

TREE FARM LICENCE

NO. 49

OKANAGAN TREE FARM LICENCE

THIS LICENCE, made as of July 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:

CROWN FOREST INDUSTRIES LIMITED 700-815 West Hastings Street Vancouver, B.C. V6C 2Y4

(the "Licensee")

OF THE SECOND PART

WITNESSES that, under section 33.1 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 it according to management and working plans,
 - (b) the right during the term of this Licence to manage Crown land in the Licence area according to management and working plans, and

- (c) subject to paragraph 14.01 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 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 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".
- 1.04 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.
- 1.05 The term of this Licence is nineteen and a half (19 1/2) years, beginning July 1, 1985.
- 1.06 On its tenth anniversary this Licence may be replaced according to the Forest Act.

*AMENDMENT & CLAUSE 1.07, 1.08, 1.09 ADDED- SEE INST. NO. 3 2.00 MANAGEMENT AND WORKING PLANS

- 2.01 The management and working plans approved under the Tree Farm Licences that, under the Forest Act, are replaced by this Licence shall, until December 31, 1985 be deemed to be management and working plans approved under paragraph 2.06.
- 2.02 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.

- 2.03 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 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.
 - 2.04 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, 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.
- 2.05 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 reforesting 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.
- 2.06 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
 - 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.

2.07 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 <u>Forest Act</u> and cutting permits, and shall, subject to the <u>Forest Act</u>, be scaled according to the <u>Forest Act</u>.

4.00 <u>CUT CONTROL</u>

- 4.01 In this part the "volume of timber harvested" during a period of time means the total of
 - (a) the volume of timber cut under this Licence and under road permits, and
 - (b) the volume of timber that is estimated to be wasted or damaged under cutting permits issued pursuant to this Licence and under road permits, and
 - (c) the volume of timber cut during the period by the Licensee in the Licence area, but not authorized for cutting under this Licence,

that is billed to the Licensee in statements issued on behalf of the Crown during the period, and in this paragraph "Licence" includes a Tree Farm Licence replaced by this Licence.

- 4.02 The Licensee will not permit the volume of timber harvested
- (a) during a calendar year
 - (i) to be more than 150%, or
 - (ii) to be less than 50%,
 - of the allowable annual cut approved in the management and working plan in effect during the calendar year, or
- (b) during a 5 year cut control period,
 - (i) to be more than 110%, or
 - (ii) to be less than 90%,
 - of the 5 year allowable cut for the 5 year cut control period.
- 4.03 If the volume of timber harvested during a calendar year exceeds 150% of the allowable annual cut specified in the management and working plan in effect during the calendar year, the Licensee will pay to the Crown, in addition to stumpage, as liquidated damages, an amount of money equal to 2 times
 - (a) the volume exceeding 150%, multiplied by
 - (b) the average stumpage rate applicable to timber harvested under this Licence, billed to the Licensee in statements issued on behalf of the Crown during the calendar year.
- 4.04 If the volume of timber harvested during a 5 year cut control period exceeds 110% of the 5 year allowable cut for the 5 year cut control period, the Licensee will pay to the Crown, in addition to stumpage, as liquidated damages, an amount of money equal to 2 times
 - (a) the volume exceeding 110%, multiplied by
 - (b) the average stumpage rate applicable to timber harvested under this Licence, that is billed to the Licensee in statements issued on behalf of the Crown during the last year of the 5 year cut control period.

*AMENDMENT * CLAUSE 4.05 ADDED -- SEE INST. NO. 3 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) in respect of timber cut under this Licence from Schedule "A" land subject to Timber Licences, either
 - (i) stumpage at rates determined by a forest officer and varied under cutting permits, or

- (ii) royalty at rates specified in the <u>Forest Act</u>, according to the election made under section 23 of the Forest Act in respect of the Timber Licences,
- (d) scaling fees determined under the regulations, and
- (e) 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 <u>Forest Act</u> 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 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.
- 8.02 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 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 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 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 License area during the year, multiplied by the result obtained by the division of
- CLANGE 10.01(b)(i)(ii) *(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 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 Company Act.

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 Licensee 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 14.01, or
- *(ii) the holder of a Timber Sale Licence entered into under the Forest Act, or the Forest Act, or
- CHAMBED- SEE INST. (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 <u>Forest Act</u> 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) Timber Licences that are in effect at termination or cancellation shall be replaced by new Timber Licences under the Forest Act,
 - (c) title to all improvements, including roads and bridges, then fixed on Schedule "B" land 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.
 - (d) property in logs, and in special forest products as defined in the Forest Act, then on Schedule "B" land 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 License 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 The Regional Manager or the District Manager may, on behalf of the Crown, 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.
- 14.02 The Licensee represents and warrants to the Licensor that it is the beneficial owner of the private land and the Timber Licences described in Schedule "A" unless the parties agree otherwise.
- 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 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.
- 14.05 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.
 - 14.06 This Licence is subject to the Forest Act.
- 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:

CROWN FOREST INDUSTRIES LIMITED 700-815 West Hastings Street Vancouver, B.C. V6C 2Y4

Attention: Senior Vice President Wood Products Group

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**(a) "allowable annual cut" means the rate of timber harvesting CLANSE 15.01 (a) CHANGED Specified as the allowable annual cut in a management and -SEE INST. NO. 3 working plan,
 - **MENDMENT & CLAUSE 15.01 (a.1) NDPED SEE INST. No.3
 (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 a district manager of a 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" 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,
- (1) "Licence area" means
 - (i) the private land and Timber Licences described in Schedule "A" to this Licence, and
 - (ii) 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,

- (m) "management and working plan" means a management and working plan approved under paragraph 2.07, or deemed to be approved under paragraph 2.02,
- (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 and Timber Licences 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,
- (w) "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 1.03, but excludes land deleted, from time to time, from Schedule "B" under the Forest Act,

**AMENDMENT & CLASSE 15.01 (W.1) ADDED - SET INST. NO.3

(x) "Timber Licence" means a Timber Licence described in Schedule "A" to this Licence,

- (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 <u>Forest Act</u> 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:

Magnitude Manifest ()

Minister of Forests

THE COMMON SEAL of the Licensee was affixed in the presence of:

the presence of:

CROWN FUREST MOUSTRIES LIMITED

SCHEDULE "A"

Okanagan Tree Farm Licence

Tree Farm Licence No. 49

Forest lands and merchantable timber in other tenures owned or controlled by the Licensee in the Okanagan Tree Farm Licence No. 49.

<u>Crown Grants</u>	Land District	<u>Hectares</u>
Lot 3, of Section 15, Tp. 18, R. 14, W6M and Lot 475, Plan 8176	K.D.Y.D.	53.501
Lot 1128	O.D.Y.D.	64.752
Lot 2178	O.D.Y.D.	44.776
Lot 3746, (Except Plan 4110)	O D.Y.D.	64.003
Lot 3749 Fraction	O.D.Y.D.	16.188
Lot 3750 (Except Plan Al518)	O.D.Y.D.	63.906
Lot 3789	O.D.Y.D.	48.564
Lot 3797	O.D.Y.D.	129.504
Lot 3856	O.D.Y.D.	129.504

Crown Grants	Land District	Hectares
Lot 3859	O.D.Y.D	64.752
Lot 3860 (Except Plan B957)	O.D.Y.D.	32.376
Pt Lot 3860, being Plan B957	O.D.Y.D.	32.376
Lot 3861, West fraction	O.D.Y.D.	64.752
	TOTAL	808.954

SCHEDULE B

OKANAGAN TREE FARM LICENCE NO. 49

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

Block 1

Commencing at the southeast corner of Lot 3746, Osoyoos Division of Yale Land District, being a point on the high-water mark of Okanagan Lake on the westerly shore thereof; thence westerly along the northerly boundary of Lot 2926 to the easterly boundary of Lot 3748; thence southerly, westerly and northerly along the easterly, southerly and westerly boundaries of said Lot 3748 to the high-water mark of Lambly Creek on the left bank thereof; thence in a general northwesterly direction along the high-water mark of said Lambly Creek on the left bank thereof to the southerly boundary of Lot 3750; thence westerly along the southerly boundary of said Lot 3750 to the southwest corner thereof; thence northerly along the westerly boundaries of Lots 3750 and 3861 to the high-water mark of aforesaid Lambly Creek on the left bank thereof; thence in a general northwesterly direction along the high-water mark of said Lambly Creek on the left bank thereof to the southerly boundary of Lot 1128; thence westerly and northerly along the southerly and westerly boundaries of said Lot 1128 to the northwest corner thereof; thence northerly, easterly,

southerly and easterly along the westerly, northerly, easterly and northerly boundaries of Lot 2178 to the high-water mark of aforesaid Lambly Creek on the left bank thereof; thence in a general northwesterly direction along the high-water mark of said Lambly Creek on the left bank thereof to a point due east of the northeast corner of Lot 3859; thence due west to the northeast corner of said Lot 3859; thence southerly, westerly and northerly along the easterly, southerly and westerly boundaries of said Lot 3859 to the northwest corner thereof; thence northerly, westerly and northerly along the westerly, southerly and westerly boundaries of Lot 3860 to the northwest corner thereof; thence northerly along the westerly boundary of Lot 3857 to the southeast corner of Lot 3856; thence westerly along the southerly boundaries of Lots 3856 and 3797 to the southwest corner of said Lot 3797; thence northerly along the westerly boundary of said Lot 3797 to the high-water mark of aforesaid Lambly Creek on the left bank thereof; thence in a general northwesterly and southwesterly direction along the high-water mark of said Lambly Creek on the left bank thereof to the high-water mark of Lambly Lake on the northerly shore thereof; thence in a general westerly and southwesterly direction along the high-water mark of said Lambly Lake on the northerly and northwesterly shores thereof to the westerly boundary of Lot 1122; thence southerly along the westerly boundary of said Lot 1122 to the southwest corner thereof; thence due south 6.135 kilometres, more or less, to a point on the southerly boundary of the watershed of Powers Creek; thence in a general westerly and northerly direction along the southerly and westerly boundaries of the watershed of said Powers Creek to the westerly boundary of the watershed of aforesaid Lambly Creek; thence in a general northerly direction along the westerly boundaries

of the watersheds of Lambly Creek, Shorts Creek and Whiteman Creek to the southerly boundary of the watershed of Salmon River; thence in a general westerly direction along the southerly boundary of the watershed of said Salmon River to a point 805 metres south and 4.130 kilometres east of the southeast corner of Lot 1430, Kamloops Division of Yale Land District; thence west 4.130 kilometres; thence north 805 metres to the southeast corner of aforesaid Lot 1430; thence northerly and westerly along the easterly and northerly boundaries of said Lot 1430 to the easterly boundary of Lot 4452; thence northerly along the easterly boundary of said Lot 4452 to the most easterly northeast corner thereof; thence westerly and northerly along the northerly and easterly boundaries of said Lot 4452 to the southerly boundary of Lot 387; thence easterly and northerly along the southerly and easterly boundaries of Lots 387, 741 and 742 to the southerly boundary of Lot 722; thence easterly along the southerly boundary of said Lot 722 to the southeast corner thereof; thence northerly along the easterly boundary of said Lot 722 260 metres; thence east 1.010 kilometres; thence north 3.018 kilometres; thence west 604 metres to the northeast corner of Lot 1086; thence westerly and southerly along the northerly and westerly boundaries of said Lot 1086 to the northerly boundary of Lot 3020; thence westerly along the northerly boundary of said Lot 3020 to the easterly boundary of Lot 797; thence northerly along the easterly boundary of said Lot 797 to the northeast corner thereof; thence due north to the southerly boundary of Lot 685; thence easterly, northerly, westerly and southerly along the southerly, easterly, northerly and westerly boundaries of said Lot 685 to the southwest corner thereof; thence due south to the northerly boundary of aforesaid Lot 797;

thence westerly and southerly along the northerly and westerly boundaries of said Lot 797 to a point due east of the northeast corner of Lot 744; thence due west to the northeast corner of said Lot 744; thence westerly along the northerly boundary of said Lot 744 to the southeast corner of Lot 4451; thence northerly and westerly along the easterly and northerly boundaries of said Lot 4451 to the northwest corner thereof; thence southerly along the westerly boundaries of Lots 4451 and 744 to the southwest corner of said Lot 744: thence south 500 metres; thence west 2.620 kilometres; thence north 4.426 kilometres to the southeast corner of the southwest quarter of Section 19, Township 16, Range 15, W6M; thence westerly along the southerly boundary of the southwest quarter of said Section 19 to the southwest corner thereof; thence westerly and northerly along the southerly and westerly boundaries of Section 24 to the northwest corner thereof; thence westerly along the southerly boundary of Section 26, Township 16, Range 16, W6M to the westerly boundary of the watershed of aforesaid Salmon River; thence in a general northerly, southeasterly and easterly direction along the northeasterly and northerly boundaries of the watershed of said Salmon River to a point 6.380 kilometres south and 880 metres east of the southeast corner of the southwest quarter of Section 5, Township 18, Range 15, W6M; thence east 2.460 kilometres; thence north 4.828 kilometres; thence east 805 metres; thence north 3.621 kilometres; thence east 3.220 kilometres; thence north 1.207 kilometres; thence east 2.414 kilometres; thence north 1.609 kilometres; thence east 805 metres to the northwest corner of Section 16, Township 18, Range 14, W6M; thence easterly along the northerly boundary of said Section 16 to the northeast corner thereof; thence easterly, southerly and westerly along the northerly, easterly and southerly boundaries of the west half of the northwest quarter of Section 15 to the southwest corner thereof; thence southerly along the westerly boundary of said Section 15 to the northwest corner of Lot 3 as shown on Plan 8176, Kamloops Land Title Office; thence easterly and southerly along the northerly and easterly boundaries of said Lot 3 to the northerly boundary of Section 10; thence easterly along the northerly boundary of said Section 10 to the high-water mark of Monte Lake on the westerly shore thereof; thence in a general southerly direction along the high-water mark of said Monte Lake on the westerly shore thereof to the northerly boundary of the southeast quarter of Section 3; thence westerly and southerly along the northerly and westerly boundaries of the southeast quarter of said Section 3 to the northwest corner of the northeast quarter of Section 34, Township 17, Range 14, W6M; thence easterly and southerly along the northerly and easterly boundaries of the northeast quarter of said Section 34 to the southeast corner thereof; thence easterly along the northerly boundary of the southwest quarter of Section 35 to the southwesterly limit of Canadian Northern Pacific Railway right-of-way; thence southeasterly along the southwesterly limit of said Canadian Northern Pacific Railway right-of-way to the easterly boundary of the southwest quarter of aforesaid Section 35; thence southerly along the easterly boundary of the southwest quarter of said Section 35 to the northwest corner of the northeast quarter of Section 26; thence easterly along the northerly boundaries of Sections 26 and 25 to the northeast corner of said Section 25; thence southerly along the easterly boundaries of Sections 25 and 24 to the northerly boundary of Lot 511; thence westerly and southerly along the northerly and westerly boundaries of said Lot 511 to the

most northerly corner of Block A of said Section 24; thence southwesterly along the northwesterly boundaries of said Block A to the northerly boundary of said Lot 511; thence westerly and southerly along the northerly and westerly boundaries of said Lot 511 to the most southerly southwest corner thereof; thence easterly along the southerly boundary of said Lot 511 to the easterly boundary of the west half of the fractional northwest quarter of Section 13; thence southerly and westerly along the easterly and southerly boundaries of the west half of the fractional northwest quarter of said Section 13 to the southwest corner thereof; thence southerly along the westerly boundary of Section 13 402 metres; thence west 201 metres; thence south 402 metres to the northerly boundary of Section 11; thence westerly, southerly and easterly along the northerly, westerly and southerly boundaries of the northeast quarter of said Section 11 to the northeast corner of the west half of the southeast quarter of said Section 11; thence southerly along the easterly boundary of the west half of the southeast quarter of said Section 11 to the southeast corner thereof; thence southerly along the westerly boundary of the east half of the east half of Section 2 to the northerly boundary of Section 35; thence westerly and southerly along the northerly and westerly boundaries of the northeast and southwest quarters of said Section 35, Township 16, Range 14, W6M to the southwest corner thereof; thence westerly and southerly along the northerly and westerly boundaries of the northeast quarter and the east half of the southwest quarter of Section 27 to the southerly boundary thereof; thence easterly along the southerly boundaries of Sections 27 and 26 to the southwest corner of Section 25; thence northerly along the westerly boundary of said Section 25 to the northwest

corner thereof; thence easterly along the northerly boundary of said Section 25 to the high-water mark of Woods Lake on the westerly shore thereof: thence in a general northerly, easterly and southerly direction along the high-water mark of said Woods Lake on the westerly, northerly and easterly shores thereof to the northerly boundary of Section 30. Township 16. Range 13. W6M: thence easterly along the northerly boundaries of Sections 30 and 29 to the northwest corner of Section 28; thence southerly along the Westerly boundary of said Section 28 to the southwest corner of the northwest quarter thereof: thence westerly and southerly along the northerly and westerly boundaries of the southeast quarter of aforesaid Section 29 to the northerly boundary of Lot 735; thence westerly, southerly, easterly and northerly along the northerly. westerly, southerly and easterly boundaries of said Lot 735 to the southerly boundary of aforesaid Section 29; thence easterly along the southerly boundaries of Sections 29 and 28 to the southeast corner of said Section 28: thence east 415 metres, more or less, to the southwesterly boundary of the watershed of Ingram Creek; thence in a general southeasterly direction along the southwesterly boundaries of the watersheds of Ingram and Ewer Creeks to the northerly boundary of the watershed of Naswhito Creek; thence in a general easterly and southerly direction along the northerly and easterly boundaries of the watershed of said Naswhito Creek to a point 301 metres north of the northwest corner of Lot 4663, Osoyoos Division of Yale Land District; thence south 301 metres to the northwest corner of said Lot 4663; thence easterly and southerly along the northerly and easterly boundaries of said Lot 4663 to the northwest corner of Lot 511; thence southerly and easterly along the westerly and southerly boundaries of said Lot 511 to the westerly boundary of Lot 3516;

thence southerly along the westerly boundaries of Lots 3516 and 1374 to the northerly boundary of Lot 452; thence westerly and southerly along the northerly and westerly boundaries of said Lot 452 to the northerly boundary of Lot 451; thence westerly along the northerly boundary of said Lot 451 to the easterly boundary of Lot 4043; thence northerly, westerly and southerly along the easterly, northerly and westerly boundaries of said Lot 4043 to the northerly boundary of Lot 4020; thence westerly along the northerly boundaries of Lots 4020 and 4019 to the northwest corner of said Lot 4019; thence southerly along the westerly boundary of said Lot 4019 to the northerly boundary of Lot 4018; thence westerly, southerly and easterly along the northerly, westerly and southerly boundaries of said Lot 4018 to the westerly boundary of Lot 4045; thence southerly along the westerly boundary of said Lot 4045 to the northerly boundary of Lot 3788; thence westerly and southerly along the northerly and westerly boundaries of said Lot 3788 to the northerly boundary of Lot 4067; thence westerly, northerly, westerly and southerly along the northerly, easterly, northerly and westerly boundaries of said Lot 4067 to the northwest corner of Lot 4068; thence southerly, easterly and northerly along the westerly, southerly and easterly boundaries of said Lot 4068 to the southerly boundary of aforesaid Lot 3788; thence easterly and northerly along the southerly and easterly boundaries of Lots 3788 and 4044 to the southerly boundary of Lot 3912; thence easterly along the southerly boundary of said Lot 3912 to the westerly boundary of Lot 4325; thence southerly along the westerly boundary of said Lot 4325 to the northerly boundary of Lot 4676; thence westerly and southerly along the northerly and westerly boundaries of said Lot 4676 to the northwest corner of Lot 4323; thence southerly along the Westerly boundary of said Lot 4323 to the northwest corner of Lot 4021; thence southerly along the westerly boundary of said Lot 4021 143 metres; thence west 141 metres; thence south 322 metres; thence west 60 metres; thence south 282 metres; thence east 201 metres to the westerly boundary of aforesaid Lot 4021; thence southerly along the westerly boundary of said Lot 4021 to the northerly boundary of Lot 2198; thence westerly along the northerly boundaries of Lots 2198, 3726 and 4326 to the northwest corner of said Lot 4326; thence southerly along the westerly boundaries of Lots 4326, 3910 and 2197 to the northerly boundary of Lot 3795; thence westerly and southerly along the northerly and westerly boundaries of said Lot 3795 to the northwest corner of Lot 3329; thence southerly along the westerly boundary of said Lot 3329 to the northerly boundary of Lot 3520; thence westerly, southerly and easterly along the northerly, westerly and southerly boundaries of said Lot 3520 to the westerly boundary of Lot 3802; thence southerly along the westerly boundary of said Lot 3802 to the northerly boundary of Lot 2922; thence westerly along the northerly boundary of said Lot 2922 to the northeast corner of Lot 2183; thence westerly, southerly and easterly along the northerly, westerly and southerly boundaries of said Lot 2183 to the westerly boundary of Lot 2921; thence southerly along the westerly boundary of said Lot 2921 to the northeast corner of Lot 4032; thence westerly and southerly along the northerly and westerly boundaries of said Lot 4032 to the northeast corner of Lot 3333; thence westerly along the northerly boundaries of Lots 3333 and 4022 to the southeast corner of Lot 4692; thence northerly and Westerly along the easterly and northerly boundaries of said Lot 4692 to the easterly boundary of Lot 4023; thence northerly and westerly along the easterly and northerly boundaries of said Lot 4023 to the most easterly northeast corner of Lot 4690; thence westerly, northerly, westerly, northerly, westerly, southerly, easterly and southerly along the northerly, easterly, northerly, easterly, northerly, westerly, southerly and westerly boundaries of said Lot 4690 to the most westerly southwest corner of Lot 5016; thence southeasterly along the southwesterly boundary of said Lot 5016 to the most southerly southeast corner thereof; thence southwesterly, southerly and easterly along the northwesterly, westerly and southerly boundaries of aforesaid Lot 4690 to the westerly boundary of aforesaid Lot 4023; thence southerly along the westerly boundary of said Lot 4023 to the northwest corner of Lot 4691; thence southerly and easterly along the westerly and southerly boundaries of Lots 4691 and 4022 to the northwest corner of Lot 4693; thence southerly and easterly along the westerly and southerly boundaries of said Lot 4693 to the southwest corner of Lot 3803; thence easterly along the southerly boundary of said Lot 3803 to the southwest corner of Lot 4700; thence easterly and northerly along the southerly and easterly boundaries of said Lot 4700 to the southerly boundary of aforesaid Lot 3333; thence easterly along the southerly boundary of said Lot 3333 to the southeast corner thereof; thence easterly in a straight line to the northwest corner of Lot 3850; thence southerly and easterly along the westerly and southerly boundaries of said Lot 3850 to the southeast corner thereof, being a point on the high-water mark of Okanagan Lake on the westerly shore thereof; thence in a general southerly direction along the high-water mark of said Okanagan Lake on the westerly shore thereof to the northerly boundary of Lot 4501; thence westerly and southerly along the northerly and westerly boundaries of said Lot 4501 to the high-water mark of Quilpituk Creek

on the left bank thereof; thence in a general southwesterly direction along the high-water mark of said Quilpituk Creek on the left bank thereof to a point 660 metres south and 1.320 kilometres west of the southwest corner of Lot 4501; thence south 31 degrees west 1.160 kilometres; thence south 30 degrees east 1.340 kilometres to the northwest corner of Lot 4235; thence southerly along the westerly boundaries of Lots 4235 and 4234 to the northerly boundary of Lot 4236; thence westerly and southerly along the northerly and westerly boundaries of said Lot 4236 to the northerly boundary of Lot 4500: thence westerly, southerly and easterly along the northerly, westerly and southerly boundaries of said Lot 4500 to the southeast corner thereof; thence east 720 metres; thence south 640 metres; thence east 1.207 kilometres to the northwest corner of Lot 2549; thence easterly along the northerly boundary of said Lot 2549 to the high-water mark of aforesaid Okanagan Lake on the westerly shore thereof; thence in a general southerly direction along the high-water mark of said Okanagan Lake on the westerly shore thereof to the northeast corner of Lot 16 of Plan 510 of said Lot 2549; thence westerly along the northerly boundary of said Lot 16 of Plan 510 to the westerly limit of a government road as shown on Plan 510, Kamloops Land Title Office; thence in a general southerly direction along the westerly limit of said government road to the northerly boundary of Lot 3547; thence westerly, southerly and easterly along the northerly, westerly and southerly boundaries of said Lot 3547 to the westerly boundary of Lot 3745; thence southerly along the westerly boundary of said Lot 3745 to the northerly boundary of Lot 2186; thence westerly, southerly and easterly along the northerly, westerly and southerly boundaries of said Lot 2186 to the northwest corner of Lot 3791; thence southerly along the westerly boundary of said Lot 3791 to the northwest corner of Lot 3792: thence southerly and easterly along the westerly and southerly boundaries of said Lot 3792 to the high-water mark of aforesaid Okanagan Lake on the westerly shore thereof; thence in a general southerly direction along the high-water mark of said Okanagan Lake on the westerly shore thereof to the northerly boundary of Lot 4490; thence westerly, southerly and easterly along the northerly, westerly and southerly boundaries of said Lot 4490 to the high-water mark of aforesaid Okanagan Lake on the westerly shore thereof; thence in a general southerly direction along the high-water mark of said Okanagan Lake on the westerly shore thereof to the northerly boundary of Lot 3746; thence westerly along the northerly boundary of said Lot 3746 to the easterly limit of a government road as shown on Plan 4110; thence in a general southerly direction along the easterly limit of said government road to the southerly boundary of Parcel A of Plan 4110; thence easterly along the southerly boundary of said Parcel A of Plan 4110 to the high-water mark of aforesaid Okanagan Lake on the westerly shore thereof; thence in a general southerly direction along the high-water mark of said Okanagan Lake on the westerly shore thereof to the point of commencement.

Save and excepting thereout all that foreshore and land covered by water within the above described area, and

Canadian National Railway right-of-way Plan A325

West half of southwest quarter of Section 25, Township 17, Range 14, W6M East half of southeast quarter of Section 26, Township 17, Range 14, W6M

British Columbia Hydro and Power Authority right-of-way Plan C12674 Kamloops Land Title Office

and the following described area;

Commencing at a point on the westerly limit of Canadian National Railway right-of-way, Plan A325, said point being 664 metres north and 1.000 kilometre east of the southwest corner of Section 10, Township 18, Range 14, W6M; thence southerly along the westerly limit of said Canadian National Railway right-of-way to a point 604 metres north and 1.000 kilometre east of the southwest corner of said Section 10; thence west 60 metres; thence north 60 metres; thence west 27 metres; thence north 60 metres; thence east 60 metres; thence south 60 metres; thence due east to the point of commencement.

Block 2

Commencing at the northwest corner of Section 31, Township 17, Range 11, W6M, Kamloops Division of Yale Land District; thence easterly along the northerly boundary of said Section 31 to the southwest corner of the southeast quarter of the southwest quarter of Section 6, Township 18, Range 11, W6M; thence northerly along the westerly boundary of the southeast quarter of the southwest quarter of said Section 6 to the northwest corner thereof; thence easterly along the northerly boundaries of the south halves of the south halves of Sections 6 and 5 to the northeast corner of the south half of the

southwest quarter of said Section 5; thence northerly along the westerly boundary of the east half of said Section 5 to the southeast corner of the north half of the northwest quarter of said Section 5; thence westerly and northerly along the southerly and westerly boundaries of the north half of the northwest quarter of said Section 5 and the southeast quarter of Section 7 to the northwest corner of the southeast quarter of said Section 7; thence westerly along the southerly boundaries of the northwest quarter of said Section 7 and the northeast quarter of Section 12, Township 18, Range 12, W6M to the northeast corner of the southwest quarter of said Section 12; thence southerly along the easterly boundary of the north half of the southwest quarter of said Section 12 to the southeast corner thereof; thence westerly along the southerly boundaries of the north halves of the southwest quarter of said Section 12 and the southeast quarter of Section 11 to the southwest corner of the north half of the southeast quarter of said Section 11; thence northerly along the easterly boundary of the west half of said Section 11 to the northeast corner thereof; thence due north to a point due east of the northeast corner of the southeast quarter of Section 15; thence due West to the northeast corner of the southeast quarter of said Section 15; thence westerly and northerly along the southerly and westerly boundaries of the north half of said Section 15, the east half of the southeast quarter, and the northeast quarter of Section 21 to the northwest corner of the northeast quarter of said Section 21; thence westerly along the southerly boundary of Section 28 to the southeast corner of Section 29; thence northerly along the easterly boundaries of Sections 29 and 32 to the northeast corner of said Section 32; thence westerly along the northerly boundaries of Sections 32 and 31, Township 18, Range 12, W6M to the southeast corner of the southwest quarter of Section 5, Township 19, Range 12, W6M; thence northerly along the easterly boundary of the southwest quarter of said Section 5 to the northeast corner thereof; thence east 1.609 kilometres; thence north 1.207 kilometres; thence east 2.515 kilometres; thence north 2.012 kilometres; thence east 3.219 kilometres; thence south 2.414 kilometres; thence east 4.828 kilometres; thence south 1.609 kilometres to a point due west of the southwest corner of the southeast quarter of Section 1. Township 19. Range 11. W6M: thence due east 4.023 kilometres to a point due north of the northeast corner of Section 23. Township 18, Range 11, W6M; thence due south to the northeast corner of said Section 23; thence westerly along the northerly boundary of said Section 23 to the northwest corner of the northeast quarter thereof; thence west 1.609 kilometres; thence south 1.609 kilometres; thence west 805 metres; thence south 402 metres; thence west 603 metres; thence south 2.816 kilometres; thence east 604 metres; thence south to the northeast corner of the southeast quarter of Section 4: thence southerly along the easterly boundaries of said Section 4 and Sections 33, 28 and 21, Township 17, Range 11, W6M to the southeast corner of the north half of said Section 21: thence westerly along the southerly boundaries of the north half of said Section 21 and the northeast quarter of Section 20 to the southwest corner of the northeast quarter of said Section 20; thence northerly along the westerly boundary of the northeast quarter of said Section 20 to the northwest corner thereof; thence westerly along the southerly boundaries of Sections 29 and 30 to the southwest corner of the southeast quarter of said Section 30; thence northerly along the westerly boundary of the east half of said Section 30 to the

southeast corner of the northeast quarter of the northwest quarter of said Section 30; thence westerly and northerly along the southerly and westerly boundaries of the northeast quarter of the northwest quarter of said Section 30 to the northwest corner thereof; thence westerly along the northerly boundary of said Section 30 to the northwest corner thereof; thence northerly along the westerly boundary of aforesaid Section 31 to the point of commencement.

Save and excepting thereout all that foreshore and land covered by water within the above described area, and

British Columbia Hydro and Power Authority right-of-way Plan C11657 Kamloops Land Title Office.

