

**TOWNO FOREST MANAGEMENT LICENCE**

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**Forest Management Licence No. 20**



THIS INDENTURE made in duplicate this ~~21<sup>st</sup>~~ day of  
*January* in the year of Our Lord One Thousand Nine  
Hundred and Fifty-Five.

BETWEEN:

THE MINISTER OF LANDS AND FORESTS of the  
Province of British Columbia, who, with  
his successors in office, is

hereinafter called "the Licensor", of the one part,

AND

MacMILLAN & BLOEDEL LIMITED, a Corporation  
duly incorporated under the laws of the  
Province of British Columbia, and having  
its registered office in the City of  
Vancouver in the said Province,

hereinafter called "the Licensee", of the other part.

WHEREAS by Subsection (2) of Section 33 of the "Forest Act",  
being Chapter 128 of the Revised Statutes of British Columbia,  
1948, it is provided that the Licensor may enter into an agreement  
to be described as a forest management licence with any person for  
the management of Crown lands specified in the agreement and re-  
served to the sole use of the Licensee for the purpose of growing  
continuously and perpetually successive crops of forest products  
to be harvested in approximately equal annual or periodic cuts  
adjusted to the sustained yield capacity of the lands in the area  
covered by the licence, or may enter into an agreement to be known  
as a forest management licence with the owner of other tenures to  
combine such other tenures and Crown forest lands into a single  
unit reserved by mutual consent and contract to the sole use of  
the Licensee for the like purpose:

AND WHEREAS the conditions precedent to the issuance of this  
licence, as set forth in said Section 33, have been complied with  
to the satisfaction of the Licensor:

NOW THIS INDENTURE WITNESSETH THAT pursuant to Section 33 of the "Forest Act" and in consideration of the payments, agreements and stipulations to be made and observed by and on the part of the Licensee as hereinafter mentioned, the Licensor doth hereby grant unto the Licensee the management of the Crown lands specified in Schedule "B" to this agreement, which lands are reserved to the sole use of the Licensee for the purpose of growing continuously and perpetually successive crops of forest products to be harvested in approximately equal annual or periodic cuts adjusted to the sustained yield capacity of the said lands:

And in consideration of the premises, IT IS HEREBY AGREED AS FOLLOWS:

1. This forest management licence may be referred to as the "Tofino Forest Management Licence" and is numbered twenty (20) on the Forest Service register of forest management licences and on the official atlas maps of the Department of Lands and Forests.
2. The Licensee shall manage the licence area in accordance with the provisions of the said Section 33 of the "Forest Act" and of regulations under the said Act for the regulation of forest management licences, and in accordance with the management working plan applicable thereto, for the purpose of growing continuously and perpetually successive crops of forest products to be harvested in approximately equal annual or periodic cuts adjusted to the sustained yield capacity of the licence area.
3. Subject to compliance on the part of the Licensee with the provisions of the "Forest Act" and the regulations made thereunder, and the terms and conditions of this licence and the management working plan, the licence is perpetual. This agreement in all respects shall be subject to the "Forest Act".

4. The licence area includes all Crown lands not otherwise alienated at this date, as set forth in Schedule "B" hereto, together with all the lands owned or controlled by the Licensee, as set forth in Schedule "A" hereto, both of which are shown outlined in bold black line on the plan attached hereto, subject, however, to any increase, decrease, re-allocation or exchange of lands as provided by this agreement; and in addition it includes any and all lands that may be subsequently acquired by the Licensee and incorporated into said Schedule "A" pursuant to Clause 6 hereof, provided also that any lands included in Schedule "A", the title or interest to which reverts to the Crown, or which the Licensee elects to revert to the Crown, shall be considered as being included in Schedule "B" from the time of such reversion.

5. The Licensee hereby declares that it owns or controls the cutting rights on each parcel of the lands listed and described in Schedule "A" hereto, and that each parcel contains the estimate of merchantable timber set opposite each parcel in the said Schedule "A" at the time this agreement is entered into.

6. The acquisition by the Licensee of forest lands, excepting only cutting rights offered by the Forest Service for competitive sale, subsequent to the issuance of this licence shall, pursuant to Subsection (9) of said Section 33, be reported to the Licensor, and such forest lands shall be included forthwith in the licence area and be incorporated in Schedule "A" hereof to the extent required by said Subsection (9). Acquisition, as used herein, shall be deemed to include other tenures as defined hereinafter.

7. For the purposes of Subsection (8) of Section 33 of the "Forest Act", the watershed and drainage basins relating to this licence are defined as those watersheds west of Henderson Lake draining

to the West Coast of Vancouver Island and lying between Muchalat Inlet and the north shore of Alberni Inlet, together with the Ash River, Puntledge River, Cameron River, Franklin River, China Creek and Rogers Creek watersheds situated in the Esquimalt and Nanaimo Railway Land Grant.

8. The Licensor may from time to time withdraw from the Crown lands included in the licence area such lands as are required for forest experimental purposes, parks, or for aesthetic purposes; but the lands so withdrawn shall not exceed one per cent of the total area of lands in the licence area without the consent of the Licensee, and no land shall be withdrawn from areas being developed under the current cutting plan without the consent of the Licensee. Any such withdrawals shall be deducted from Schedule "B".

9. If at any time, or from time to time, part of the Crown lands within the management licence area is found to be required for a higher economic use than raising forest crops, or for any use deemed to be essential to the public interest, said lands may be withdrawn from the licence area by the Licensor, provided that if by such withdrawal the productive capacity of the licence area is diminished by more than one-half of one per cent of its total productive capacity, other lands, if available, will be added to the licence area in substitution therefor. Any such withdrawals shall be deducted from Schedule "B", and any such additions shall be added to Schedule "B". For the purposes of this section, the development of mines and mineral prospects may be deemed to be essential to the public interest.

10. It is expressly understood that the Licensor may at his discretion and at any time, either permanently or for a specified time, withdraw from this licence and from the licence area any Crown lands needed for rights-of-way under Part VI of the "Forest Act" or for railway, highway, power transmission, or other right-of-way purposes, and such lands will be deducted from Schedule "B".

11. In the event of the withdrawal of any lands from the licence area pursuant to Clauses 8, 9, 10 and 13 hereof, the Licensor may require the Licensee to remove from such lands within one hundred and twenty days thereafter all timber then cut thereon and all buildings, machinery, equipment, and other property placed by it thereon and which is capable of removal. Compensation shall be paid to the Licensee in respect of improvements capable of removal from the lands so withdrawn to the extent only of the cost of removal and damage incidental thereto; and compensation shall be paid to the Licensee in respect of improvements not capable of removal on the basis of cost less depreciation.

Without limiting the generality of the foregoing, the term "improvements" means all buildings, structures, fixtures, and things erected upon or affixed to such lands and shall include machinery, boilers, tanks, pipes, dams, flumes, roads, railways, transmission lines, and other works used in connection with the business of the Licensee. Improvements shall also mean areas artificially reforested by planting or seeding, compensation for which shall be the cost incurred in the act of reforesting.

If the amount of compensation payable to the Licensee is not agreed upon, then such amount shall be appraised and awarded by a single arbitrator in case the Licensor and Licensee agree upon one; otherwise by three arbitrators, one to be appointed by the Licensor, one to be appointed by the Licensee, and the third to be appointed by writing under the hands of the two appointed, such arbitration to be in accordance with the provisions of the "Arbitration Act" of the Province of British Columbia.

12. If at any time, or from time to time, part of the lands included in Schedule "A" is found to be required for a higher economic

use than raising forest crops, said lands may be withdrawn from the licence area on the consent of the Licensor and at the request of the Licensee, and after such withdrawal such lands will be deducted from Schedule "A" and may be disposed of by the Licensee for the purpose for which they were withdrawn.

13. Where the licence includes within the described boundaries a belt or area of non-productive land surrounding or adjacent to the productive forest land of the licence, any or all of such non-productive land may be withdrawn from the licence at the pleasure of the Minister.

14. Other tenures included in this management licence shall not be sold, transferred, or otherwise disposed of except as hereinbefore provided or except as provided in Section 33 of the "Forest Act".

15. This licence, insofar as Crown lands in Schedule "B" are concerned, shall not be considered to limit the use of the lands at the discretion of the Minister for other purposes such as mining, trapping, hunting, fishing, hydro-electric development, or any use that does not materially prejudice the rights granted to the Licensee to employ the use of the lands for the growing and harvesting of forest products under the terms of this licence.

16. It is understood and agreed between the parties hereto that any rights under this agreement in respect of Crown lands do not include any riparian or foreshore rights, and all such riparian and foreshore rights vested in the Crown in respect of the said Crown lands mentioned in this agreement shall remain in the same status as if this agreement had not been entered into, and the Licensee shall have no rights or claims whatsoever in respect thereto by virtue of this agreement.



17. The Licensor may direct the Licensee to have surveyed and defined on the ground, and at the Licensee's expense, any or all the boundaries of the licence area which he may deem necessary to have so surveyed and defined. In the event of failure of the Licensee to complete any such survey within time limits set by the Licensor, the Licensor may cause the survey to be made and the costs shall be charged to and be payable forthwith by the Licensee.

18. As a first essential to the primary object of sustained yield management of this licence, it is agreed that all potentially productive forest land within the licence area shall be kept by the Licensee in growing stock as provided in Clause 19 hereof, and adequately stocked in accordance with standards to be defined from time to time by the Forest Service for comparable lands in British Columbia.

19. Any lands in the licence area demuded before the date of this licence which are found to be stocked below the minimum standards defined by the Forest Service as provided in Clause 18 above, shall be classified as to site quality and those determined by the Forest Service to be of a site quality index equal to or better than 80, unless in the opinion of the Licensor they are occupied by an advanced growth of brush, or otherwise in such condition as to make planting operations economically impractical, shall be reforested by the Licensee by artificial means with a merchantable species suitable to the locality at a rate per year of not less than one thousand acres, or ten per cent of the total acreage of such lands, whichever is the lesser, all to the satisfaction of the Licensor.

The Licensee further agrees that lands of site quality index better than 110 demuded after the date of this licence, and not found to be restocked satisfactorily five years after logging, will be artificially regenerated by the Licensee before the end of the seventh

year after logging; and that lands of site quality index between 80 and 110 not found to be restocked satisfactorily eight years after logging, will be artificially regenerated by the Licensee before the end of the tenth year after logging, all to the satisfaction of the Licensor.

20. On failure of the Licensee to comply with the provisions of Clause 19, the Licensor, his servants or agents, may enter on the lands in respect of which the Licensee is in default, and restock them, and the cost thereof shall be recoverable by the Crown from the Licensee and may be taken in whole or in part from the deposit referred to in Clause 35 hereof.

21. The operations covered by this licence shall be managed in accordance with the currently approved management working plan, each of which in turn as approved for each successive period is hereby incorporated into and made a part of this licence.

22. Management working plans will be approved for such period as the Minister may decide, and will be subject to revision as set forth in the said plans.

23. Revised management working plans shall be submitted for the approval of the Minister not later than three months prior to the expiry of currently approved plans.

24. The object of each succeeding plan shall be to implement the primary object of the licence; i.e., sustained yield in equal annual or periodic cuts, and may embody any method of attaining that objective that over a reasonable period of years is likely to prove economically feasible, that is approved by the Minister, and that is not inconsistent with the spirit and intent of the Act and regulations. In preparing the management working plan, advantage shall be taken of all available data and experience.

25. Should it appear at any time to either party hereto necessary or expedient in case of emergency to increase or decrease the rate of cutting contemplated by the cutting budget then in effect, or to alter the cutting plan then being observed, then, subject to the approval of the Minister, emergency revision of the management working plan will be undertaken upon the request of either the Licensee or the Minister.

Without limiting the generalities of the preceding paragraph, cause for revision on account of emergency conditions will cover such things as fire damage of major proportions, serious wind-throw, insect or disease attacks, serious damage to the Licensee's manufacturing plant, or other catastrophe of great moment, or should there occur a national emergency brought about by war or a severe economic depression.

26. In the process of harvesting the crop from the licence area, the Licensee shall provide the opportunity for contractors other than the Licensee's own employees or shareholders who own more than one per cent interest to harvest a minimum of thirty per cent of the allowable cut on Crown lands not held under other tenure as set forth in each succeeding management working plan, but where the Minister is satisfied that such contract operation is not feasible, either by reason of lack of operators or for other good and sufficient reason, the Minister may relieve the Licensee in whole or in part from this responsibility.

27. In the event of the development on the licence area of injurious insects in numbers which in the opinion of the Minister will seriously reduce the current or future allowable annual harvest of wood, and which in the opinion of the Minister can be controlled, then the Licensee and Licensor shall take such control measures as may be mutually agreed upon, or the Licensee at his own expense shall take

such control measures as the Minister shall direct, provided that the cost of such control measures to the Licensee at his own expense in any one calendar year shall not exceed one-half the cost of such control measures incurred during that calendar year, or the total stumpage value of that year's cut, whichever may prove to be the lesser. For the purposes of this clause, the stumpage value shall be the value appraised by the Forest Service.

28. In the event that mutual agreement cannot be reached between the parties hereto as to the sustained-yield cutting capacity or as to the sequence or methods of cutting to be employed at the time emergency, or any other revision of the cutting plan or cutting budget is undertaken, the Licensor shall determine the permissible cut and the plan and methods of cutting.

29. The Licensee, in his logging operations on the licence area, shall at all times maintain at least as high a standard of utilization as, in the Licensor's reasonable opinion, is being maintained by well-conducted logging operations in the Vancouver Forest District.

30. Cutting on the licence area shall be done only in accordance with the management working plan, and only after notice of intent has been given to the Minister and a cutting permit has been issued. Such cutting permit shall be issued by the Minister if the proposed cutting is in keeping with the provisions of this licence and the management working plan. If the proposed cutting is to be on other tenures, the cutting permit will constitute the Licensor's concurrence that the cutting is according to plan and specify such other details as he may deem necessary, such details, however, always to be in keeping with the provisions of the management working plan and this licence. If cutting is on Crown lands not held under other tenures, the cutting permit will, in addition, fix the stumpage in accordance with Subsection (20), Clauses (a) and (b) of Section 33 of the "Forest Act". Any cutting

not covered by a cutting permit will be deemed to be in trespass and the Licensee may be assessed a sum by the Licensor in respect thereof in an amount not in excess of the value of the logs or other product so cut or wasted or destroyed.

31. For the purpose of Subsection (20), Clause (a) of Section 33 of the "Forest Act", merchantable timber means all even-aged stands in which the average age of the dominant trees at the date of this licence is more than one half the length of the rotation as defined in the management working plan; and all timber cut during the first half of the initial rotation in uneven-aged stands managed under a selection system. The age of trees and stands for the purpose of this paragraph shall be determined by the Minister.

32. Timber marks shall be secured by the Licensee and marking carried out as required by Part IX of the "Forest Act".

33. All timber cut on the licence area shall be scaled in cubic feet and in accordance with the provisions of Part VIII of the "Forest Act" except for the initial years of 1955 and 1956 when scaling may be in B. C. Log Rule.

34. Timber and wood cut from lands included in this licence, regardless of the tenure of the lands, shall be subject in all respects to the provisions of Part X of the "Forest Act" insofar as they relate to lands granted after the 12th day of March 1906.

35. The Licensee herewith deposits, pursuant to Subsection (6) of Section 33 of the "Forest Act", the sum of Ten Thousand Dollars (\$10,000.00), receipt of which is acknowledged and will supplement this deposit by the payment of ten cents on each one hundred cubic feet of wood harvested, but the sum total of deposits held at any one time by the Licensor under this clause shall not exceed Twenty Thousand Dollars (\$20,000.00). In the event that the amount of the deposit becomes less than Ten Thousand Dollars (\$10,000.00), the Licensee will

forthwith deposit sufficient money with the Licensor to bring the total amount up to Ten Thousand Dollars (\$10,000.00), and thereafter will supplement the deposit by the payment of ten cents on each one hundred cubic feet of wood harvested to bring the total amount up to Twenty Thousand Dollars (\$20,000.00). The said deposits shall be held for the purpose of ensuring compliance on the part of the Licensee with the terms of the "Forest Act", the regulations made thereunder, this licence, the management working plan, and any permit issued pursuant to this agreement.

36. The Licensee agrees to pay stumpage on all merchantable wood cut, wasted, or removed by the Licensee or his agents on or from that part of the licence area described in Schedule "B" hereto, as provided in this licence, the "Forest Act" and the cutting permit.

37. Starting on the first day of January next following the date of this licence, the wood harvested from the licence area in any one year shall not be less than fifty per cent and not more than one hundred and fifty per cent of the approved annual cut, and shall not vary more than ten per cent from the total approved cut over a period of five years.

38. Damages, recoverable in full or in part from the deposit made by the Licensee under Clause 35 hereof, may be assessed by the Licensor for failure to observe the provisions of Clause 37 of this licence, as follows:

(a) The full stumpage value as appraised by the Forest Service on the quantity of timber by which the year's cut falls below fifty per cent of the approved annual cut.

(b) Double the stumpage value as appraised by the Forest Service on the quantity of timber by which the year's cut is in excess of one hundred and fifty per cent of the approved annual cut, whether cut from Crown lands or from other tenures.

(c) Should the total cut over five consecutive years vary more than ten per cent over or under the total of the five year's approved cut, a sum per one hundred cubic feet will be assessed by the Minister on the amount cut over or under the ten per cent allowance, whether cut from Crown land or from other tenures.

(d) Should the total cut over ten consecutive years, including the five-year period referred to in (c) above, vary less than ten per cent from the total of the ten-year cutting budget as approved in the working plan, the damage assessed in paragraph (c) above, if any, will be refunded.

(e) For the purposes of this paragraph, stumpage shall be appraised on the same basis and in the same manner as provided in Clause 30 hereof.

(f) Any damages provided for in any cutting permit mentioned in Clause 30 may be deducted from the deposit mentioned in Clause 35, and thereupon the Licensee shall forthwith deposit with the Licensor sufficient moneys to make the said deposit equal to the amount of deposit thus required.

(g) In the event that the licence is cancelled by reason of any default or breach of the licence by the Licensee, then all moneys on deposit with the Licensor under the terms of this contract shall be payable to the Crown for damages.

39. For the purpose of carrying out the provisions of Clause 38 hereof, the Licensee may elect to start a new five-year period from any year in which the periodic cut for the preceding five-year period is within ten per cent of the accumulated approved annual cuts.

40. The aggregate acreage of the Crown lands in the licence area for the purposes of this rental under Subsection (19) of Section 33 of the "Forest Act", as of this date, shall be one hundred and thirty-two thousand and eight (132,008) acres.

41. For the purposes of Section 124, Subsection (1) of the "Forest Act" as amended by Chapter 24 of the Statutes of British Columbia for 1949, the approved annual productive capacity of the licence shall be such as may be determined in the current approved working plan, and forest protection tax shall be payable as provided by the said Section 124.
42. All camps or other living quarters established incident to the management of the licence area shall be of a standard at least as high as those that, in the Licensor's reasonable opinion, are being maintained by comparable well conducted forest operations in the Vancouver Forest District.
43. The Licensee shall provide, to the satisfaction of the Licensor, reasonable office and living accommodation for a reasonable Forest Service inspection staff on the licence area or at any headquarters, plant, or operation maintained by the Licensee, if instructed by the Licensor in writing so to do.
44. The Licensee shall employ one Forester, registered under the terms of Chapter 127, R.S.B.C., 1948, and amendments thereto, and as many additional Registered Foresters as may be deemed necessary. The working plan and all revisions and amendments thereto shall be signed and sealed by the Registered Forester.
45. In the event of the bankruptcy or insolvency of the Licensee, the Licensor may cancel the licence and any or all moneys on deposit may be declared by the Licensor to be payable to the Crown for damages.
46. This agreement may be amended by the parties hereto by a memorandum in writing signed by the parties hereto.
47. This management licence shall not be sold or transferred by the Licensee within ten years immediately subsequent to the issuance of this licence.



48. Any notice required to be given to the Licensee by the Licensor under this licence, may be given by written notice sent by registered mail or delivered to the registered office of the Licensee in British Columbia, and shall be deemed to be so given on the day it would be received by the Licensee in the ordinary course of post, or on the day it was so delivered.

49. (a) This licence may be terminated at any time by mutual consent of the parties hereto.

(b) The Licensee may terminate this licence on two years' notice in writing given to the Licensor subject as hereinafter provided.

(c) In the event that the Licensee serves notice of termination of this licence as provided in the next preceding clause such termination shall be subject to the following conditions:

(i) All moneys held as security deposit of whatsoever nature or kind or any part thereof may be declared by the Licensor payable to the Crown for damages or otherwise and the Licensor shall not be obliged to account in respect thereof.

(ii) All tenures which have reverted to the Crown pursuant to this contract shall not revert in the Licensee.

(iii) All improvements made on Crown lands shall become and be the property of the Crown and the Licensee shall have no claim or in any way be entitled to compensation therefor:

Provided the Licensee may remove his own fixtures in such a manner as not to damage other improvements:

Provided also such removal shall not in any way affect the lien of the Crown on such fixtures as provided in the "Forest Act".

- (iv) All cutting permits issued pursuant to the licence shall terminate on the termination of the licence.
- (v) Where cutting and removal of timber is being carried out subject to the provisions of Subsection (21) of Section 33 of the "Forest Act" and such cutting and removal has not been completed or is otherwise insufficient to extinguish the tenures involved then the provisions of Subsection (22) of the said Section 33 shall apply thereto as if the contract had been cancelled as mentioned in the said Subsection (22).
- (vi) The Licensee shall forthwith pay all moneys owing on outstanding accounts for stumpage, royalty, taxes, and annual rental.
- (vii) All rights granted pursuant to any statute or regulations or under this licence as ancillary to the licence and all appurtenances shall be and are herewith cancelled effective on the termination of this licence.

50. In the event that this licence is cancelled or terminated, existing other tenures owned or controlled by the Licensee included within the licence area shall in no way be encumbered by any commitments, agreements, understandings or in any other manner arising out of the execution of this licence, except as provided for in Subsection (22) of Section 33 of the "Forest Act".

51. In this licence:

"Act" means the "Forest Act", R.S.B.C., 1948, Chapter 128, and amendments thereto in force from time to time during the currency of this licence.

"Approved", if not otherwise defined in the context, means approved by the Licensor.

"Denuded" or "denuded lands" means any forest lands in the licence area from or on which substantially all mature timber has been cut, logged, or destroyed, and on which trees of young growth in sufficient numbers to produce a valuable crop according to the standards of the Forest Service have not yet been established.

"Forest Service" means the Forest Service of the Department of Lands and Forests of British Columbia.

"Higher economic use" means that use which in the opinion of the Licensor will contribute most to the good and welfare of the Province, including non-monetary uses.

"Minister" means the Minister of Lands and Forests and his successors in office.

"Other tenure" means any title, licence, lease, or berth whereby the Licensee has the right to cut timber on land included in Schedule "A" hereto, or on land that subsequently may be acquired by the Licensee pursuant to Clause 6 hereof.

"Management working plan" means the management and working plan submitted by the Licensee with the application for this forest management licence and approved prior to the execution of these presents and subsequent revised management working plans to be submitted by the applicant in accordance with the terms of this licence as herein appearing.

This Agreement shall enure to the benefit of and shall be binding upon, not only the parties hereto, but also the successors in office of the Licensor and the successors and assigns of the Licensee, respectively.

This Licence and Agreement is issued subject to the provisions of the above-mentioned "Forest Act" and regulations made thereunder.

IN WITNESS WHEREOF the Licensor has executed these presents and the Licensee has hereunto affixed its corporate seal by the hands of its proper officers in that behalf.

SIGNED SEALED AND DELIVERED  
in the presence of:

Noël Ferguson  
Witness

R. B. Sommers,  
Minister of Lands and Forests

THE COMMON SEAL OF THE LICENSEE  
was hereunto affixed in the  
presence of:

H. R. MacMillan  
Chairman

Wm. Hoffmeyer  
President

SCHEDULE "A"

Tofino Forest Management Licence

Forest Management Licence No. 20

Forest lands and merchantable timber in other tenures owned or controlled by the Licensee included in the Tofino Forest Management Licence No. 20, all within the Alberni, Cameron, Clayoquot, Dunsmuir, Nelson and Newcastle Land Districts. •

I. BLOCK I (ASH RIVER)

<u>CROWN GRANTS</u>	<u>Merchantable Volume (in M cubic feet 11" d.b.h. and over)</u>	<u>Area in Acres</u>
Blk. 62	22,521	6,470
Blk. 73	38,851	11,706
Blk. 74	5,706	5,877
Lot 76 A & B	8	65
Blk. 77	6,769	1,310
Blk. 85	-	480
Blk. 210	-	315
Blk. 211 (pt.)	-	213
Blk. 212	-	40
Blk. 216	-	40
Pt. D, D.L. 258	-	35
Lot 263	62	552
D.L. 279	-	99
(S $\frac{1}{2}$ ) D.L. 281	-	10
Blk. 288	-	45
D.L. 291	-	41
Blk. 396	-	40
Blk. 397	-	118
Lot 474	-	22

Schedule "A" Cont'd -- 2

BLOCK I (cont'd)

<u>CROWN GRANTS</u>	<u>Merchantable Volume (in M cubic feet 11" d.b.h. and over)</u>	<u>Area in Acres</u>
Blk. 489	-	90
Blk. 490	-	20
Blk. 491	-	37
Blk. 492	-	12
Blk. 493	-	29
Blk. 494	-	21
Blk. 497	126	484
Blk. 512	53	170
Blk. 534	167	98
Blk. 535	-	20
Blk. 536	-	271
Blk. 537	162	148
Blk. 587	-	159
Blk. 604	65	139
Blk. 605	127	144
Blk. 637	184	240
Blk. 638	991	390
Blk. 639	212	85
Blk. 640	199	98
Blk. 647	62	54
Blk. 666	3,124	776
Blk. 669	90	244
Blk. 676	62	156
Blk. 698	323	120
Blk. 700	3,871	3,912
Blk. 803	5,419	1,680
Blk. 804	311	99

Schedule "A" Cont'd -- 3

BLOCK I (cont'd)

<u>CROWN GRANTS</u>		<u>Merchantable Volume (in M cubic feet 11" d.b.h. and over)</u>	<u>Area in Acres</u>
Blk.	970	48	19
Blk.	988	260	162
Lot	1009	427	240
Lot	1011	<u>125</u>	<u>217</u>
Total		<u>90,325</u>	<u>37,812</u>

II. BLOCK II (ALBERNI)

CROWN GRANTS

<u>Description</u>	<u>Merchantable Volume (in M cubic feet 11" d.b.h. and over)</u>	<u>Area in Acres</u>
Blk. 60	52	1,605
Blk. 80	-	1,069
Blk. 81	23,810	2,840
Blk. 82 ✓	1,016	4,442
Blk. 83	612	2,840
Blk. 84 ✓	2,382	1,206
Blk. 89	19	560
Lot 132 (S $\frac{1}{2}$ )	-	80
D.L. 153	-	155
Pcl."A" D.L. 159	-	25
S Pt.Blk.188	30	1,584
S Pt.Blk.189	217	1,778
Blk. 235	-	262
Blk. 240	-	57
Blk. 244	665	1,197
D.L. 240 - 244	253	238
Blk. 245	1,224	2,724
Blk. 246	-	79

Schedule "A" Cont'd -- 4

BLOCK II (cont'd)

<u>Description</u>	<u>Merchantable Volume (in M cubic feet 11" d.b.h. and over)</u>	<u>Area in Acres</u>
D.L. 260	8	75
D.L. 264	-	60
D.L. 295	-	115
D.L. 298	-	10
D.L. 299	-	8
D.L. 304	-	37
Blk. 328	514	529
Blk. 363	11	20
Blk. 364	85	81
Blk. 365	11	43
Blk. 366	39	121
Blk. 367	27	10
Blk. 368	-	40
Blk. 369	15	17
Blk. 379	141	60
Blk. 392	123	80
Blk. 393	96	41
Blk. 394	-	68
Blk. 402	10	150
Blk. 404	-	237
Blk. 443	-	320
Blk. 550	-	708
Blk. 551	394	1,264
Blk. 552	-	423
Blk. 611	15	20
Blk. 632	-	190
Blk. 633	29	343
Blk. 677	1,634	806



Schedule "A" Cont'd -- 5

BLOCK II (cont'd)

<u>Description</u>	<u>Merchantable Volume (in M cubic feet 11" d.b.h. and over)</u>	<u>Area in Acres</u>
Blk. 683	43	113
Blk. 692	2,126	1,255
Blk. 762	526	263
Blk. 763	291	2,244
Blk. 764	4,293	764
Blk. 819	337	170
Blk. 821	2,787	1,431
Blk. 822	1,017	250
Blk. 823	130	96
Blk. 824	625	272
Blk. 825	363	314
Blk. 826	2,900	323
Blk. 827	4,322	942
Blk. 828	994	<del>1,992</del> 1335
Blk. 835	13	93
Blk. 852 ✓	1,779	1,013
Blk. 863	15	15
Blk. 879	42	50
Blk. 934	693	316
Blk. 935	69	40
Blk. 936	375	182
Blk. 950	<u>20</u>	<u>197</u>
Total	<u>57,192</u>	<u><del>40,892</del></u>

III. BLOCK VI A. CROWN GRANTS

<u>Description</u>	<u>Merchantable Volume (in M cubic feet 11" d.b.h. and over)</u>	<u>Area in Acres</u>
Lot 33	1,430	320
Lot 34	913	160

Schedule "A" Cont'd -- 6

BLOCK VI (cont'd)

<u>Description</u>	<u>Merchantable Volume (in M cubic feet 11" d.b.h. and over)</u>	<u>Area in Acres</u>
Lot 35	859	160
Lot 36	1,159	366
Lot 38	352	160
Lot 40	134	51
Lot 41	360	433
Lot 42	353	317
Lot 84	814	157
Lot 85	1,852	386
Lot 86	1,789	320
Lot 87	1,980	320
Lot 90	328	160
Lot 111	237	73
Lot 476	494	160
Lot 478	210	148
Lot 479	195	139
Lot 480	190	160
Lot 482	<u>450</u>	<u>116</u>
Total	<u>14,099</u>	<u>4,106</u>
B. <u>TIMBER LICENCES</u>		
T.L. 9077	2,254	624
T.L. 10287	<u>2,845</u>	<u>611</u>
Total	<u>5,099</u>	<u>1,235</u>
GRAND TOTAL (Block VI)	<u>19,198</u>	<u>5,341</u>

Schedule "A" Cont'd -- 7

IV. BLOCK VII (SILVER LAKE)

A. CROWN GRANTS

<u>Description</u>	<u>Merchantable Volume (in M cubic feet 11" d.b.h. and over)</u>	<u>Area in Acres</u>
Sec. 6, 7, 8	1,417	580
Pts. Sec. 78	-	5
Total (Crown Grants - Block VII)	<u>1,417</u>	<u>585</u>

B. TIMBER LICENCES

T.L. 707	2,350	624
T.L. 3442	2,548	640
T.L. 3449	2,403	640
T.L. 3450	3,107	560
T.L. 3451	2,311	560
T.L. 3458	1,668	430
T.L. 5613	1,965	604
T.L. 5616	2,419	444
T.L. 5617	<u>1,964</u>	<u>412</u>
Total (Licences - Block VII)	<u>20,735</u>	<u>4,914</u>
GRAND TOTAL (Crown Grants, Licences - Block VII)	<u>22,152</u>	<u>5,499</u>

SUMMARY

Total Crown Grants	163,033	<del>83,395</del>
Total Licences	<u>25,834</u>	<u>6,149</u>
GRAND TOTAL	<u>188,867</u>	<del>89,544</del>

SCHEDULE "B"

Tofino Forest Management Licence

Forest Management Licence No. 20

Description.

All Crown lands not otherwise alienated within the Land Districts of Clayoquot, Alberni, Nelson, Newcastle, Cameron and Dunsmuir, and situated in the vicinity of Ash River, Franklin Creek, China Creek, Bedwell River, Tofino Creek, Clayoquot River, Meguin River, Flores Island, Maggie Lake and Henderson Lake on Vancouver Island, described as follows:

Block 1

"Commencing at the south-west corner of Parcel "A", Block 211, Alberni Land District, as shown on Reference Plan 412<sup>R</sup>, Victoria Land Registry, being a point on the westerly boundary of the Esquimalt and Nanaimo Railway Land Grant; thence easterly along the southerly boundary of said Parcel "A", to the south-east corner thereof; thence northerly to the south-west corner of Block "D", of Block 210, Plan 411<sup>R</sup>; thence easterly to the south-east corner thereof; thence easterly and northerly along the boundaries of Block 210, to the south-west corner of Block "C", of Block 210, Plan 411<sup>R</sup>; thence easterly to the south-east corner thereof; thence southerly and easterly along the boundaries of Block 210, to the westerly boundary of Block "A" of Block 210, Plan 411<sup>R</sup>; thence southerly, easterly and northerly along the boundaries of said Block "A" to the south-west corner of the most easterly part of Block 73; thence easterly to the south-east corner thereof; thence due east to the left bank of Stamp River; thence north-easterly along said left bank to the westerly boundary of Lot 262; thence northerly to the north-west corner of

Schedule "B" Cont'd -- 2

Lot 253; thence easterly to the north-east corner thereof; thence northerly to the south-west corner of Lot 1, of Lot 258, Plan 2024; thence east to the north-west corner of Parcel "B", of Lot 76, D.D. 20941<sup>N</sup>; thence southerly and easterly along the boundaries of said Parcel "B", to the south-east corner thereof; thence northerly to the north-east corner of Lot 2, of Lot 258, Plan 2024; thence westerly to the north-west corner of Lot 1, of Lot 258, Plan 2024; thence north to the north-east corner of Lot 288, Newcastle Land District; thence northerly in a straight line to the most easterly south-east corner of Lot 83; thence due north to the northerly boundary of the watershed of Ash River; thence westerly along said northerly boundary to a point due east of the north-east corner of Block 489, Nelson Land District; thence west to said corner; thence westerly along the northerly boundaries of said Block 489, and Block 74, Newcastle Land District; to a point due north of the north-east corner of Block 490, Nelson Land District; thence south to said corner; thence westerly and southerly along the boundaries of said Block 490, to the northerly boundary of Block 604, Newcastle Land District; thence westerly and southerly along the boundaries of said Block 604, to the northerly boundary of Block 497; thence westerly and southerly along the northerly and westerly boundaries of said Block 497, to the westerly high-water-mark of Nimmim Lake; thence southerly along said high-water-mark, to the northerly boundary of Block 700; thence westerly and southerly along the northerly and westerly boundaries of Block 700, to Angle Post 37, of said Block; thence due south to the northerly boundary of the watershed of Ash River; thence westerly along said northerly boundary to the westerly boundary of the Esquimalt and Nanaimo Railway Land Grant; thence south-easterly along said westerly boundary to the point of commencement; together with Lots 1009 and 1011 Clayoquot Land District."

Schedule "B" Cont'd -- 3

Block 2

"Commencing at the north-west corner of Lot 159, Alberni Land District, being a point on the easterly high-water-mark of Alberni Inlet; thence southerly along said high-water-mark to the westerly boundary of the Esquimalt and Nanaimo Railway Land Grant; thence south-easterly along said westerly boundary to the easterly boundary of the watershed of Alberni Inlet; thence in a general northerly direction along said easterly boundary to the southerly boundary of the watershed of Cameron River; thence south-easterly, north-easterly and north-westerly along the southerly, easterly and northerly boundaries of the watersheds of said Cameron River, to Mount Arrowsmith; thence westerly in a straight line to the most southerly corner of Block 35; thence in a general northerly direction along the westerly boundary of said Block 35, to a point due east of the most easterly north-east corner of Block 84; thence west to said corner; thence westerly and northerly along the easterly boundary of said Block 84, to the south-west corner of Block 611; thence easterly, northerly and westerly along the boundaries of said Block 611, to the north-west corner thereof; thence northerly to the south-west corner of Block 683; thence easterly and northerly along the boundaries of said Block 683, to the south-east corner of Block 781; thence westerly to the south-west corner of said Block 781, being a point on the easterly boundary of Block 189; thence northerly to the most easterly north-east corner of Block 189; thence westerly to the south-west corner of Block 636; thence westerly and southerly along the boundaries of Block 189, to part of the northerly boundary of Block 188; thence westerly and northerly along the northerly and easterly boundaries of said Block 188, and continuing northerly to the northerly boundary of the watershed of Alberni Inlet; thence north-westerly along said northerly boundary to the westerly boundary of Block 188; thence

Schedule "B" Cont'd -- 4

southerly and easterly along the boundaries of said Block 188, to the westerly boundary of Block 80; thence southerly along the westerly boundaries of Blocks 80, 235 and 82 and continuing southerly along the easterly boundaries of Blocks 104 and 105 to the south-east corner of said Block 105; thence westerly along the southerly boundary of said Block 105, to the south-west corner thereof; thence westerly and northerly along the boundaries of Lot 196, to the north-west corner thereof; thence westerly to the north-west corner of Lot 159, being the point of commencement, together with the South  $\frac{1}{2}$  of Lot 132."

Block 3

"Commencing at the north-east corner of Lot 1013, Clayoquot Land District, being a point on the westerly high-water-mark of Clayoquot Arm of Kennedy Lake; thence in a generally north-easterly, southerly and north-easterly direction along the high-water-marks of Clayoquot Arm of Kennedy Lake and Kennedy Lake to the south-east corner of S.T.L. 9263P; thence northerly and westerly along the boundaries of said S.T.L. 9263P to the westerly boundary of the watershed of Kennedy River; thence northerly along the said westerly boundary to the easterly boundary of the watershed of Ursus Creek; thence northerly along said easterly boundary to the southerly boundary of Strathcona Park; thence westerly along said southerly boundary to the easterly high-water-mark of Herbert Inlet; thence southerly along said easterly high-water-mark, to the north-west corner of Lot 623; thence easterly and southerly along the northerly and easterly boundaries of said Lot 623, to the most easterly north-east corner thereof, and continuing easterly along the northerly boundary of S.T.L. 11825P, to the westerly high-water-mark of Bedwell Sound; thence in a general north-easterly direction along said high-water-mark, to the most westerly north-west corner of Lot 1197; thence southerly and easterly along the westerly and southerly

Schedule "B" Cont'd -- 5

boundaries of Lot 1197 and S.T.L. 11822P, to the easterly boundary of the watershed of Bedwell Sound; thence southerly along said easterly boundary to the northerly boundary of S.T.L. 4610P; thence easterly and southerly along the boundaries of said S.T.L. 4610P, to the south-east corner thereof; thence due south to the northerly boundary of Lot 1201; thence easterly and southerly along the boundaries of said Lot 1201, to the south-east corner thereof, being a point on the northerly high-water-mark of Warn Bay; thence in a general easterly direction along said high-water-mark, to a point due west of the most northerly north-west corner of S.T.L. 6222P; thence east to said corner; thence east to the north-east corner of S.T.L. 4614P; thence due east to the westerly boundary of the watershed of Tranquil Creek; thence southerly along said westerly boundary to the northerly boundary of S.T.L. 4606P; thence easterly along the northerly boundary of said S.T.L. 4606P, to the most northerly north-west corner of S.T.L. 5513P; thence southerly along the westerly boundaries of S.T.L.'s 5513P and 5512P to the south-west corner of said S.T.L. 5512P; thence easterly and southerly along the boundaries of said S.T.L. 5512P, to westerly high-water-mark of Tranquil Inlet; thence in a general north-easterly direction along said high-water-mark, to the south-west corner of Lot 315; thence easterly to the south-east corner thereof; thence due east to the westerly boundary of Lot 1252; thence north-easterly along the boundaries of said Lot 1252, to the north-east corner thereof; thence southerly to the south-east corner of said Lot 1252, being a point on the westerly high-water-mark of Tofino Inlet; thence northerly and southerly along the westerly and easterly high-water-marks of said Tofino Inlet, to the south-west corner of S.T.L. 8568P; thence westerly to the north-east corner of S.T.L. 2090P; thence southerly to the north-west corner of Lot 1013 Clayoquot Land District; thence easterly to the point of commencement."



Schedule "B" Cont'd -- 6

Block 4

"Commencing at the south-east corner of Lot 1114, Clayoquot Land District, being a point on the westerly high-water-mark of Herbert Inlet; thence in a general northerly direction along said high-water-mark, to the southerly boundary of Strathcona Park; thence westerly and northerly along the boundaries of said Park to the northerly boundary of the watershed of Megin River; thence westerly along the northerly boundaries of the watersheds of Megin River and north Fork of Megin River; to the westerly boundary of Lot 1150; thence southerly to the south-west corner of Lot 1151; thence easterly to the south-east corner thereof, and continuing easterly to the westerly boundary of the watershed of the north Fork of Megin River; thence in a general southerly direction along said westerly boundary to the easterly boundary of S.T.L. 6036P; thence southerly to the south-east corner thereof; thence south-easterly in a straight line to the north-east corner of Lot 1124; thence south to the south-east corner thereof, being a point on the northerly high-water-mark of Shelter Inlet; thence in a general easterly direction along the northerly and easterly high-water-marks of said Shelter Inlet, to the southerly boundary of S.T.L. 8577P; thence easterly along said southerly boundary to a point due north of Shelbert Mountain; thence south to said mountain; thence easterly along the watersheds of two unnamed creeks, to the westerly boundary of the watershed of Herbert Inlet; thence southerly along said westerly boundary to the northerly boundary of Lot 1113; thence westerly and southerly along the boundaries of said Lot 1113, to the northerly boundary of Lot 1114; thence westerly, southerly and easterly along the boundaries of said Lot 1114, to the south-east corner thereof, being the point of commencement."

Schedule "B" Cont'd -- 7

Block 5

"Commencing at the south-west corner of Lot 1145, Clayoquot Land District, being a point on the westerly shore-line of Flores Island; thence northerly along said shore-line, to the westerly boundary of Lot 625; thence southerly, easterly and northerly along the westerly, southerly and easterly boundaries of said Lot 625, to the north-east corner thereof, being a point on the northerly shore-line of Flores Island; thence easterly and southerly along the northerly and easterly shore-lines of Flores Island, to a point due east of the north-east corner of S.T.L. 1965P; thence west to said corner; thence southerly, westerly and northerly along the boundaries of said S.T.L. 1965P, to a point due east of the south-east corner of S.T.L. 13104P; thence west to said corner; thence westerly to the south-west corner thereof; thence northerly along the westerly boundary of said S.T.L. 13104P, to the northerly boundary of Lot 1064; thence westerly to the most easterly south-east corner of Lot 1563; thence northerly to the north-east corner thereof; thence westerly along the northerly boundaries of Lots 1563, 1564 and 1565 to the north-west corner of Lot 1565; thence southerly to the north-east corner of Lot 1379; thence westerly to the north-west corner of Lot 1566; thence due west to a point due south of the south-east corner of Lot 1145; thence north to said corner; thence westerly to the south-west corner of said Lot 1145, being the point of commencement."

Block 6

"Commencing at the north-east corner of Indian Reserve No. 1, (Macoah), Clayoquot Land District, being a point on the westerly high-water-mark of Toquart Bay; thence westerly to the south-east corner of Lot 38; thence north to the north-east corner thereof;

Schedule "B" Cont'd -- 8

thence westerly to the south-east corner of Lot 33; thence northerly and westerly along the boundaries of said Lot 33, to the south-east corner of Lot 28; thence northerly and westerly along the boundaries of said Lot 28, to the south-west corner of Lot 27; thence northerly and easterly along the boundaries of said Lot 27, to the south-east corner of Lot 1034; thence northerly and westerly along the boundaries of said Lot 1034, to the north-west corner thereof; thence northerly along the easterly boundaries of Lot 87, (Alberni) and S.T.L. 2373P, Clayoquot Land District, to the north-east corner of said S.T.L. 2373P; thence westerly along the northerly boundary of S.T.L. 2373P, to the north-east corner of S.T.L. 2095P; thence south-westerly in a straight line to the north-east corner of S.T.L. 10594P; thence southerly along the easterly and southerly boundaries of said S.T.L. 10594P, to the most easterly north-east corner of S.T.L. 2924P; thence southerly and westerly along the boundaries of said S.T.L. 2924P, to the north-west corner of S.T.L. 2097P; thence southerly and easterly along the boundaries of said S.T.L. 2097P, to the north-west corner of S.T.L. 2376P; thence southerly to the north-east corner of S.T.L. 5510P; thence westerly and southerly along the boundaries of said S.T.L. 5510P, to a point due east of the north-east corner of S.T.L. 10287P; thence west to said corner; thence westerly along the northerly boundary of said S.T.L. 10287P, to the easterly boundary of S.T.L. 9077P; thence northerly and westerly along the boundaries of said S.T.L. 9077P, to the north-west corner thereof; thence southerly along the westerly boundaries of S.T.L. 9077P, Lots 482, 476 and 475 to the northerly boundary of Lot 66; thence easterly to the north-east corner thereof; thence southerly to the re-entrant angle of Lot 1329; thence easterly to the north-east corner of Lot 1327; thence southerly to the south-east corner of Lot 340; thence westerly along the southerly

Schedule "B" Cont'd -- 9

boundary of said Lot 340, to the northerly high-water-mark of Ucluelet Arm; thence in a general north-easterly direction along the northerly high-water-mark of Ucluelet Arm, Newcombe Channel, Maccoah Passage and Toquart Bay to the point of commencement; together with Lot 42, (Alberni), and Lot 111, Clayoquot Land District."

Block 7

"Commencing at the south-east corner of Lot 1218, Clayoquot Land District, being a point on the westerly high-water-mark of Henderson Lake; thence in a general southerly direction along the westerly high-water-mark of Henderson Lake, Uchucklesit and Alberni Inlets to Chmp Point; thence northerly along the easterly high-water-mark of Rainy Bay, to the south-west corner of Indian Reserve No. 4, (Tseoowa); thence westerly in a straight line across Rainy Bay to the north-east corner of Lot 722, (Barclay), being a point on the southerly high-water-mark of Seddall Island; thence in a general westerly direction along said high-water-mark to Pill Point; thence northerly in a straight line to the westerly boundary of the watershed of Useless Inlet; thence in a general northerly direction along the westerly watersheds of Useless and Uchucklesit Inlets, to a point due south of the most westerly south-west corner of Lot 883; thence north to the north-east corner of Lot 669A; thence westerly to the north-west corner thereof, being a point on the easterly high-water-mark of Effingham Inlet; thence northerly along said high-water-mark to the westerly boundary of Lot 900; thence northerly and easterly along the boundaries of said Lot 900, to the westerly boundary of the watershed of Coeur d'Alene Creek; thence northerly, easterly and southerly along the westerly, northerly and easterly boundaries of the watershed of said Coeur d'Alene Creek, to the easterly boundary

Schedule "B" Cont'd -- 10

of Lot 884; thence southerly to the northerly boundary of Lot 885; thence easterly and southerly along the boundaries of said Lot 885, to the south-west corner of Lot 1218; thence easterly to the south-east corner thereof, being the point of commencement."