

TREE FARM LICENCE

NO. 26

MISSION TREE FARM LICENCE

THIS LICENCE, made as of July 22, 1989

BETWEEN:

THE MINISTER OF FORESTS
OF BRITISH COLUMBIA, on behalf of
HER MAJESTY THE QUEEN IN RIGHT OF
THE PROVINCE OF BRITISH COLUMBIA,
(the "Licensor")

AND:

THE CORPORATION OF THE DISTRICT OF MISSION
8645 STAVE LAKE STREET
BOX 20
MISSION, BRITISH COLUMBIA
V2V 4L9

the "Licensee")

Whereas:

A. Under Section 29 of the Forest Act this Licence cancels and replaces Tree Farm Licence No. 26 dated July 22, 1979, the parties agree as follows:

1.00 GRANT OF RIGHTS, LICENCE AREA AND TERM

1.01 Subject to this Licence and in consideration of the Licensee's covenants in it, the Licensor grants to the Licensee,

- (a) the right during the term of this Licence to enter and occupy Crown land in the Licence area for the purpose of managing the timber resources and timber growth capability of the land according to this Licence and the FOREST ACT,
- (b) the right during the term of this Licence to manage Crown land in the Licence area according to this Licence and the FOREST ACT, and
- (c) subject to paragraphs 1.06, 1.07, 14.01, 14.02 and the FOREST ACT, the exclusive right during the term of this Licence to harvest timber from Crown land in the Licence area, according to management and working plans and pre-harvest silviculture prescriptions, and from areas specified in cutting permits issued from time to time under this Licence.

1.02 The Licence area is:

- (a) the private land and Timber Licences described in Schedule "A" to this Licence, and
- (b) the Crown land described in Schedule "B" to this Licence and as shown outlined in bold black on the map attached to this Licence, but excludes Crown land deleted from time to time under the Forest Act.

1.03 This Licence may be amended by agreement of the parties, by deleting from the Licence area private land described in Schedule "A" to this Licence, where

- (a) the private land is required for a use that is more valuable than timber production, and
- (b) the deletion would not, in the Chief Forester's opinion, unreasonably disturb the management of the Licence area for timber production.

1.04 The term of this Licence is 25 years, beginning July 22, 1989.

1.05 On its tenth anniversary this Licence may be replaced according to section 29 of the FOREST ACT.

1.06 For purposes of the Small Business Forest Enterprise Program, the Licensor retains the right to harvest from Schedule "B" land

- (a) 801 m³ of the allowable annual cut approved for the Licence area, for the year beginning January 1, 1988, and
- (b) 1602 m³ for the year beginning January 1, 1989, and for all subsequent years in the term of the Licence.

1.07 The Licensee and the Regional Manager, or District Manager, shall agree upon the harvest areas to be logged pursuant to paragraph 1.06 and shall make all reasonable effort to ensure that, in the aggregate, the average net value of the timber within such harvest areas during the term of a management and working plan shall be equal to the average net value of the timber harvested by the Licensee within the Licence area during the same period.

1.08 As Timber Licences expire, or as areas are deleted from them under section 57 of the FOREST ACT, the land subject to the Timber Licences or the areas deleted, as the case may be, shall be deemed to be deleted from Schedule "A" and to be added to Schedule "B".

2.00 MANAGEMENT AND WORKING PLANS

2.01 The management and working plan approved under the Tree Farm Licence that is replaced by this Licence shall be deemed to be a management and working plan approved under paragraph 2.06 of this Licence.

2.02 Not later than June 30, 1992, and June 30 of every fifth year afterward, the Licensee will submit for the Chief Forester's approval a proposed management and working plan for the 5 year period beginning January 1 of the following year.

2.03 The Chief Forester, at the Licensee's request or on his own initiative, in a notice to the Licensee, may require that a management and working plan be amended or replaced where

- (a) timber in the Licence area is damaged by fire, wind, insects, disease, or other natural forces, or
- (b) damage is caused to a timber processing facility of the Licensee, or there is labour conflict, war, civil insurrection, adverse weather conditions, depressed markets or other circumstances beyond the Licensee's control, or
- (c) serious and unforeseen damage is or could be caused to soils, fisheries, wildlife resources, water, range, recreation or other forest resources in the Licence area,
- (d) a major change occurs in the Licence area as a result of an area deletion or an area addition, or the consolidation or subdivision of one or more Tree Farm Licences,
- (e) a shift in the general location of harvesting operations is proposed,

and the Chief Forester considers that the occurrence has rendered the management and working plan inadequate.

2.04 Where a notice is given under paragraph 2.03

- (a) the notice shall specify the occurrence, the extent to which the management and working plan is inadequate and the nature of the change required by the Chief Forester, and
- (b) the Licensee will, unless otherwise determined by the Chief Forester, within 6 months after the notice, submit for the Chief Forester's approval a proposed management and working plan or a proposed amendment to the management and working plan.

2.05 A proposed management and working plan shall be prepared, signed and sealed by a registered professional forester in accordance with the FOREST ACT and shall

- (a) include information respecting the inventory of the forest and recreation resources and, where available to the Licensee, and where required by the Chief Forester, of the soils, fisheries and wildlife resources of the Licence area,
- (b) specify measures to be taken by the Licensee for the integrated management of the Licence area including developing, protecting, restoring and improving forest and recreation resources of the Licence area,
- (c) provide for the annual submission of an updated 5-year development plan to the District Manager which
 - (i) is consistent with the commitments made in an approved management and working plan,
 - (ii) has been referred by the Licensee to all appropriate resource agencies for their input,
 - (iii) has been advertised at least twice within a period of two consecutive weeks by the Licensee in at least one newspaper circulating in the vicinity of the proposed operations of the Licensee for the succeeding 5-year period,
 - (iv) has been made available for public viewing for at least 5 days at places and times convenient to the public,
 - (v) includes a summary of the input from all appropriate resource agencies and the public and the actions to be taken by the Licensee with respect to that input, and
 - (vi) provides other information required by the Chief Forester
- (d) provide for the submission, before harvesting timber under this Licence, of pre-harvest silviculture prescriptions for the land from which timber is to be harvested under this Licence;

- (e) provide a general schedule of harvesting operations for the term of this Licence; and
- (f) such other information respecting the development, management and use of the planning area as the Chief Forester requires.

2.06 The Chief Forester will approve, from time to time, management and working plans for the Licence area, acceptable to him, that

- (a) specify an allowable annual cut that he determines may be sustained from the Licence area, having regard to
 - (i) the composition of the forest on the Licence area and its expected rate of growth, determined from an inventory of the forest,
 - (ii) the expected time that it will take the forest to become re-established on the Licence area following denudation,
 - (iii) silvicultural and pest treatments to be applied to the Licence area,
 - (iv) the standard of timber utilization and the allowances for decay, waste and breakage it is expected will be applied with respect to timber harvesting operations conducted on the Licence area,
 - (v) the constraints on the amount of timber produced from the Licence area that reasonably can be expected by use of the Licence area for purposes other than timber production, and
 - (vi) any other information that relates to the capability of the Licence area to produce timber, including estimates of the impacts, both catastrophic and incremental, attributable to pests found in the Licence area,
- (b) specify measures taken and to be taken by the Licensee, consistent with this Licence and the FOREST ACT,
 - (i) for developing, protecting, restoring and improving the forest and recreation resources in the Licence area, and
 - (ii) for carrying out basic silviculture by or under part 10.1 of the FOREST ACT and the regulations and incremental silviculture proposed by the Licensee and approved by the Regional Manager or District Manager,
 - (iii) for the integrated management of the Licence area, and
 - (iv) for fulfilling its obligations under part 10.00 of the Licence,
- (c) specify the portion of the allowable annual cut that the Chief Forester determines is attributable to Schedule "B" land, and

- (d) subject to paragraphs 1.06, 8.05, and 14.02 specify the portion of the allowable annual cut which the Licensee has the right to harvest in accordance with this Licence and the management and working plan.

2.07 The District Manager will approve, from time to time, 5 year development plans and pre-harvest silviculture prescriptions that are consistent with the approved Management and Working Plan, and acceptable to him.

2.08 A management and working plan and pre-harvest silviculture prescriptions shall be deemed to be part of, and shall be consistent with, this Licence.

2.09 The Licensor, or person authorized by him, will from time to time conduct a technical audit of the Licensee's performance under this Licence.

3.00 CUTTING PERMITS

3.01 Except with the written consent of the Regional Manager or District Manager, the Licensee will cut timber on the Licence area only under a road permit or a cutting permit issued under this Licence.

3.02 Upon receipt of an application from the Licensee that meets the requirements of the Regional Manager, or the District Manager, the Regional Manager, or the District Manager, will issue cutting permits to the Licensee, to enable the Licensee to harvest timber from the Licence area, within the limits specified in the FOREST ACT and according to the management and working plan, 5 year development plan, and pre-harvest silviculture prescriptions.

3.03 A cutting permit shall, subject to the management and working plan, 5 year development plan and pre-harvest silviculture prescriptions,

- (a) authorize timber to be harvested under this Licence from a specific area of land in the Licence area,
- (b) be for a term, not exceeding 3 years as determined by the Regional Manager or the District Manager,
- (c) require payment to the Crown of stumpage applicable to Crown timber harvested under it,
- (d) contain procedures for adjusting the stumpage rates,

- (e) prescribe utilization standards, other cutting specifications and forestry practices consistent with the pre-harvest silviculture prescription to be followed in timber harvesting operations carried on under it,
- (f) prescribe the specifications, standards and locations of roads to be built on the land subject to the cutting permit,
- (g) set out procedures for assessing timber wasted and damaged by the Licensee and damages payable to the Crown for timber wasted and damaged,
- (h) specify one or more timber marks to be used in conjunction with the timber harvesting operations carried on under it,
- (i) be deemed to be a part of this Licence, and
- (j) require the establishment of cutting boundaries on the ground unless otherwise agreed to by the District Manager,
- (k) require timber cut under this Licence to be scaled in accordance with the FOREST ACT and regulations, and
- (l) include other provisions, consistent with this Licence and the FOREST ACT, required by the Regional Manager or District Manager.

3.04 All cutting permits in effect under the Tree Farm Licence that is replaced by this Licence shall continue in effect and shall be deemed to be part of this Licence.

4.00 CUT CONTROL

4.01 Cut control under this Licence shall be administered in accordance with the FOREST ACT.

4.02 The five year cut control period under this licence will commence January 1, 1988, or as otherwise directed by the Regional Manager.

5.00 FINANCIAL AND DEPOSITS

5.01 In addition to other money payable by the Licensee under the FOREST ACT and under this Licence, but without duplication, the Licensee will pay to the Crown, immediately on receipt of a statement issued on behalf of the Crown,

- (a) annual rent under the FOREST ACT based on the Chief Forester's determination under subparagraph 2.06(c), minus any volume allocated to Small Business Forest Enterprise Program harvest within the licence area as specified in paragraph 1.06,

- (b) in respect of timber cut under this Licence from Schedule "B" land, stumpage at rates determined, redetermined and varied under the FOREST ACT and regulations,
- (c) in respect of timber cut under this licence from Schedule "A" land subject to Timber Licences, royalty at rates specified in the regulations.
- (d) waste and damage assessments made under the FOREST ACT and regulations, and
- (e) prescribed scaling fees and the charges, costs and expenses incurred by the Crown in
 - (i) making and recording the scale measurements,
 - (ii) preparing and submitting the scale return, and
 - (iii) preparing and summarizing the scale computation, and issuing a bill to the Licensee in the manner specified by the Chief Forester, and
- (f) assessments made under Part 10.1 of the FOREST ACT and regulations.

5.02 During the term of this Licence the Licensee will maintain with the Crown a deposit in an amount prescribed in the regulations, in cash or securities acceptable to the Licensor, as security for the Licensee's performance of its obligations under this Licence and under the FOREST ACT.

5.03 If the Licensee fails to pay money that it is required to pay to the Crown or otherwise fails to perform its obligations under the FOREST ACT, this Licence, a road permit or a cutting permit, in respect of operations carried on under, or in conjunction with, this Licence

- (a) the Licensor or Regional Manager may, after at least 30 days' notice to the Licensee, take from the deposit such amounts as may reasonably be required to remedy the failure and for that purpose the security included in the deposit may be sold,
- (b) the Licensor or the District Manager may, if the Licensee has had at least 30 days notice and a reasonable opportunity to remedy a default and the Licensor or the District Manager considers that it is not practical to remedy the default, make an assessment in respect of the default equal to the costs that would have been incurred by the Licensor or the District Manager had he remedied the default and that assessment may be paid from the deposit and for that purpose a security included in the deposit may be sold,

- (c) the Licensor, Regional Manager or District Manager shall require the Licensee to forthwith pay the Licensor, in cash or in securities acceptable to the Licensor, an amount of money sufficient to maintain the deposit in the amount specified under paragraph 5.02.

5.04 Where the Regional Manager or the District Manager considers that timber harvesting or related operations that are proposed to be carried out under a cutting permit or road permit are likely to cause damage to the improvements or chattels of a lawful occupier or lawful user of Crown land, the Licensee may be required in the cutting permit or road permit

- (a) to prevent the damage from occurring,
- (b) to pay reasonable compensation to the occupier or user in respect of damage that occurs, and
- (c) to pay to the Crown a special deposit, in cash or in securities acceptable to the Licensor, in the amount determined by the Regional Manager to be adequate security for the Licensee's performance of requirements under subparagraphs 5.04(a) and (b).

5.05 Where under a cutting permit or road permit referred to in paragraph 5.04 the Licensee

- (a) fails to prevent the damage from occurring, and
- (b) fails to pay reasonable compensation, as determined by the Regional Manager or District Manager, to the occupier or user,

the Regional Manager or District Manager may, after at least 30 days' notice to the Licensee, pay reasonable compensation to the occupier or user from the deposits maintained under paragraphs 5.02 and 5.04 and for this purpose a security included in either or both deposits may be sold.

5.06 The Licensor will refund to the Licensee

- (a) the deposit maintained under paragraph 5.02 (minus deductions made under paragraphs 5.03 and 5.05), when this Licence terminates, expires and is not replaced under section 29 of the FOREST ACT, or is assigned, and
- (b) a special deposit paid under paragraph 5.04 (minus deductions made under paragraph 5.05), when the cutting permit or road permit referred to in paragraph 5.04 expires.

5.07 If this Licence is cancelled, terminates or expires, the Licensor may retain a reasonable portion of the deposit maintained under paragraph 5.02 and a special deposit paid under paragraph 5.04 until such time as all continuing obligations under this licence and under Section 62 of the FOREST ACT are fulfilled.

6.00 ROADS

6.01 The locations, specifications and standards of all roads to be built on Crown land by the Licensee to provide access to or in the Licence area,

- (a) shall, except roads on land that is subject to a cutting permit, be included in road permits entered into under the FOREST ACT between the Regional Manager or District Manager and the Licensee, and
- (b) shall be consistent with the management and working plan and 5 year development plan.

6.02 Where a logging access road is to be constructed to provide access to timber to be harvested under this Licence and the construction requires acquisition of a right-of-way over private land, the Licensor or the District Manager shall determine whether the Licensor or the Licensee shall acquire the road right-of-way.

6.03 A logging access road constructed by the Licensee on a right of way acquired by the Crown under paragraph 6.02 shall be deemed to be owned by the Crown and the Licensee shall have no claim to compensation in respect of the construction of road or establishment of improvements thereon by or for the Licensee.

6.04 Before April 1 of each year during the term of this Licence, the District Manager and the Licensee will review the road system required for operations under this Licence and, after the review,

- (a) the District Manager may, in a notice to the Licensee, identify roads that are to be maintained by the Licensee until April 1 of the following year for silviculture, forest protection or Licensee harvesting purposes, including those portions of Forest Service roads required by the Licensee, and
- (b) the Licensee will maintain the roads according to the notice.

6.05 The maintenance performed by the Licensee under paragraph 6.04 shall be sufficient to prevent deterioration of the road subgrade and drainage structures, and in the case of Forest Service roads to ensure that the condition of the road meets the needs and safety requirements of other users.

7.00 FOREST PROTECTION

7.01 Before April 1 of each year during the term of this Licence, the Licensee will submit to the District Manager a fire protection pre-organization plan, including a duty roster, acceptable to the District Manager.

7.02 The District Manager will from time to time approve fire protection pre-organization plans acceptable to him.

7.03 A fire protection pre-organization plan approved by the District Manager shall be deemed to be part of the management and working plan and shall be consistent with this Licence.

7.04 The Licensee's obligations under a fire protection pre-organization plan are in addition to and do not replace its obligations under section 121 of the FOREST ACT.

7.05 Pest management strategies shall be reviewed annually by the Licensee and the District Manager and if required by the District Manager, the Licensee shall submit for the District Manager's approval a pest treatment plan.

8.00 FORESTRY

8.01 The Licensee shall, at his own expense and in accordance with the FOREST ACT, regulations and pre-harvest silviculture prescriptions approved by the District Manager, carry out basic silviculture on the land from which the timber is harvested.

8.02 Where, under this Licence or the FOREST ACT, the Licensee is to perform silviculture or to develop or maintain a recreation site or trail on Schedule "B" land, the Licensee may enter the Schedule "B" land and perform the silviculture, or develop or maintain the recreation site or trail as the case may be.

8.03 The Licensee will not post a sign concerning forestry practised or the development and maintenance of recreation sites or trails under this Licence, unless the sign acknowledges the Crown's contributions to such practise or development and maintenance.

8.04 The Licensee will employ or contract for the services of, or both, one or more registered professional foresters as reasonably required to manage the Licence area according to this Licence.

8.05 Increases in the allowable annual cut that are attributable to incremental silviculture undertaken by the Licensee at its expense will accrue to the Licensee.

9.00 FOREST SERVICE ACCOMMODATION AND ACCESS

9.01 After receiving reasonable notice from the Regional Manager or District Manager, the Licensee will provide the Regional Manager, District Manager and Forest Officers with reasonable office and living accommodation on the Licence area, or at a headquarters or timber processing facility of the Licensee near the Licence area, to enable the Regional Manager, District Manager and Forest Officers to carry out their responsibilities in the Licence area and the Licensee may charge the Licensor the reasonable cost of the provision of such office and living accommodation.

9.02 The Regional Manager, District Manager and Forest Officers may at reasonable times use roads on the Licence area and enter private land in the Licence area, to carry out their responsibilities in the Licence area.

10.00 CONTRACTORS

10.01 Each calendar year during the term of this Licence a volume of timber equal to at least

- (a) 50% of the volume of timber harvested by or for the Licensee from the Licence area during the year, multiplied by
 - (b) the result obtained by the division of
 - (i) the portion of the allowable annual cut specified in subparagraph 2.06(c) attributable to Schedule "B" land, minus the volume specified in subparagraph 1.06(b), by

(ii) the portion of the allowable annual cut specified in subparagraph 2.06(d) as being allowable annual cut that the Licensee has the right to harvest, shall be harvested by persons under contract with the Licensee unless the Licensor, pursuant to the regulations, relieves the Licensee from this requirement in whole or in part.

10.02 Compliance with paragraph 10.01 shall be calculated according to the method prescribed in the regulations.

10.03 If in a calendar year the volume of timber harvested by persons under contract with the Licensee is less than the volume required under paragraph 10.01, the Licensee will on demand pay to the Crown, an amount of money equal to

- (a) the volume below the volume required under paragraph 10.01, multiplied by
- (b) the average stumpage rate applicable to timber harvested from the Licence area, that is billed to the Licensee in statements issued on behalf of the Crown during the calendar year,

unless, and to the extent that, relief is given under paragraph 10.01.

11.00 TIMBER PROCESSING

11.01 The Licensee will give the Licensor at least three months prior notice in writing of closure or major reduction in capacity of a timber processing facility owned or operated by the Licensee or any of its affiliates within the meaning of the Companies Act.

12.00 LIABILITY AND INDEMNITY

12.01 The Licensee will indemnify the Crown against and save it harmless from all claims, demands, suits, actions, causes of action, costs, expenses and losses faced, incurred or suffered by the Crown as a result, directly or indirectly, of wrongful acts and omissions on the Licence area, of:

- (a) the Licensee
- (b) an employee of the Licensee,
- (c) a person who performs work directly or indirectly under contract with the Licensee, and
- (d) any other person who carries on timber harvesting or related operations on the Licence area with the consent of the Licensee, except
 - (i) the holder of a free use permit referred to in paragraph 14.01, or
 - (ii) the holder of a timber sale licence entered into under the FOREST ACT or paragraph 1.06 or 14.02, or
 - (iii) a servant or agent of the Crown, or
 - (iv) any other person who uses or occupies the Licence area under rights granted by the Crown.

12.02 Paragraph 12.01 does not apply to an act or omission that is reasonable response to, and complies with, an order made on behalf of the Crown.

12.03 Money paid by the Licensee to the Crown under paragraphs 5.03, 5.05, 5.07, 10.03 and 12.01 and reductions in the allowable annual cut deemed to be made under this Licence or the FOREST ACT

- (a) shall be in addition to, and not in substitution for, and or
- (b) shall not, if accepted on behalf of the Crown, be deemed to be a waiver of

any remedy available under the FOREST ACT to the Crown, the Licensor, the Regional Manager or the District Manager, in respect of the default of the Licensee that led to the payment of the money or the reduction in the allowable annual cut.

13.00 TERMINATION

13.01 If this Licence expires, or is terminated and is not replaced under section 29 of the FOREST ACT, or if this Licence is cancelled,

- (a) cutting permits and road permits will, subject to section 62 of the FOREST ACT, terminate when the expiry, termination or cancellation occurs,

- (b) within 30 days of the expiration, termination or cancellation, the Licensee may remove from the Licence area those improvements that the District Manager determines are
 - (i) not required for long term use by the Crown, and
 - (ii) capable of being removed without damage to other remaining improvements, and
- (c) property in logs, and special forest products then on Schedule "B" land shall pass to the Crown without compensation to the Licensee.
- (d) Timber licences that are in effect at termination or cancellation of this licence shall be replaced by new timber licences.

13.02 Subject to paragraph 13.03, where the Licensee commits an act of bankruptcy, makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency, the Licensor may cancel this Licence in a notice served on the Licensee.

13.03 The Licensor will not cancel this Licence under paragraph 13.02 unless and until

- (a) he gives notice to
 - (i) the holder of a debenture, mortgage or other debt security that charges this Licence, then registered against the Licensee under the COMPANY ACT, and
 - (ii) the trustee for the holder of a bond or debenture issued under a deed of trust that charges this Licence, then registered against the Licensee under the COMPANY ACT, and
- (b) a person referred to in clauses (a)(i) or (a)(ii) has had a reasonable opportunity to exercise his rights and to pursue his remedies under the deed of trust, debenture, mortgage or other debt security, including the taking of possession of the Licensee's properties and assets.

14.00 MISCELLANEOUS

14.01 Each year during the term of the Licence, the District Manager may grant free use permits to persons other than the Licensee authorizing the harvest of timber from Schedule "B" land not exceeding 1% of the allowable annual cut approved for that year.

14.02 The Regional Manager or District Manager may on behalf of the Crown, issue timber sale licences on part of the Licence area under sections 30, 55.4, and 56.1 of the FOREST ACT, to persons other than the Licensee.

14.03 Any timber sale licence entered into by the Regional Manager or District Manager pursuant to paragraphs 1.06 and 14.02 shall be subject to the following:

- (a) the term of any such timber sale licence shall not exceed 10 years,
- (b) the operations to be authorized under such timber sale licence will not interfere unreasonably with operations of the Licensee under this Licence,
- (c) if the holder of a timber sale licence is to use roads or other improvements on the Licence area, the holder of the timber sale licence shall first enter into an agreement providing for reasonable payment to the Licensee for the actual maintenance of roads and other improvements on the Licence area,
- (d) the volumes of timber harvested under such timber sale licences shall not be included for the purposes of determining compliance by the Licensee with the cut control provisions of the FOREST ACT,
- (e) the volume of timber harvested under such timber sale licences shall not be included for the purposes of part 10 in the "volume of timber harvested" and,
- (f) the Licensee shall have no liability to the Licensor with respect to the operations carried out on the Licence area under the timber sale licences including, but not limited to fires, post logging slash disposal, other site treatment, reforestation, road construction and maintenance, stumpage, annual rents, waste assessments, or other financial obligations.

14.04 Nothing in this Licence entitles the Licensee to have the Licence area or part of it replaced with another area or with another harvesting licence in the event the Licence area is damaged or destroyed by pests, disease, fire, insects, wind or other natural causes.

14.05 By April 1 of every year during the term of this Licence, the Licensee will deliver to the Regional Manager or District Manager an annual report in respect of this Licence for the preceding calendar year reporting on inventory depletion, forestry and silviculture, engineering, inventory, protection, research, recreation, performance of the requirements under parts 4.00, 8.00 and 10.00, and containing such other information as required by the Regional Manager or District Manager.

14.06 If the Licensor so directs the Licensee will, at its own expense, survey and define on the ground any or all boundaries of the Licence area.

14.07 Where in this Licence an obligation is to be performed by the Chief Forester, the Regional Manager, District Manager or a Forest Officer, the Licensor will cause the obligation to be performed by that person.

14.08 This Licence is subject to the FOREST ACT.

14.09 Where a notice is required under this Licence, the notice shall be in writing and shall be deemed to have been given if delivered to, or if sent by prepaid registered mail addressed to:

The Licensor:

HONOURABLE MINISTER OF FORESTS
PARLIAMENT BUILDINGS
VICTORIA, BRITISH COLUMBIA
V8V 1X4,

and

The Licensee:

THE CORPORATION OF THE DISTRICT OF MISSION
8645 STAVE LAKE STREET
BOX 20
MISSION, BRITISH COLUMBIA
V2V 4L9

or to such other address specified by one party to the other in a notice given according to this paragraph and, subject to paragraph 14.10, where service is by registered mail the notice shall be conclusively deemed to be given on the eighth day after its deposit in a Canada Post Office at any place in Canada.

14.10 Where, between the time a notice is mailed under paragraph 14.09 and the time it is actually received by a party, there occurs a postal strike, lockout or slowdown that might reasonably affect delivery of the notice, the notice shall not be deemed to be given until the party actually receives it.

14.11 This Licence will enure to the benefit of, and be binding on, the parties and their respective successors and permitted assigns.

15.00 INTERPRETATION

15.01 If a term used in this Licence is defined in the FOREST ACT or regulations, the definition in the FOREST ACT or regulations applies to this Licence.

15.02 In this Licence, unless the context otherwise requires,

- (a) "allowable annual cut" means the rate of timber harvesting specified as the allowable annual cut in a management and working plan,
- (b) "average stumpage rate" means the rate calculated by dividing the total stumpage billed to the Licensee under this Licence during a calendar year for all species and all products excluding waste billings by the volume of timber harvested under this Licence for which stumpage is billed during that calendar year,
- (c) "catastrophic impacts" means alteration of a forest stand as a result of pest infestations which occur over a short time frame, usually causing significant mortality,
- (d) "cutting permit" means a cutting permit issued under paragraph 3.02,
- (e) "deposit" means the deposit required to be maintained by the Licensee under paragraph 5.02,
- (f) "District Manager" means a district manager appointed under the MINISTRY OF FORESTS ACT, for a forest district in which the Licence area, or part of it, is situated,
- (g) "5 year development plan" means the plan required to be approved under paragraph 2.07,

- (h) "harvest" includes entry on land for the purpose of cutting and removing timber,
- (i) "incremental impacts" means alteration of a forest stand as a result of pest infestations which occur over a long time frame, usually causing changes in the stand's productivity,
- (j) "Licence area" means the private land and Timber Licences described in subparagraph 1.02(a), plus the Crown land described in subparagraph 1.02(b),
- (k) "management and working plan" means a management and working plan approved under paragraph 2.06,
- (l) "Minister" means Minister within the meaning of the FOREST ACT,
- (m) "pest" means any organism or damaging agent designated by the Forest Service to be detrimental to effective resource management including insects, fungi, bacteria, viruses, nematodes, plants and vertebrates,
- (n) "person" includes a corporation and a partnership,
- (o) "pre-harvest silviculture prescriptions" means the prescription required to be approved under sub-paragraph 2.07,
- (p) "Regional Manager" means the regional manager appointed under the MINISTRY OF FORESTS ACT, for the forest region in which the Licence area, or part of it, is situated,
- (q) "regulations" means regulations made under the FOREST ACT,
- (r) "resource agency" means any governmental agency, ministry or department having jurisdiction over a resource which may, in the Licensor's sole discretion, be affected by the harvesting of timber under this Licence,
- (s) "road permit" means a road permit entered into between the Regional Manager or District Manager and the Licensee under the FOREST ACT to provide access to or in the Licence area,

- (t) "Schedule 'A' land" means the land and tenures described in Schedule "A" to this Licence, but excludes land deemed to be deleted, from time to time, from Schedule "A" under paragraph 1.03 and land deleted, from time to time, from Timber Licences under the Forest Act.
- (u) "Schedule 'B' land" means the land described in Schedule "B" to this Licence and land deemed to be added, from time to time, to Schedule "B" under paragraph 1.08, but excludes land deleted, from time to time, from Schedule "B" under the Forest Act.
- (v) "special deposit" means the deposit required to be maintained by the Licensee under sub-paragraph 5.04(c)

- 15.03 In this Licence, unless the context otherwise requires,
- (a) the singular includes the plural and the plural includes the singular,
 - (b) the masculine, the feminine and the neuter are interchangeable, and
 - (c) a reference to a series of numbers or letters, by the first and last numbers or letters of the series, includes the number or letter referred to first and the number or letter referred to last.

15.04 This Licence is divided into parts, paragraphs, subparagraphs, clauses and subclauses, illustrated as follows:

- 1.00 part,
 - 1.01 paragraph,
 - (a) subparagraph,
 - (i) clause,
 - A. subclause;

and a reference to a subparagraph, clause or subclause shall be construed as a reference to the subparagraph, clause or subclause of the paragraph, subparagraph or clause, as the case may be, in which the reference occurs.

15.05 Where a section of the FOREST ACT referred to in this Licence is renumbered, the reference in this Licence shall be construed to be the section as renumbered.

This Licence, has been executed by the Licensor and the Licensee as of the date first above written.


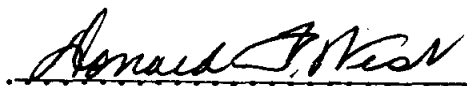
SIGNED, SEALED AND)
DELIVERED by the)
HONOURABLE MINISTER OF)
FORESTS, on behalf)
of Her Majesty the Queen in)
Right of the Province of)
British Columbia on the)
30 of July, 1989,)
.....)
.....)


.....)
Minister of Forests

THE COMMON SEAL of the)
Licensee was affixed on the)
 of , 1989,)
and in the presence of:)
.....)
.....)

(or)

SIGNED, SEALED AND)
DELIVERED by the)
Licensee, on the)
of , 1989,)
in the presence of:)
.....)
.....)


.....)
(MAYOR)

.....)
(CLERK) (Licensee)

SCHEDULE "A"

Mission Municipal Tree-Farm Licence

Tree Farm Licence No. 26

Forest lands and merchantable timber in other tenures owned or controlled by the Licensee included in the Mission Municipal Tree Farm Licence No. 26, all within the New Westminster Land District.

Mission Forest Reserve

<u>Crown Grants</u>	<u>Land District</u>	<u>Hectares</u>
L.S. 6, 7 & 8 of S. 1, Tp. 15, E.C.M.	New Westminster	45.074
Lot 1 of S. 1, Tp. 15 and of Sec. 6, Tp. 18, E.C.M., Plan 22833	"	12.561
Lots 1 to 14 of Sec 26, Tp. 15, E.C.M.	"	54.713
N.W. 1/4 and L.S. 15 of Sec. 3, Tp. 18., E.C.M.	"	80.937
W 1/2 of S.W. 1/4 of Sec. 4, Tp. 18, E.C.M.(save and exc. Pcl. B Explanatory Plan 16116)	"	13.193
L.S. 9, 10, 15 & 16 of Sec. 6, Tp. 18, E.C.M.	"	64.547
L.S. 8, 10, 12, 15 & 16 of Sec. 9, Tp. 18, E.C.M.	"	80.897
W 1/2 of S.E. 1/4, N. 1/2 of Sec. 10 Tp. 18, E.C.M.	"	159.677
L.S. 3, 4, 5 of Sec. 15, Tp. 18, E.C.M.	"	95.910
L.S. 8 & 10 of Sec. 16, Tp. 18, E.C.M.	"	31.808
L.S. 2 & 7 and N.E. 1/4 of Sec. 19, Tp. 18, E.C.M.	"	95.340

Schedule "A" Cont'd..2

<u>Crown Grants</u>	<u>Land District</u>	<u>Hectares</u>
L.S. 6, 13, 15, & 16 , of Sec. 20, Tp. 18, E.C.M. (except that (4 ha.) portion of L.S. 6 for industrial purposes, described by metes & bounds description contained in Schedule 'A' attached to Bylaw No. 1747 1988).	"	60.871
L.S. 10, 11, 12, 14, 15 & 16 of Sec. 21, Tp. 18, E.C.M.	"	97.205
L.S. 3, 4, 10 & 14 of Sec. 22, Tp. 18, E.C.M.	"	64.750
L.S. 1, 3, 4, 7 & 11 of Sec. 27, Tp. 18, E.C.M.	"	80.937
L.S. 1, 4, 5, 7, 13, 16 & 14 (exc. pt. included in Pcl. A, Plan 6162) of Sec. 28, Tp. 18, E.C.M.	"	96.761
L.S. 8 & 9 of Sec. 29, Tp. 18, E.C.M.	"	32.375
L.S. 1, 2 & 8 of Sec. 33, Tp. 18, E.C.M.	"	48.562
L.S. 4 & 5 of Sec. 34, Tp. 18, E.C.M.	"	32.537
	TOTAL	<hr/> 1 248.655 ± <hr/>

SCHEDULE "B"

Mission Municipal Tree-farm Licence

Tree-farm Licence No. 26

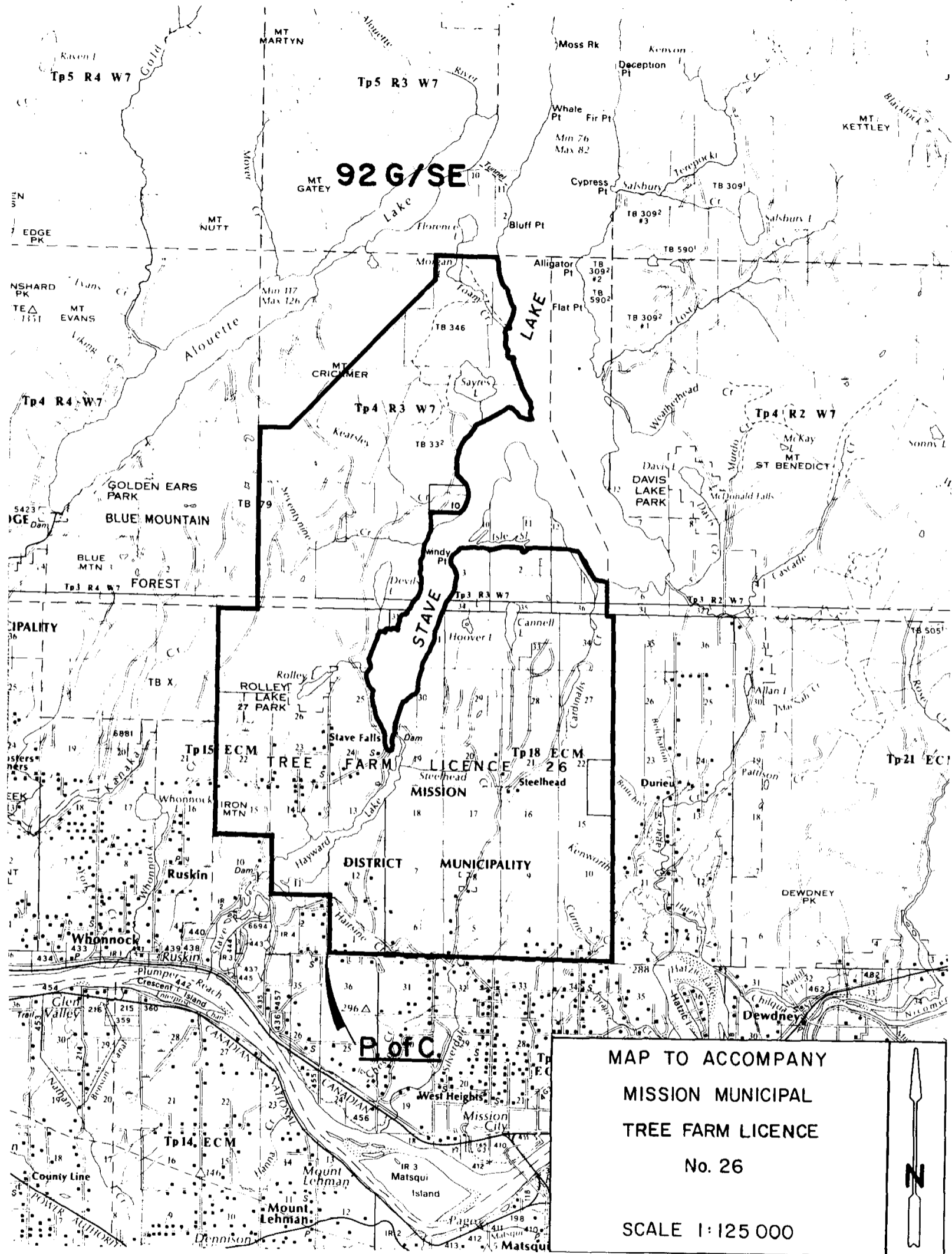
All Crown lands not otherwise alienated within the areas outlined in bold black in the accompanying maps except Crown land which was subject to an old temporary tenure (within the meaning of the Forest Act assented to March 30, 1972) and held by a person other than the Licensee.

Commencing at the south-west corner of Section 1, Township 15, east of the Coast Meridian, Group 1, New Westminster District; thence northerly along the westerly boundary of Section 1, of said Township 15, to the south-east corner of Section 11, of said Township 15; thence westerly along the southerly boundary of Section 11 of said Township 15, to the south-east corner of Section 10, of said Township 15; thence northerly and westerly along the easterly and northerly boundaries of said Section 10, Township 15, to the south-west corner of Section 15, of said Township 15; thence northerly along the westerly boundaries of Sections 15, 22 and 27 of said Township 15, to the north-west corner of said Section 27, Township 27; thence north 1.609 kilometres; thence east 1.207 kilometres; thence north 5.109 kilometres; thence east 805 metres; thence north 44 degrees 30 minutes east 5.753 kilometres; thence north 805 metres; thence due east to the edge of the bed of Stave Lake on the westerly shore thereof; thence in a general southerly direction along the said edge of the bed of Stave Lake on the

westerly shore thereof to the northerly boundary of the fractional south-west quarter of Section 10, Township 4, Range 3, west of the Seventh Meridian; thence westerly along the northerly boundary of the said south-west quarter of Section 10, Township 4, to the northwest corner thereof; thence southerly along the westerly boundary of said south-west quarter of Section 10, Township 4 to the edge of the bed of Stave Lake on the westerly shore thereof; thence in a general southerly, easterly and northerly direction along the said edge of the bed of Stave Lake on the westerly, southerly and easterly shores thereof, to the northerly boundary of Section 2, Township 4, Range 3, west of the Seventh Meridian; thence easterly along the northerly boundaries of Sections 2 and 1 of said Township 4 to the edge of the bed of Stave Lake on the westerly shore thereof; thence in a general south-easterly direction along the said edge of the bed of Stave Lake on the westerly shore thereof to the easterly boundary of Section 1, of said Township 4; thence southerly along the easterly boundaries of Section 1, of said Township 4 and Section 36, Township 3, Range 3, west of the Seventh Meridian, to the northerly boundary of Section 34, Township 18, east of the Coast Meridian; thence easterly along the northerly boundary of said Section 34, Township 18, to the north-east corner thereof; thence southerly along the easterly boundaries of Sections 34, 27, 22, 15, 10 and 3 of said Township 18 to the south-east corner of said Section 3, Township 18, thence

westerly along the southerly boundaries of Sections 3, 4, 5 and 6 of said Township 18, and Section 1 of aforesaid Township 15 to the south-west corner of said Section 1, Township 15, being the point of commencement.

92 G/SE



MAP TO ACCOMPANY
 MISSION MUNICIPAL
 TREE FARM LICENCE
 No. 26

SCALE 1:125 000

