

COPY

PROVINCE OF BRITISH COLUMBIA

Ministry of Forests

IN THE MATTER OF TREE FARM LICENCE NUMBER 55

INSTRUMENT NUMBER 2

Amendment

THIS AGREEMENT is dated the 7th day of July, 1993.

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")

AND:

EVANS FOREST PRODUCTS LIMITED
1050 - 555 West Hastings Street
Box 12119
Vancouver, British Columbia
V8B 4N5

(The "Licensee")

WHEREAS:

- A. The Licensor and Westshore Terminals Ltd. (Westshore) entered into Tree Farm Licence Number 55, dated April 6, 1992 ("old TFL 55"), pursuant to Section 33.1 of the *Forest Act*.
- B. Westshore consented to the subdivision of old TFL 55 into two tree farm licences, one continuing to be identified as Tree Farm Licence Number 55 ("TFL 55") and the other to be identified as Tree Farm Licence Number 56 ("TFL 56"), pursuant to Section 33.1 of the *Forest Act*, on May 15, 1993.

C. The Licensor has consented to the transfer of TFL 55 to the Licensee on condition that certain changes to TFL 55 be made and agreed to by the Licensee.

THEREFORE, in consideration of the mutual covenants set out below, the parties agree to amend TFL 55 as follows.

Add the following conditions:

1. The Management Plan ("MP") for old TFL 55 continues to be the interim management plan for this licence, subject to modifications specifically related to the subdivision of old TFL 55, including but not restricted to the AAC, and a new MP specific to this licence must be prepared and submitted for approval, as per current policy, by December 31, 1993, unless otherwise extended by the Chief Forester.
2. The Licensee will fulfill all outstanding silvicultural obligations of Westshore as Licensee and permittee, in respect of this licence and the permits listed in the appendix to this document, as well as those obligations arising under Part 10.1 of the *Forest Act*, including existing pre-harvest silviculture prescriptions.
3. The Licensee will fulfill all contractual obligations which are subject to the *Timber Harvesting Contracts and Sub-Contracts Regulation*, entered into by Westshore for the purposes of this licence and the permits listed in the appendix to this document.
4. The Licensee will fulfill Westshore's obligations arising under road use agreements existing for the purposes of this licence and the permits listed in the appendix to this document, until such time as the Licensee successfully replaces those road use agreements or those road use agreements expire.
5. Except for the impact on harvesting operations of the five percent AAC reduction imposed under Section 50 of the *Forest Act*, and subject to Condition 6 of this amending agreement, the Licensee will offer to employ the existing employees of Westshore at the milling and woods operations being acquired by the Licensee.
6. If termination is unavoidable, the Licensee will take all steps necessary to ensure the fair treatment of affected staff at the milling and woods operations being acquired by the Licensee.

7. The Licensee will honour commitments made by Westshore in their April 18, 1990, forest renewal plan with respect to the elimination of the "backlog not satisfactorily restocked" (NSR) areas in the licence area by January 1, 1995.
8. The Licensee will make available for purchase by traditional local buyers, volumes of cedar suitable for the manufacture of shakes, harvested from the licence area.
9. The Licensee will use its best effort to ensure that all chips resulting from whole log chipping of volume from the licence area, being transported to Castlegar, will be transported by a route other than Highway 6.
10. The Licensee will respect existing sub-unit planning and will become and remain an active participant in further sub-unit plans within the licence area.
11. The Licensee will provide reasonable access to the road system within the licence area to third party users.
12. At all times during the term of this licence, the Licensee will have on staff, or will contract for the services of, a Registered Professional Forester, who will coordinate management of the licence.

Amend the following:

13. Schedule "C" to this licence is replaced by the following:

Cutting Permits

2	28	748	756	780	782	806	810	814	817
7	746	752	779	781	785	807	812	816	818

14. Condition 1.05 of this licence is amended to read:

"The Licensors retains the right to authorize third parties to harvest 11 675 m³ of the allowable annual cut from Schedule "B" land in each year during the Term of the Licence;"

IN WITNESS WHEREOF the parties have executed this Agreement 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:)
Acosta)
_____)
_____)
_____)



Minister of Forests

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

C/S

(OR)

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

Authorized Signatory

Title

APPENDIX

Cutting Permits

2
7
28
746
748
752
756
779
780
781
782
785
806
807
810
812
814
816
817
818

Road Permits

R01269
R06059

Road Use Permits

1-604-93-5
1-839-89
1-7764-93-5
89-762-89