licensee within the meaning of the Section 53(1) of the *Forest Act*;

closes a timber processing facility or reduces its production for a period longer than 90 days, the Licensee will, on request of the Minister, provide information regarding the volume of Crown timber processed through the timber processing facility during the 24 month period immediately preceding the closure or reduction in production level.

This Agreement has been executed by the Licensor and Licensee on the day and year first written above.

SIGNED, SEALED AND DELIVERED)
by the Minister of Forests on behalf of)
Her Majesty the Queen in Right of the)
Province of British Columbia in the)
presence of:)
_____)
_____)
_____)

David Junbelle
Minister of Forests

THE COMMON SEAL (C/S) of the)
Licensee was affixed in the presence of:)
_____)

Authorized Signatory)

C/S

Authorized Signatory)
_____)

(OR)

SIGNED, SEALED AND DELIVERED)
by the Licensee in the presence of:)
_____)

N. Bruce Kulla
N. BRUCE KULLA)
_____)

MacMillan Bloedel Limited
Chic Forester
Authorized Signatory
Chic Forester
Title