

TREE FARM LICENCE

NO. 43

BROADLEAF TREE FARM LICENCE

THIS LICENCE, made as of January 1, 1985

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")

OF THE FIRST PART,

AND:

SCOTT PAPER LIMITED
P. O. Box 3600
VANCOUVER, B.C.
V6B 3Y7

(the "Licensee")

OF THE SECOND PART

WITNESSES that, under section 27 of the Forest Act, 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 forest growth potential of the land according to management and working plans, and
 - (b) subject to paragraph 14.02 and the Forest Act, the right during the term of the Licence to manage the timber resources and forest growth potential of the Crown land in the Licence area according to management and working plans.

1.02 The Licence area is

- (a) the private land owned or leased as described in Schedule "A" to this Licence, and
- (b) the Crown land described in Schedules "B" and "C" to the Licence,

and as shown outlined in bold black on the maps attached to this Licence, but excludes Crown land deleted, from time to time, under the Forest Act.

- (c) upon notice by the Licensor that third party cutting rights have expired in respect of the lands described in Schedule "C" those lands or so much of them as is affected by the notice shall revert to Schedule "B" and this agreement shall be deemed to be amended accordingly.

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 January 1, 1985.

1.05 On its tenth anniversary this Licence may be replaced according to the Forest Act.

**AMENDMENT* SECTIONS 1.06, 1.07, 1.08 ADDED --- SEE INSTRUMENT NO. 7*

2.00 MANAGEMENT AND WORKING PLANS

2.01 Not later than June 30 of the fifth year of the management and working plan required under this Licence, and 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.

2.02 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 caused to soils, fisheries or wildlife resources, of the Licence area,

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

2.03 Where a notice is given under paragraph 2.02

- (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, 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, as the case may be, to have effect during the unexpired term of the then current management and working plan.

2.04 A proposed management and working plan shall be prepared, signed and sealed by a registered professional forester and shall contain

- (a) information respecting the inventory of the forest resources and, where available to the Licensee, and where required by the Chief Forester, respecting the soils, fisheries and wildlife resources and recreational capabilities, of the Licence area,
- (b) a proposal for developing timber harvesting operations and providing access on the Licence area,
- (c) a proposal for protecting the forest in the Licence area from damage by fire, insects, and disease,
- (d) a proposal for reforestation and providing other silvicultural treatments to the Licence area,
- (e) the Licensee's program for fulfilling its obligations under part 10.00, and
- (f) such other information respecting the development, management and use of the Licence area as the Chief Forester requires.

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

- (a) 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 treatments to be applied to the Licence area,
 - (iv) the standard of timber utilization and the allowances for waste and breakage it is expected will be applied with respect to timber harvesting operations conducted on the Licence area, and

(v) any other information that relates to the capability of the Licence area to produce timber,

(b) measures taken and to be taken by the Licensee, consistent with this Licence and the Forest Act, for developing, protecting, restoring and improving the forest resources in the Licence area, and for fulfilling its obligations under part 10.00, and

(c) the portion of the allowable annual cut that the Chief Forester determines is attributable to Schedule "B" land at the beginning of the term of this Licence,

and any management and working plan may provide for the protection of such unique features of the Licence area as are identified from time to time, by studies within the Licence area, the results of which are approved by the Chief Forester.

2.06 A management and working plan shall be deemed to be a part of, and shall be consistent with, this Licence.

3.00 CUTTING PERMITS

3.01 Without the written consent of the Regional Manager or the District Manager the Licensee will not cut timber on the Licence area except under a cutting permit issued under this Licence, or under a road permit.

3.02 On application by the Licensee the Regional Manager or the District Manager will, from time to time, issue cutting permits to the Licensee, to enable the Licensee to harvest timber from the Licence area, within the limits specified in paragraph 4.02 and according to the management and working plan then in effect.

3.03 A cutting permit shall be deemed to be a part of this Licence, and subject to the management and working plan then in effect, shall

- (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,
- (c) provide for the payment of stumpage rates applicable to timber harvested under it and procedures for varying the stumpage rates, where stumpage is payable in respect of the timber,
- (d) prescribe utilization standards, other cutting specifications and forest practices to be followed in timber harvesting operations carried on under it,
- (e) prescribe the specifications and standards of roads to be built on the land subject to the cutting permit,
- (f) set out procedures for assessing timber wasted and damaged by the Licensee and damages payable to the Crown for timber wasted and damaged,

- (g) specify a timber mark to be used in conjunction with the timber harvesting operations carried on under it, and
- (h) include such other provisions, consistent with this Licence and the Forest Act, as the Regional Manager or the District Manager determines.

3.04 The Licensee will define on the ground the boundaries of the areas authorized for harvesting under a cutting permit, unless the Regional Manager or the District Manager determines otherwise.

3.05 Timber cut under this Licence shall be marked according to the Forest Act and cutting permits, and shall, subject to the Forest Act, be scaled according to the Forest Act.

4.00 AREA CONVERSION CONTROL

4.01 Operations for the term of this licence are based on the planned annual conversion of 126.3 hectares of productive forest land to the growth of cottonwood species.

4.02 In the event that the rate of conversion of the licence area to a free-standing crop of cottonwood species is

- (a) less than 65 hectares in any calendar year or
- (b) less than 570 hectares in any five year conversion period designated by the Licensor

the Licensee will pay to the Crown as liquidated damages \$250.00 for each hectare not converted as required within the specified time period.

* AMENDMENT * SECTION 4.03 ADDED... SEE INST. NO. 7

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,
- (b) in respect of timber cut under this Licence from Schedule "B" land, stumpage at rates determined by a forest officer and varied under cutting permits,
- (c) scaling fees determined under the regulations, and
- (d) waste and damage assessments made under cutting permits.

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 in negotiable 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 it is required to pay to the Crown under the Forest Act, this Licence, a road permit or a

cutting permit,

- (a) the payment may, after at least 30 days' notice has been given to the Licensee, be taken from the deposit maintained under paragraph 5.02 and for that purpose a security included in the deposit may be sold, and
- (b) the Licensee will forthwith pay to the Crown, in cash or in negotiable 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 negotiable securities acceptable to the Licensor, in an amount determined by the Regional Manager to be adequate security for the Licensee's performance of requirements under subparagraphs (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 to the occupier or user,

the occupier or user may, after at least 30 days' notice has been given to the Licensee, be paid reasonable compensation, on the Licensee's behalf, out of a deposit paid under paragraph 5.04 or maintained under paragraph 5.02, or both, and for that purpose a security included in either deposit, or both of them, 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 if this Licence is cancelled, 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 disposed of, within the meaning of the Interpretation Act, otherwise than bona fide by way of security, deposits held under this Licence shall be deemed to be assigned to

the person taking the disposition of this Licence and the Crown shall not be bound afterward to account for the deposits to the person making the disposition.

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 branch or spur 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 the District Manager and the Licensee, and
- (b) shall be consistent with management and working plans in effect from time to time.

6.02 Where any part of the expense of constructing a logging access road to or in the Licence area is to be applied as a credit against stumpage payable by the Licensee under section 88 of the Forest Act and the right of way of the road, or part of it, is to be located on private land, the Licensee will, if the Regional Manager in a notice to the Licensee requires,

- (a) at its own expense survey the part of the right of way located on private land and register a plan of the survey in the appropriate Land Title Office, and
- (b) deliver to the Regional Manager, in consideration of \$1.00, a deed of land in registerable form over the part of the right of way to be located on private land, according to and in the form set out in the notice.

6.03 Before April 1 of each year during the term of this Licence the parties will review the road system in or serving the Licence area and, after the review,

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

7.00 FOREST PROTECTION

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

7.02 The Regional Manager or 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 Regional Manager or the District Manager shall be deemed to be part of the management and working plan then in effect and shall be consistent with this Licence.

7.04 The Licensee's obligations under a fire protection pre-organization plan shall be in addition to and do not replace its obligations under section 121 of the Forest Act.

8.00 FORESTRY

8.01 The Licensee shall be responsible for all developmental works and all forestry programs provided for in the approved management and working plan. Where section 88 funding is approved such funding shall not be permitted to exceed stumpage charges for the 5 year management and working plan period. Any section 88 project costs incurred in the preparation of each management and working plan will be applied against that period's section 88 funding.

8.02 The Licensee will employ or contract for the services of, or both, as many registered professional foresters as the Chief Forester considers are reasonably required to manage the Licence area according to this Licence.

8.03 The Licensee will not post a sign on or near the Licence area concerning forestry practised or the development of recreation sites on the Licence area, unless the sign acknowledges the Crown's contributions.

9.00 FOREST SERVICE ACCOMMODATION AND ACCESS

9.01 After receiving reasonable notice from the Regional Manager or the District Manager, the Licensee will provide the Regional Manager and Forest Officers with reasonable living accommodation and transportation on the Licence area, or at a headquarters or timber processing facility of the Licensee near the Licence area, to enable the Regional 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 living accommodation and transportation.

9.02 The Regional Manager and Forest Officers may at reasonable times

- (a) use roads on the Licence area owned, or deemed to be owned, by the Licensee, and
 - (b) 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 the management and working plan in effect during the calendar year that the Chief Forester determines is attributable to Schedule "B" land, by

(ii) the allowable annual cut specified in the management and working plan in effect during the calendar year,

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, as liquidated damages, 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 Any coniferous timber harvested from the Licence area and suitable for the manufacture of lumber shall be cut into marketable log lengths and be offered for sale to holders of timber processing facilities capable of manufacturing lumber or plywood veneer, unless and except to the extent that the Minister relieves the Licensee from this requirement.

12.00 LIABILITY AND INDEMNITY

12.01 The Licensee will indemnify the Crown against and will 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 the Licensee, and

- (a) an employee of the Licensee,
 - (b) a person who performs work directly or indirectly under contract with the Licensee, and
 - (c) 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 14.02, or
 - * AMENDMENT * (ii) the holder of a Timber Sale Licence entered into under
 CAUSE ADDED---SEE the Forest Act, or
 - IST. NO. 7 (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,
- acting within the scope of his duties.

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

12.03 Where the Licensee fails to perform an obligation it is required to perform under this Licence, a management and working plan, a fire protection pre-organization plan approved under paragraph 7.02, a cutting permit, or a road permit

- (a) the Regional Manager or the District Manager may perform the obligation on the Licensee's behalf, and
- (b) the Licensee will on demand pay the Crown an amount of money equal to the reasonable costs incurred under subparagraph (a) to perform the obligation.

12.04 Liquidated damages paid by the Licensee to the Crown under this Licence

- (a) shall be in addition to, and not in substitution for, and
- (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 liquidated damages.

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

13.00 TERMINATION

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

- (a) cutting permits and road permits will terminate when the expiry, termination or cancellation occurs,
- (b) title to all improvements, including roads and bridges, then fixed on Crown lands shall vest in the Crown, without compensation to the Licensee provided that the Licensee may remove its improvements which are capable of removal in such manner as not to damage other improvements within thirty (30) days of such expiration, termination or cancellation.
- (c) property in logs, and in special forest products as defined in the Forest Act, then on Crown lands shall pass to the Crown, without compensation to the Licensee.

13.02 Subject to paragraph 13.03 if 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 This Licence is subject to the Forest Act.

14.02 The Regional Manager or the District Manager may, on behalf of the Crown,

- (a) grant Free Use Permits to persons other than the Licensee authorizing the harvest of Crown timber from the Licence area, but the volume of timber harvested under such Free Use Permits in any year during the term of this Licence shall not exceed 1% of the allowable annual cut approved for that year, and

- (b) grant harvesting rights to persons other than the holder of the Tree Farm Licence under Division 3 of the Forest Act to authorize the harvest of mature coniferous timber on the Tree Farm Licence area.

14.03 By April 1 of every year during the term of this Licence the Licensee will deliver to the Regional 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 and performance of the requirement under part 10.00, and containing such other information as the Regional Manager requires.

14.04 The Licensee shall make every effort to utilize any cottonwood harvested from the Schedule "C" land by third parties which is made available to it at reasonable prices.

14.05 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.

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

14.07 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:

SCOTT PAPER LIMITED
P. O. Box 760
New Westminster, B.C.
V3L 4Z9

Attention: General Manager,
Western Manufacturing Division

or to such other address specified by one party to the other in a notice given according to this paragraph and, subject to paragraph 14.08, 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.

14.08 Where, between the time a notice is mailed under paragraph 14.07 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.

14.09 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 In this Licence, unless the context otherwise requires,

- AMENDMENT *
CLAUSE 15.01(a) CHANGED
SEE INST. NO. 7*
- *AMENDMENT * CLAUSE 15.01(a.1) ADDED -- SEE INST. NO. 7*
- (a) "allowable annual cut" means the rate of timber harvesting specified as the allowable annual cut in a management and working plan,
 - (b) "Chief Forester" means the chief forester appointed under the Ministry of Forests Act,
 - (c) "Crown" has the same meaning as in the Interpretation Act,
 - (d) "Crown land" has the same meaning as in the Forest Act,
 - (e) "cutting permit" means a cutting permit issued under paragraph 3.02,
 - (f) "District Manager" means the District Manager appointed under the Ministry of Forests Act, for the forest district in which the Licence area, or part, is situated,
 - (g) "5 year allowable cut" means the total of the allowable annual cuts in effect each year during a 5 year cut control period,
 - (h) "5 year cut control period", unless otherwise defined by the Licensor, means the 5 year period beginning January 1 of the year when the term of this Licence begins, and each successive 5 year period,
 - (i) "Forest Officer" means a person who is designated as a forest officer under the Forest Act,

- (j) "Forest Service" means the forest service continued under the Ministry of Forests Act,
- (k) "harvest" includes entry on land for the purpose of cutting and removing timber, cutting the timber and removing the timber from the land,
- (l) "Licence area" means
 - (i) the private lands described in Schedule "A" to this Licence, and
 - (ii) the Crown land described in Schedules "B" and "C" to this Licence, and as shown outlined in bold black on the maps attached to this Licence, but excludes Crown land deleted, from time to time, under the Forest Act,
- (m) "management and working plan" means a management and working plan approved prior to issuance of this Licence, or a management and working plan subsequently approved under paragraph 2.05,
- (n) "Minister" means minister within the meaning of the Forest Act,
- (o) "person" includes a corporation and a partnership,
- (p) "person under contract" has the meaning defined in the regulations,
- (q) "private land" means land that is not Crown land,
- (r) "Regional Manager" means the regional manager appointed under the Ministry of Forests Act, for the forest region in which the Licence area, or part, is situated,
- (s) "registered professional forester" means a person registered under the Foresters Act,
- (t) "regulations" means regulations made under the Forest Act,
- (u) "road permit" means a road permit entered into between the Regional Manager or the District Manager and the Licensee under the Forest Act to provide access to or in the Licence area,
- (v) "Schedule 'A' land" means the private land owned or leased as 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,

- (w) "Schedule 'B' land" means the land described in Schedule "B" to this Licence and land deemed to be added, from time to time, from Schedule "C", but excludes land deleted, from time to time, from Schedule "B" under the Forest Act,
- (x) "Schedule 'C' land" means the land described in Schedule "C" to this Licence, but excludes any land which may be deleted, from time to time, from Schedule "C" under the Forest Act,
- * AMENDMENT * CLAUSE 15.01(X.1) ADDED -- SEE INST. NO. 7*
- (y) "timber processing facility" has the same meaning as in the Forest Act, and
- (z) "wood residue" has the same meaning as in the Forest Act.

15.02 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.

15.03 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 a subparagraph, clause or subclause of the paragraph, subparagraph or clause, as the case may be, in which the reference occurs.

15.04 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.

IN WITNESS to this Licence, it has been signed on behalf of the Crown, and the common seal of the Licensee has been affixed to it in the presence of its officers who are authorized to do so.

SIGNED, SEALED AND)
DELIVERED by the)
HONOURABLE MINISTER OF)
FORESTS, on behalf of)
the Crown in the)
presence of:)
.. *[Signature]*)
.. *[Signature]*)

[Signature]
Minister of Forests

THE COMMON SEAL of the)
Licensee was affixed in)
the presence of:)
.. *[Signature]*)
.. *[Signature]*)

[Signature]

SCHEDULE "A"

BROADLEAF TREE FARM LICENCE

TREE FARM LICENCE NO. 43

Forest lands and merchantable timber in other tenures owned or controlled by the Licensee in the Broadleaf Tree Farm Licence No. 43 as described in Schedule 'A' of the Fraser Block (shall be hereinafter referred to as the "Leased Lands").

BLOCK 1 FRASER

A. CROWN GRANTS

AREA A

| <u>Crown Grants</u> | <u>Land District</u> | <u>Hectares more or less</u> | <u>Certificate of Title No.</u> |
|--|----------------------|----------------------------------|-------------------------------------|
| Isl. No. 17 being ptns. LS. 2, 7, 8, 9, 10 and 15 Sec. 10, Tp. 3, R. 30 | W6M, N.W.D. | 21.247 | S27301E |
| Part fr. LS. 10 & 15, fr. LS. 11, 12, 13 and 14 of Sec. 10, pt. LS. 2 and E. pt. LS. 3 of Sec. 15, Tp. 3, R. 30 being part of Isl. No. 21 | " " | 55.080 | S27302E |

AREA B

| | | | |
|---|-----|--------|---------|
| That ptn. of fr. SE. 1/4 Sec. 24, Tp. 3, R. 30 lying S. of CPR R. of W. and N. of Fraser River (Ex. Isls. in river) | " " | 14.679 | S27314E |
|---|-----|--------|---------|

| <u>Crown Grants</u> | <u>Land District</u> | <u>Hectares more or less</u> | <u>Certificate of Title No.</u> |
|---|----------------------|----------------------------------|-------------------------------------|
| Those ptns. of N. 1/2 Sec. 13, Tp. 3 R. 30 which are included within the limits of Isl. 8 as shown on plan of survey of the SE. 1/4 of said Tp. dated at Ottawa on 31-08-17 and Those ptns. of the SE. 1/4, Sec. 23, and S. 1/2, Sec. 24, Tp. 3, R. 30 which are included within the limits of Isl. No. 8 as shown on plan of survey of the NE. 1/4 of said Tp. dated at Ottawa on 4-12-15 | W6M, N.W.D. | 22.259 | S27313E |

AREA C

| | | | |
|--|-------------|--------|---------|
| All that ptn. Isl. No. 2 lying within Sec. 15, Tp. 3, R. 29, as shown on plan of survey of the SE. 1/4 of said Tp. dated at Ottawa 08-09-21; and all that ptn. of said Isl. lying E. of dry channel of fr. LS 1, 8 and 9 of Sec. 16, Tp. 3, R. 29 as shown on plan of survey of the SW. 1/4 of said Tp. dated at Ottawa 3-05-18, C of T 402719E on file | W6M, N.W.D. | 54.351 | S27306E |
| All that ptn. Isl. No. 2 lying within Secs. 16, 17, Tp. 3, R. 29, consisting of fr. LS. 1, 2, 3, 4, 7 and 8 of Sec. 16 S. of area patented to A.W. Youman 11-04-13 and W. of east bank of dry channel through said LS 1, 2, 8 and 9 of Sec. 17 as shown on plan of survey of the SW. 1/4 of said Tp. dated at Ottawa 3-05-18 | " " | 16.168 | S27304E |

| <u>Crown Grants</u> | <u>Land District</u> | <u>Hectares more or less</u> | <u>Certificate of Title No.</u> |
|--|----------------------|----------------------------------|-------------------------------------|
| That pt. of Isl. No. 2 lying within fr. LS. 5, 6, 11 and 14 of Sec. 16, Tp. 3, R. 29 as shown on plan of survey of the SW. 1/4 of said Tp. dated at Ottawa 3-05-18 (ex. Plans. 2450, 2591) | W6M, N.W.D. | 21.044 | S27303E |
| That pt. of Isl. No. 2 lying within LS. 9 and 10 of Sec. 16, Tp. 3, R. 29, as shown on plan of survey of the SW. 1/4 of said Tp. dated at Ottawa 3-05-18 (Ex. Plan 2591, that pt. LS. 9 lying S. & E. of dry channel) | " " | 15.600 | S27305E |
| Parcel "A", Ref. Plan 2450 of SE. 1/4 Sec. 16, Tp. 3, R. 29 | " " | 25.592 | S27323E |
| Parcel "B", Ref. Plan 2591 of SE. 1/4 Sec. 16, Tp. 3, R. 29 | " " | 28.329 | S27323E |
| Those ptns. of LS. 5 and S. 1/2 LS. 12 of Sec. 16 and LS. 1, 2, 6, 7, 8, S. 1/2 LS. 9, S. 1/2 LS. 10 and S. 1/2 LS. 11, Sec. 17, which are in- cluded within the limits of Isl. No. 1, Tp. 3, R.29 as shown on plan of the survey of the SW. 1/4 of said Tp. dated at Ottawa 03-05-18 | " " | 74.748 | S27307E |
| Ptns. of fr. LS. 13, 14 of Sec. 15, fr. LS. 14, 15, and 16 of Sec. 16, fr. LS. 1, 2 of Sec. 21, fr. LS. 4 of Sec. 22 within the limits of Isl. 3, Tp. 3, R. 29 | " " | 42.494 | 614367E |

| <u>Crown Grants</u> | <u>Land District</u> | <u>Hectares more or less</u> | <u>Certificate of Title No</u> |
|---|----------------------|----------------------------------|------------------------------------|
| Isls. 29, 30 of Secs. 13, 14 Tp. 3, R. 29 (Ex. Plan 4939) as shown on plan survey of the SE. 1/4 of said Tp. dated Ottawa 08-09-21 (C. of T. 402721E) | W6M, N.W.D. | 23.363 | S27309E |
| Lot 746 Gp. 2 (C. of T. 402722E) | N.W.D. | 25.400 | S27321E |
| <u>AREA D</u> | | | |
| Lots 51, 52 Gp. 1 | Y.D.Y.D. | 121.410 | S27316E |
| Ptns. LS. 1, 8, 9 and 16 of Sec. 21, fr. LS. 5, 12 and 13, Sec. 22 which form N. pt. of Isl. 7, Tp. 3, R. 28 | W6M, Y.D.Y.D. | 36.585 | S27317E |
| Isl. No. 4 of fr. LS. 14 Sec. 15, Tp. 3, R. 28 as shown on plan of survey of the SE. 1/4 of said Tp. dated at Ottawa 12-11-19 | " " | 3.440 | S27322E |
| Ptns. LS. 2, 3 and 4, Sec. 22, Tp. 3, R. 28 which lie to S. limit of Lot 52, Gp. 1 being a ptn. of a certain surveyed Isl. in the Fraser River | " " | 10.441 | S27324E |
| Ptns. fr. LS. 12, 13 of Sec. 15, fr. LS. 9, 10, 15 and 16 of Sec. 16, Tp. 3, R. 28 which form S. pt. of Isl. No. 7 in Fraser River | " " | 23.634 | S27318E |
| Ptn. NW. 1/4 Sec. 15, ptn. NE. 1/4 Sec. 16, Tp. 3, R. 28 included within the limits of Herrling Isl. containing 33 ac. | " " | 17.200 | S27319E |

| <u>Crown Grants</u> | <u>Land District</u> | <u>Hectares more or less</u> | <u>Certificate of Title No.</u> |
|---|----------------------|----------------------------------|-------------------------------------|
| Ptns. NW. 1/4 Sec. 26, SW. 1/4 Sec. 27 N. of Lot 51, Gp. 1, N. 1/2 Sec. 27, SE. 1/4 Sec. 34 included within the limits of Herrling Isl. (Ex. 32.09 ac. shown red on sketch Plan 1477FK) | W6M, Y.D.Y.D. | 40.047 | S27325E |
| S. 1/2 Isl. No. 10 lying within fr. LS. 3, 4 of Sec. 28, fr. LS. 13 of Sec. 21, fr. LS. 16 of Sec. 20, fr. LS. 1 Sec. 29, Tp. 3, R. 28 (C. of T. 402724E) | " " | 9.713 | S27311E |
| Isl. No. 1 of Sec. 18, Tp. 3, R. 28 as shown on plan of survey of the SW. 1/4 of said Tp. dated Ottawa 26-10-15 | " " | 16.188 | S27308E |
| Ptn. Isl. No. 10 which was contained within the limits of LS. 5, 6, 7, 9, 10 and 11 of Sec. 28, Tp. 3, R. 28 as shown on plan of survey the NW. 1/4 of said Tp. dated Ottawa 12-12-28 (C. of T. 402723-E) | " " | 4.047 | S27310E |
| Isl. No. 12 in N. 1/2 Sec. 28, Tp. 3, R. 28 as shown on plan of survey of the NW. 1/4 of said Tp. dated Ottawa 12-12-28 (C. of T. 412866E) | " " | 21.004 | S27312E |
| TOTAL CROWN GRANTS | | <u>744.063</u> | |

SCHEDULE "B"

BROADLEAF TREE FARM LICENCE

TREE FARM LICENCE NO. 43

FRASER BLOCK NO. 1

All Crown land within New Westminster, Yale Division of Yale, Range 1, Coast and Range 2, Coast Land Districts not otherwise alienated within the area outlined in bold black on the accompanying maps.

BLOCK 1 FRASER

AREAS A, B AND C

Covers all that unsurveyed Crown land and Crown land New Westminster and Yale Division of Yale Land Districts within the Fraser River as shown in bold black as areas A, B and C on map 1 of 3.

AREA D

Commencing at a point 1.120 kilometres north of the northeast corner of Lot 51, New Westminster Land District, said point being also the northeast corner of the southeast quarter of

the northeast quarter of fractional Section 27 Township 3 Range 28 W6M; thence westerly and southerly along the northerly and westerly boundaries of the southeast quarter of the northeast quarter of said fractional Section 27 to the northerly boundary of the southeast quarter of said fraction Section 27; thence westerly and southerly along the northerly and westerly boundaries of the southeast quarter of said fractional Section 27 to the northerly boundary of aforesaid Lot 51; thence in a general easterly direction along the northerly boundary of said Lot 51 to the northeast corner thereof; thence in a general southerly, westerly, northerly, easterly and southerly direction to the point of commencement covering all that land within the Fraser River as shown in bold black as Area D on map 1 of 3.

Save and excepting thereout all that foreshore and land covered by water within the above described areas.

BLOCK 2 HOMATHKO

AREA A

Commencing at the northwest corner of Lot 1999, Range 1 Coast Land District; thence southerly and easterly along the westerly and southerly boundaries of said Lot 1999 to the westerly boundary of Lot 1998; thence southerly along the westerly boundary

of said Lot 1998 to the southwest corner thereof; thence easterly along the southerly boundaries of Lots 1998 and 1997 to the southeast corner of said Lot 1997; thence northerly along the easterly boundary of said Lot 1997 to a point due west of the southwest corner of Lot 1540; thence due east to the southwest corner of said Lot 1540; thence easterly and northerly along the southerly and easterly boundaries of said Lot 1540 to the westerly boundary of Lot 1539; thence southerly and easterly along the westerly and southerly boundaries of said Lot 1539 to the 61 metre (200 foot) contour line; thence in a general southerly direction along the said 61 metre (200 foot) contour line to a point 360 metres north and 940 metres west of the northeast corner of Lot 1535; thence south 100 metres, more or less, to the high-water mark of Waddington Harbour on the northerly shore thereof; thence in a general westerly direction along the high-water mark of said Waddington Harbour on the northerly shore thereof to the high-water mark of Homathko River on the left bank thereof; thence in a general northerly direction along the high-water mark of said Homathko River on the left bank thereof to the southeast corner of Indian Reserve No. 2A "Homalco" Lot 1047; thence northerly, westerly and southerly along the easterly, northerly and westerly boundaries of said Lot 1047 to the high-water mark of aforesaid Homathko River on the left bank thereof; thence due south to the high-water mark of said Homathko River on the right bank thereof; thence in a general westerly direction along the high-water mark of said Homathko River

on the right bank thereof to the northwest corner of Indian Reserve No. 1 "Homalco"; thence southerly along the westerly boundary of said Indian Reserve No. 1 to the northeast corner of Lot 168; thence westerly and southerly along the northerly and westerly boundaries of said Lot 168 to the high-water mark of Cumsack Creek on the left bank thereof; thence in a general westerly direction along the high-water mark of said Cumsack Creek on the left bank thereof to a point 660 metres south and 560 metres west of the northwest corner of aforesaid Lot 168; thence south 80 metres, more or less, to the 61 metre (200 foot) contour line; thence in a general westerly and northerly direction along the said 61 metre (200 foot) contour line to a point 420 metres south and 1.840 kilometres west of the northwest corner of Lot 299, Range 2 Coast Land District, said point being also on the westerly boundary of a public road; thence in a general northwesterly direction along the westerly boundary of said public road to a point 100 metres north and 2.035 kilometres west of the northwest corner of said Lot 299; thence north 45 degrees west 1.860 kilometres; thence north 400 metres, more or less, to the confluence of the high-water mark of aforesaid Homathko River on the right bank thereof and the high-water mark of Brew Creek on the right bank thereof; thence in a general westerly and southerly direction along the high-water mark of said Brew Creek on the right bank thereof to a point 1.580 kilometres north and 3.570 kilometres west of the northwest corner of aforesaid Lot 299; thence west 250 metres; thence north 2.140 kilometres, more or less, to the 61 metre

(200 foot) contour line; thence in a general northwesterly direction along the said 61 metre (200 feet) contour line to a point 6.400 kilometres north and 6.450 kilometres west of the northwest corner of aforesaid Lot 299; thence north 45 degrees east 450 metres, more or less, to the high-water mark of aforesaid Homathko River on the right bank thereof; thence in a general southeasterly direction along the high-water mark of said Homathko River on the right bank thereof to a point 5.080 kilometres north and 3.800 kilometres west of the northwest corner of aforesaid Lot 299; thence due east to the high-water mark of said Homathko River on the left bank thereof; thence in a general southerly direction along the high-water mark of said Homathko River on the left bank thereof to a point 2.360 kilometres north and 2.880 kilometres west of the northwest corner of said Lot 299; thence north 45 degrees east 250 metres, more or less, to the 61 metre (200 foot) contour line; thence in a general southeasterly direction along the said 61 metre (200 foot) contour line to a point 1.050 kilometres north and 1.100 kilometres west of the northwest corner of said Lot 299; thence south 80 metres, more or less, to the high-water mark of said Homathko River on the left bank thereof; thence in a general southerly direction along the high-water mark of said Homathko River on the left bank thereof to the confluence of the high-water mark of said Homathko River on the left bank thereof and the high-water mark of Jewakwa River on the right bank thereof; thence in a general easterly direction along the high-water mark of said Jewakwa River on the right bank thereof to

the northerly boundary of Lot 298; thence easterly and southerly along the northerly and easterly boundaries of said Lot 298 to the southeast corner thereof, said point also being the westerly boundary of a public road; thence in a general southerly direction along the westerly boundary of said public road to a point 620 metres south and 160 metres east of the southeast corner of said Lot 298; thence west 500 metres; thence south 1.700 kilometres; thence west 300 metres, to the most northerly northeast corner of Lot 295; thence southerly along the easterly boundary of said Lot 295 to an internal angle thereof; thence due south to the southerly boundary of said Lot 295; thence easterly along the southerly boundaries of Lots 295 and 822 to the southeast corner of said Lot 822; thence east 100 metres; thence south 760 metres; thence east 400 metres, more or less, to a point due north of the northwest corner of Lot 826; thence due south to the northwest corner of said Lot 826; thence easterly along the northerly boundary of said Lot 826 400 metres; thence south to the southerly boundary of said Lot 826; thence easterly along the southerly boundary of said Lot 826 to the southeast corner thereof; thence east 75 metres, more or less, to the 61 metre (200 foot) contour line; thence in a general southerly and easterly direction along said 61 metre (200 foot) contour line to the point of commencement.

AREA B

Commencing at a point on the high-water mark of Homathko River on the left bank thereof, said point being 9.200 kilometres north and 5.900 kilometres west of the northwest corner of Lot 299, Range 2 Coast Land District; thence south 1.560 kilometres, more or less, to the high-water mark of said Homathko River on the left bank thereof; thence in a general westerly, northerly and easterly direction along the high-water mark of said Homathko River on the left bank thereof to the point of commencement.

Save and excepting thereout all that foreshore and land covered by water within the above described areas.

SCHEDULE "C"

BROADLEAF TREE FARM LICENCE

TREE FARM LICENCE NO. 43

All Crown land within Range 2, Coast Land District not otherwise alienated within the area outlined in bold black on the accompanying map 3 of 3, shall become part of Schedule "B" lands of this licence as and when a prior forest licence commitment is extinguished.

BLOCK 3 KINGCOME

AREA A

Commencing at a point on the high-water mark of Kingcome River on the left bank thereof, said point being 2.580 kilometres north and 570 metres west of the most easterly southeast corner of Lot 252, Range 2 Coast Land District; thence south 45 degrees east 580 metres; thence south 15 degrees east 1.040 kilometres, more or less, to the high-water mark of an unnamed creek on the right bank thereof, said unnamed creek flowing southwesterly into aforesaid Kingcome River at a point 820 metres north and 260 metres west of the most easterly southeast corner of aforesaid Lot 252; thence in a general southwesterly direction along the high-water mark of said unnamed creek on the right bank thereof to the confluence of the high-water mark of said unnamed creek on the right bank thereof and

the high-water mark of aforesaid Kingcome River on the left bank thereof; thence due south to the high-water mark of an island (located in said Kingcome River) on the easterly shore thereof; thence in a general southerly, westerly and northerly direction along the high-water mark of said island on the easterly, southerly and westerly shores thereof to a point 600 metres north and 740 metres west of the most easterly southeast corner of aforesaid Lot 252; thence due west to the high-water mark of aforesaid Kingcome River on the right bank thereof; thence in a general northerly direction along the high-water mark of said Kingcome River on the right bank thereof to a point 1.720 kilometres north and 980 metres west of the most easterly southeast corner of Lot 252; thence north 45 degrees east 500 metres, more or less, to the high-water mark of said Kingcome River on the left bank thereof; thence in a general northerly direction along the high-water mark of said Kingcome River on the left bank thereof to the point of commencement.

AREA B

Commencing at a point on the high-water mark of Kingcome River on the right bank thereof, said point being 2.950 kilometres south and 2.240 kilometres west of the most easterly southeast corner of Lot 252, Range 2 Coast Land District; thence north 1.050 kilometres, more or less, to the high-water mark of Clear River on

the right bank thereof; thence north 45 degrees east 1.130 kilometres, more or less, to the high-water mark of Kingcome River on the right bank thereof; thence in a general southerly and westerly direction along the high-water mark of said Kingcome River on the right bank thereof to the point of commencement.

AREA C

Commencing at a point on the high-water mark of Kingcome River on the left bank thereof, said point being 1.230 kilometres north and 140 metres west of the southwest corner of Lot 1453, Range 2 Coast Land District; thence west 410 metres; thence north 37 degrees west 1.620 kilometres; thence north 60 degrees east 320 metres; thence north 27 degrees west 1.440 kilometres, more or less, to the high-water mark of aforesaid Kingcome River on the right bank thereof; thence due east to the high-water mark of said Kingcome River on the left bank thereof; thence in general northerly direction along the high-water mark of said Kingcome River on the left bank thereof to a point 5.620 kilometres north and 2.250 kilometres west of the southwest corner of aforesaid Lot 1453; thence due north to the high-water mark of an unnamed island on the southerly shore thereof; thence in a general westerly, northerly and easterly direction along the high-water mark of said island on the southerly, westerly and northerly shores thereof to a point 6.120

kilometres north and 1.840 kilometres west of the southwest corner of Lot 1453; thence north 60 degrees east 400 metres; thence south 30 degrees east 3.600 kilometres; thence south 50 degrees west 540 metres; thence south 30 degrees east 1.580 kilometres; thence north 75 degrees east 800 metres; thence south 15 degrees east 600 metres, more or less, to the high-water mark of an unnamed creek on the right bank thereof, said unnamed creek flowing southwesterly into aforesaid Kingcome River at a point 700 metres north and 1.460 kilometres east of the southwest corner of aforesaid Lot 1453. thence in general southwesterly direction along the high-water mark of said unnamed creek on the right bank thereof to the high-water mark of aforesaid Kingcome River on the left bank thereof; thence in a general westerly and northerly direction along the high-water mark of said Kingcome River on the left bank thereof to the point of commencement.

Save and excepting thereout all that foreshore and land covered by water within the above described areas.

BROADLEAF TREE FARM LICENCE No. 43

BLOCK 1

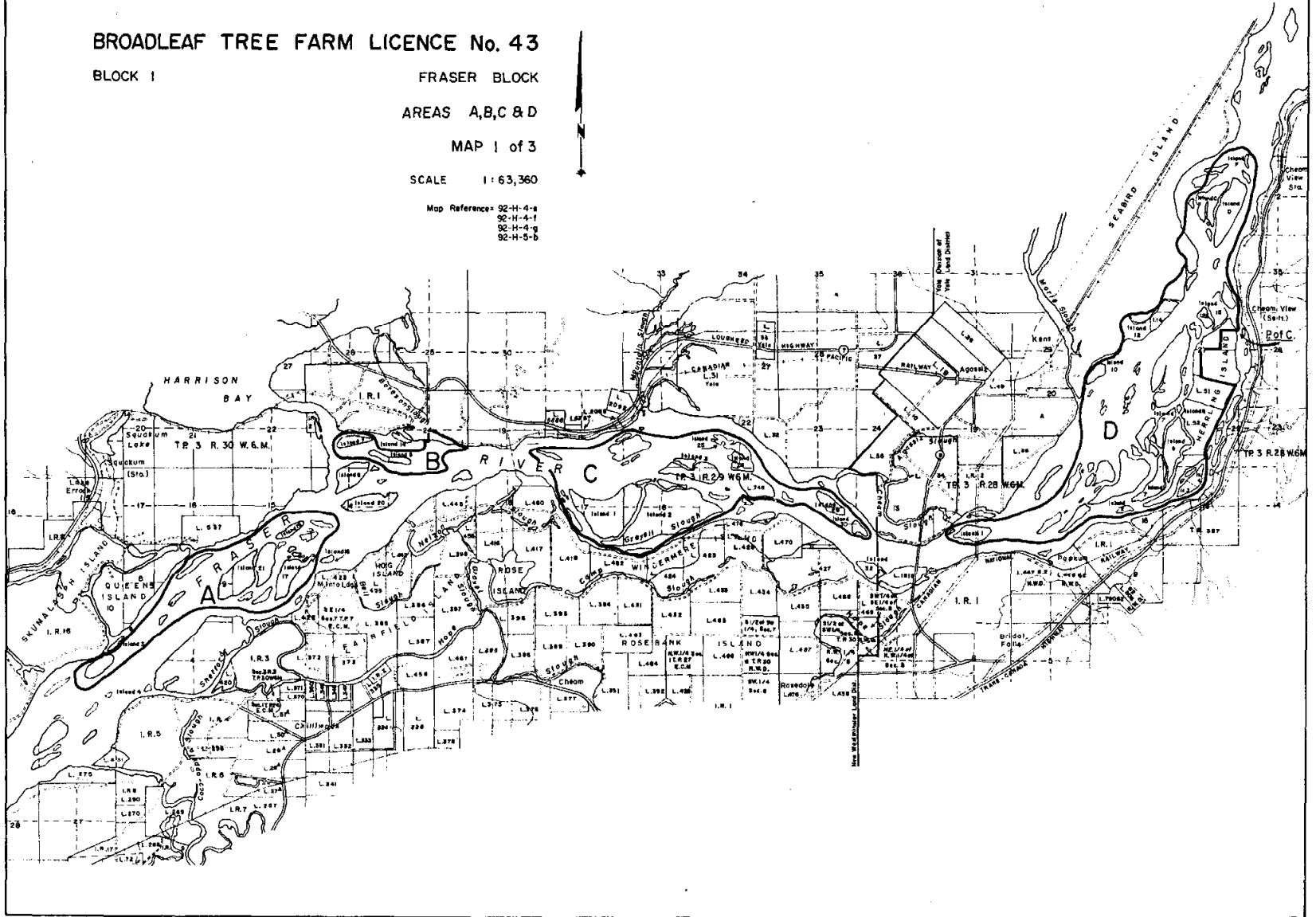
FRASER BLOCK

AREAS A, B, C & D

MAP 1 of 3

SCALE 1:63,360

Map Reference = 92-H-4-a
 92-H-4-1
 92-H-4-g
 92-H-5-b



BROADLEAF TREE FARM LICENCE No. 43

BLOCK 2

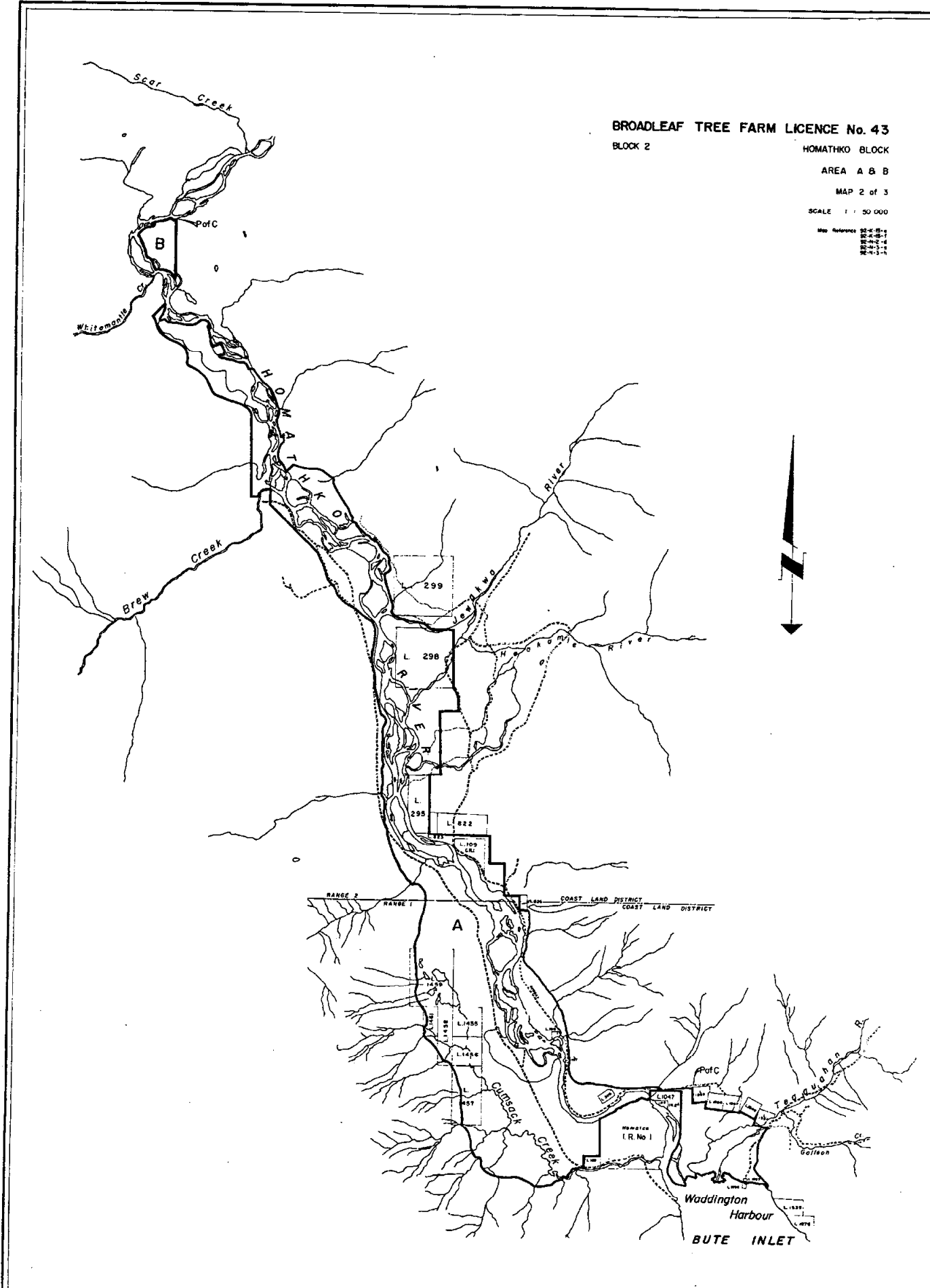
HOMATHKO BLOCK

AREA A & B

MAP 2 of 3

SCALE 1 : 50 000

Map Reference
SE-4-18-1
SE-4-18-2
SE-4-18-3
SE-4-18-4



BROADLEAF TREE FARM LICENCE - No. 43
BLOCK 3

KINGCOME BLOCK

AREAS A, B & C

MAP 3 of 3

SCALE 1 : 63360

Map Reference = 92-M-1-a
92-M-1-b
92-M-1-g

