

PROVINCE OF BRITISH COLUMBIA

Ministry of Forests

IN THE MATTER OF TREE FARM LICENCE 49

INSTRUMENT NUMBER 9

Amendment

THIS AGREEMENT is dated the 1st day of January 2001.

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 "Minister")

AND: **RIVERSIDE FOREST PRODUCTS LIMITED**
820 Guy Street
Kelowna, British Columbia
V1Y 7R5
(the "Licensee")

WHEREAS:

- A. Pursuant to the provisions of Section 36 of the *Forest Act*, the Minister and the Licensee entered into a replacement agreement for Tree Farm Licence (TFL) 49, dated July 1, 2000.
- B. The Licensee has requested an amendment to the utilization specifications within Schedule "C" of TFL 49.
- C. The Minister and the Licensee have mutually agreed to amend TFL 49.

THEREFORE:

Pursuant to Section 39(1)(e) of the *Forest Act*, the parties agree to amend TFL 49 as follows:

The Schedule C labeled with the footer "TFL 49 Agreement Schedule C.doc" is deleted and replaced with the attached Schedule C labelled with the footer "TFL 49 Agreement Schedule C Inst.9.doc."

This instrument shall be binding upon the Minister and its successors in office and the Licensee, its successors and assignees.

This Agreement has been executed by the Minister 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:)

Andrea L. de Fostard)
_____)
_____)

Greg Kaye
→ 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:)

Deb Park)
_____)
_____)

J. M. ...
Authorized Signatory
V. P. WOODLANDS
Title

SCHEDULE C

SCHEDULE C - FELLING, BUCKING AND UTILIZATION SPECIFICATIONS

1.00 DEFINITIONS

- 1.01** In this Schedule, as exemplified by the diagrams attached to this Schedule,
- (a) "butt end" means the log end that was previously attached to the stump;
 - (b) "butt log" means the log cut from the portion of the tree that was previously attached to the stump;
 - (c) "diameter at stump height" means
 - (i) in the case of standing timber, the diameter of the tree (outside bark) measured at the point of the maximum stump height shown in the table attached to this Schedule, and
 - (ii) in the case of a butt log, the diameter (outside bark) at the butt end of the log; and
 - (d) "slab" means one of 2 or more parts of a log produced as a result of the log fracturing along its length;
 - (e) "stump height" means the height of the stump measured on the side of the stump adjacent to the highest ground;
 - (f) "top diameter" means the diameter (inside bark) at the narrowest end of the log;
 - (g) "top log" means any log that is not a butt log.

2.00 FELLING SPECIFICATIONS

- 2.01** Subject to paragraph 4.06 of the Licence, standing timber of the species detailed in Table 1 of this Schedule must be felled in accordance with the following specifications:
- (a) all timber meeting the minimum diameter at stump height shown for species in Table 1 must be felled; and
 - (b) unless otherwise authorized in writing by the District Manager, timber must be felled to a stump height that does not exceed the maximum stump height shown for that species in Table 1.

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3.00 BUCKING SPECIFICATIONS

- 3.01 Subject to paragraph 4.06 of the Licence, felled or dead-and-down timber of the species referred to in paragraph 2.01 must be bucked so as to maximize the volume of logs and slabs which
- (a) meet the utilization specifications referred to in Part 4.00 of this Schedule, and
 - (b) are of the species and grades specified as obligatory utilization under Part 5.00 of this Schedule.

4.00 UTILIZATION SPECIFICATIONS

- 4.01 Subject to paragraph 4.02 of this Schedule and paragraph 4.06 of the Licence, the following utilization specifications apply to timber authorized for harvest under the Licence:
- (a) all butt logs meeting
 - (i) the minimum diameter at stump height,
 - (ii) the minimum log length,
 - (iii) the minimum top diameter, and
 - (b) all top logs meeting
 - (i) the minimum log length,
 - (ii) the minimum top diameter, and
 - (c) all slabs meeting
 - (i) the minimum slab length, and
 - (ii) the minimum slab thickness
- shown for that species in Table 2 attached to this Schedule must be utilized.
- 4.02 The Licensee need not utilize timber of the species and grades specified in Part 6.00 of this Schedule as optional utilization.

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5.00 OBLIGATORY UTILIZATION

- 5.01 If a cutting permit specifies that the stand is endemic, then timber of the following species and grades are specified as obligatory utilization:
- (a) all coniferous species that are Sawlog Grade (Grade Code Blank).
- 5.02 If a cutting permit specifies that the stand is catastrophic, then timber of the following species and grades are specified as obligatory utilization:
- (a) all coniferous species that are
 - (i) Sawlog Grade (Grade Code Blank), and
 - (ii) Dead and Dry Sawlog (Grade Code 3).

6.00 OPTIONAL UTILIZATION

- 6.01 If a cutting permit specifies that the stand is endemic, then timber of the following species and grades are specified as optional utilization:
- (a) firmwood rejects;
 - (b) all deciduous species of all grades; and
 - (c) all coniferous species of the following grades:
 - (i) Dead and Dry Sawlog (Grade Code 3),
 - (ii) Lumber Reject (Grade Code 4),
 - (iii) Dead and Dry Lumber Reject (Grade Code 5), and
 - (iv) Undersized Log Grade (Grade Code 6).
- 6.02 If a cutting permit specifies that the stand is catastrophic, then timber of the following species and grades are specified as optional utilization:
- (a) firmwood rejects;
 - (b) all deciduous species of all grades; and
 - (c) all coniferous species of the following grades:
 - (i) Lumber Reject (Grade Code 4),
 - (ii) Dead and Dry Lumber Reject (Grade Code 5), and
 - (iii) Undersized Log Grade (Grade Code 6).

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Diagram 1. Felling Specifications

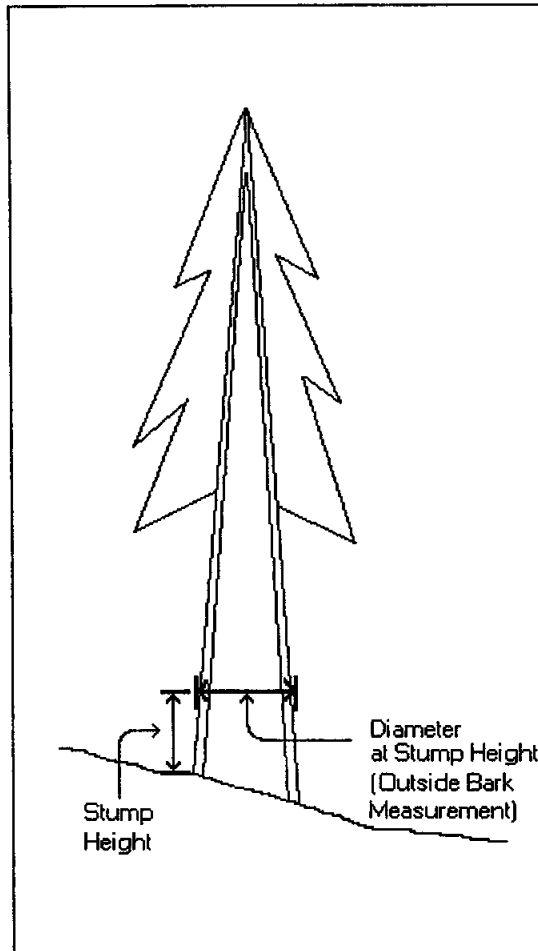


Table 1

Species	Maximum Stump Height	Minimum Diameter at Stump Height
Lodgepole pine	30.0 cm	15.0 cm
All other species	30.0 cm	20.0 cm

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Diagram 2. Utilization Specifications

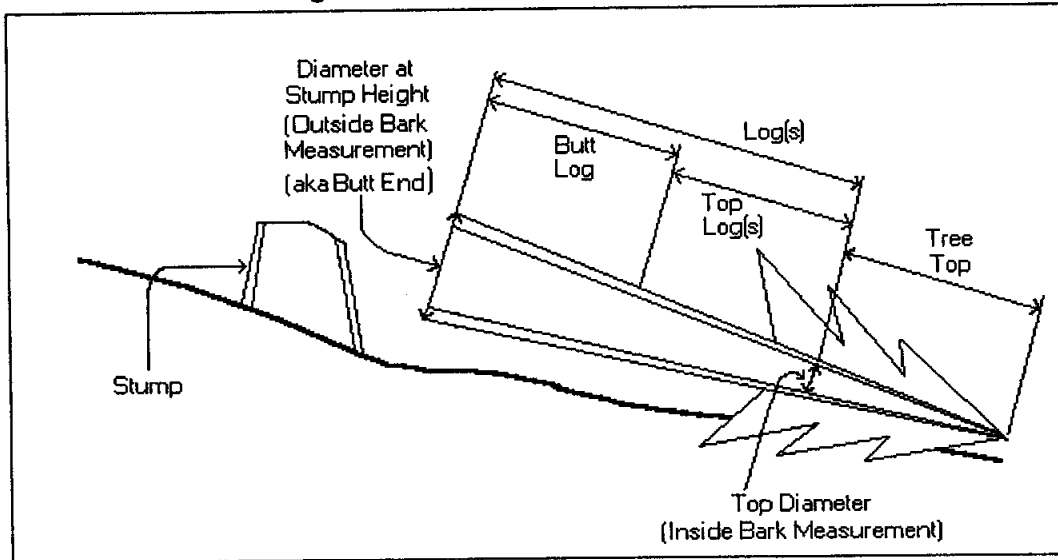


Table 2

Species	Minimum Log or Slab Length	Minimum Diameter at Stump Height	Minimum Top Diameter	Minimum Slab Thickness
Lodgepole pine	3.0 m	15.0 cm	10.0 cm	15.0 cm
All other species	3.0 m	20.0 cm	10.0 cm	15.0 cm