

COPY

TREE FARM LICENCE NO. 52

BOWRON-COTTONWOOD TREE FARM LICENCE

THIS LICENCE is made effective as of January 1, 1991,

BETWEEN:

THE MINISTER OF FORESTS, on behalf of  
HER MAJESTY THE QUEEN IN RIGHT OF THE  
PROVINCE OF BRITISH COLUMBIA,

(the "Licensor")

AND:

WEST FRASER MILLS LTD.  
P.O. BOX 6000  
QUESNEL, BRITISH COLUMBIA  
V2J 3J5

(the "Licensee")

Whereas:

- A. The Licensee applied to the Licensor pursuant to section 27.1 of the FOREST ACT to surrender Forest Licence A18155 and a portion of Forest Licence A20005 for replacement by a tree farm licence, and
- B. The application of the Licensee has been approved on the condition that the Licensee enter into this Licence with the Licensor;

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 its timber resources and forest growth capability according to Management and Working Plans,
- (b) the right during the term of this Licence to manage the Crown timber in and forest growth capacity of the Licence area according to this licence and the FOREST ACT, and
- (c) subject to paragraphs 1.04, 2.11, 14.01, 14.14 and the FOREST ACT, the exclusive right during the term of this Licence to harvest timber, according to the Management and Working Plan and Pre-harvest Silviculture Prescriptions, from,
  - (i) the Schedule "B" Land, and
  - (ii) areas specified in Cutting Permits.

1.02 The Licence Area is,

- (a) the Schedule "A" Land, and
- (b) the Schedule "B" Land.

1.03 The term of this Licence is 25 years.

1.04 For purposes of the Small Business Forest Enterprise Program, the Licensor retains the right to harvest from Schedule "B" Land, 43 739 m<sup>3</sup> for each year during the term of the Licence.

1.05 The Licensee and the District Manager shall agree upon the areas to be harvested pursuant to paragraph 1.04 and make reasonable efforts to ensure that the Average Net Value of the timber harvested within such areas is equal to the Average Net Value of the timber harvested by the Licensee within the Schedule "B" Land.

1.06 If the Licensee and the District Manager do not agree on the areas to be harvested pursuant to paragraph 1.04, the District Manager will determine the areas to be harvested.

- 1.07 This Licence is replaceable under the FOREST ACT.
- 1.08 The Licensor may, in a notice served on the Licensee, delete area from Schedule "B" Land if a woodlot licence has been issued over such area.
- 1.09 If an area is deleted from Schedule "B" Land under paragraph 1.08, the volume specified in paragraph 1.04 will be reduced by a volume equal to the allowable annual cut of the woodlot licence which has been issued over such area.
- 1.10 The area of the proposed TFL or a part of it will not be replaced with another area or with another harvesting licence in the event the TFL or a part of it is damaged or destroyed by disease, fire, insects, wind or other natural causes.

2.00 MANAGEMENT AND WORKING PLANS

- 2.01 The 5 Year Development Plans approved under the forest licences that are replaced by this Licence shall be deemed to be 5 Year Development Plans submitted under subparagraph 2.03(e).
- 2.02 On or before June 30, 1995, and on June 30 of every fifth year thereafter, 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 A Management and Working Plan, in addition to being prepared in accordance with section 28(1)(d) of the FOREST ACT, shall,
- (a) if required by the Chief Forester, contain information on the soil resources of the Licence Area,
  - (b) include a proposal for developing timber harvesting operations on the Licence Area for the term of this Licence,
  - (c) include a proposal for any intended development by the Licensee of range and recreation resources on the Licence Area for the term of this Licence,

- (d) specify measures to be taken by the Licensee to ensure that the management of the timber resource is coordinated and integrated with the management of the range, fisheries, wildlife, water, outdoor recreation and other natural resource values of the Licence Area,
- (e) provide for the annual submission of an updated 5 Year Development Plan to the District Manager which,
  - (i) is consistent with the commitments made in the Management and Working Plan,
  - (ii) is prepared by a professional forester,
  - (iii) includes, unless otherwise directed by the District Manager, a Forest Health Plan for the Licence Area,
  - (iv) has been referred by the Licensee to all Resource Agencies specified by the Licensor for their input,
  - (v) has been advertised at least twice within a period of two consecutive weeks by the Licensee in at least one newspaper circulating in the vicinity of the proposed operations of the Licensee during the period of the 5 Year Development Plan,
  - (vi) has been made available for public viewing for at least 5 days at places and times convenient to the public,
  - (vii) includes a summary of the input from the public and all Resource Agencies specified by the Licensor and the actions to be taken by the Licensee with respect to that input, and
  - (viii) provides other information required by the District Manager.

2.04 The Chief Forester will approve Management and Working Plans acceptable to him that,

- (a) are prepared in accordance with section 28(1)(d) of the FOREST ACT,

- (b) specify an Allowable Annual Cut having regard to the factors set out in section 28(1)(g) of the FOREST ACT,
- (c) specify the portion of the Allowable Annual Cut that the Chief Forester determines is attributable to Schedule "B" Land,
- (d) specify the portion of the Allowable Annual Cut that the Chief Forester determines the Licensee has the right to harvest, and
- (e) specify measures taken and to be taken by the Licensee consistent with this Licence, the FOREST ACT and the Regulations with respect to:
  - (i) the matters set out in section 28(g)(ii) of the FOREST ACT,
  - (ii) the integrated management of the natural resource values of the Licence Area, and
  - (iii) fulfilling its obligations under Part 10.00.

2.05 If the Chief Forester considers that special circumstances require the Management and Working Plan to be amended or replaced, the Chief Forester may in a notice to the Licensee require the Licensee to amend or replace the Management and Working Plan.

2.06 A notice given under paragraph 2.05 shall specify,

- (a) the occurrence which has rendered the Management and Working Plan inadequate,
- (b) the extent to which the Management and Working Plan is inadequate,
- (c) the nature of the change to the Management and Working Plan required by the Chief Forester, and
- (d) that, unless otherwise determined by the Chief Forester, the Licensee shall within 6 months after the date of the notice submit for the Chief Forester's approval a proposed Management and Working Plan or amendment to the Management and Working Plan.

- 2.07 The District Manager will approve 5 Year Development Plans that are consistent with the Management and Working Plan and acceptable to him.
- 2.08 Not less than one year preceding the date on which the Management and Working Plan must be submitted under paragraph 2.02, the Licensee shall contact the Regional Manager and all Resource Agencies affected by timber harvesting on the Licence Area to identify resource management issues.
- 2.09 If during the first ten years of the term of this Licence the Chief Forester reduces the allowable annual cut of the Quesnel Timber Supply Area for any reason and the allowable annual cut of all replaceable forest licences and timber sale licences in the Quesnel Timber Supply area are reduced accordingly, the allowable annual cut of forest licence A20005 may be reduced by a volume not exceeding as a cumulative total for all such reductions:

$$685\ 615 - 685\ 615 \times \frac{(A + 442\ 249)}{2\ 442\ 249}$$

Where "A" is equal to the reduced allowable annual cut of the Quesnel Timber Supply Area.

- 2.10 If the amount of the reduction specified in paragraph 2.09 is greater than the allowable annual cut of Forest Licence A20005, a volume not exceeding the remainder of the reduction may be deducted from the Licensee's portion of the Schedule B AAC of this Licence.
- 2.11 If the allowable annual cut of this Licence is reduced pursuant to paragraph 2.10, the Licensor shall have the right, for purposes of the Small Business Forest Enterprise Program, to harvest from Schedule "B" Land the volume of the reduction.

### 3.00 CUTTING PERMITS

- 3.01 Except with the written consent of the Regional Manager or District Manager, the Licensee will cut timber on the Licence Area only under a road permit entered into to access timber harvested under this Licence or a Cutting Permit.

- 3.02 Upon receipt of an application from the Licensee that meets the requirements of the Regional Manager or District Manager, the Regional Manger or District Manager will issue Cutting Permits to the Licensee.
- 3.03 Subject to the Management and Working Plan, 5 Year Development Plan and Pre-harvest Silviculture Prescriptions, a Cutting Permit shall,
- (a) authorize timber to be harvested from a specific area of land in the Licence Area,
  - (b) be for a term not exceeding 3 years as determined by the District Manager,
  - (c) require payment to the Crown of stumpage for Crown timber harvested under it,
  - (d) prescribe standards of timber utilization, other harvesting specifications and forestry practices consistent with the Pre-harvest Silviculture Prescriptions to be followed in timber harvesting operations carried on under it,
  - (e) prescribe the specifications, standards and locations of roads to be built on the land subject to it,
  - (f) set out procedures for assessing timber wasted and/or damaged by the Licensee and damages payable to the Crown for timber wasted,
  - (g) specify one or more timber marks to be used in timber harvesting operations carried on under it,
  - (h) require the establishment of cutting boundaries on the land specified in it unless otherwise agreed to by the District Manager,
  - (i) require timber harvested under it to be scaled in accordance with the FOREST ACT and Regulations, and

(j) include other provisions, consistent with this Licence and the FOREST ACT, required by the Regional Manager or District Manager.

3.04 All cutting permits in effect under the forest licences that are replaced by this Licence shall continue in effect and shall be deemed to be part of this Licence.

#### 4.00 CUT CONTROL

4.01 For the purpose of determining compliance by the Licensee with the provisions of sections 55 to 55.3, inclusive, of the FOREST ACT, the volume of timber harvested under the following agreements shall not be included,

- (a) free use permits entered into pursuant to paragraph 14.01,
- (b) any timber sale licence entered into by the Licensor, Regional Manager or District Manager pursuant to paragraphs 1.04, 2.11 or 14.14 or the FOREST ACT.

4.02 The first five year cut control period under this Licence will commence January 1, 1991, or as otherwise designated by the Regional Manager.

4.03 For purposes of sections 55 to 55.3 inclusive, of the FOREST ACT, all timber harvested within the TFL area under forest licences that are replaced, in part, by this Licence after the commencement of the first 5 year cut control period under this Licence, shall be deemed to be included in the volume of timber harvested during the first calendar year of the first 5 year cut control period.

#### 5.00 FINANCIAL AND DEPOSITS

5.01 In addition to other money payable by the Licensee under the FOREST ACT and under this Licence, the Licensee will pay to the Crown, immediately on receipt of a statement issued on behalf of the Crown,

- (a) in respect of timber harvested under this licence from Schedule "B" Land, stumpage at rates determined, redetermined and varied under the FOREST ACT and Regulations,
  - (b) in respect of the portion of the Allowable Annual Cut that the Licensee has the right to harvest from Schedule B lands, annual rent at rates specified in the Regulations, and
  - (c) waste assessments levied under a Cutting Permit.
- 5.02 During the term of this Licence the Licensee will maintain with the Crown a Deposit in the form and amount prescribed in the Regulations.
- 5.03 If the Licensee fails to pay money that it is required to pay to the Crown or otherwise fails to perform its obligations under the FOREST ACT, this Licence, a road permit entered into to access timber harvested under this Licence or a Cutting Permit, in respect of operations carried on under this Licence, the Licensor may,
- (a) after at least 30 days notice to the Licensee, take from the Deposit such amounts as may reasonably be required to remedy the failure and for that purpose a security included in the Deposit may be sold, or
  - (b) if the Licensee has had at least 30 days notice and a reasonable opportunity to remedy the failure and the Licensor considers that it is not practical to remedy the failure, make an assessment in respect of the failure equal to the costs that would have been incurred by the Licensor had he remedied the failure and that assessment may be paid from the Deposit and for that purpose a security included in the Deposit may be sold.
- 5.04 If the Deposit is reduced pursuant to paragraph 5.03, the Licensee shall forthwith pay the Crown, in cash or in securities acceptable to the Licensor, an amount of money sufficient to maintain the Deposit in the amount specified under paragraph 5.02.

- 5.05 If the Licensor considers that timber harvesting or related operations that are proposed to be carried out under a Cutting Permit or road permit entered into to access timber harvested under this Licence 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 to,
- (a) prevent the damage from occurring,
  - (b) pay reasonable compensation to the occupier or user in respect of damage that occurs, and
  - (c) pay to the Crown a Special Deposit, in cash or in securities acceptable to the Licensor, in an amount determined by the Regional Manager to be adequate security for the performance of the Licensee's obligations under subparagraphs (a) and (b).
- 5.06 If the Licensee, under a Cutting Permit or road permit referred to in paragraph 5.05, fails to,
- (a) prevent the damage from occurring, and
  - (b) pay reasonable compensation, as determined by the Regional Manager or District Manager, to the occupier or user,
- the Licensor may, after at least 30 days notice to the Licensee, pay reasonable compensation to the occupier or user from the Deposit, Special Deposit or both and for this purpose a security included in the Deposit, Special Deposit or both may be sold.
- 5.07 The Licensor will refund to the Licensee,
- (a) the Deposit (minus deductions made under paragraphs 5.03 and 5.06) when this Licence terminates, expires and is not replaced under section 29 of the FOREST ACT, or is assigned, and
  - (b) a Special Deposit (minus deductions made under paragraph 5.06) when the Cutting Permit or road permit referred to in paragraph 5.05 expires.

5.08 If this Licence is cancelled, terminates or expires and is not replaced under section 29 of the FOREST ACT, the Licensor may retain a reasonable portion of the Deposit and the Special Deposit until such time as all obligations of the Licensee under this Licence and the FOREST ACT are fulfilled.

#### 6.00 ROADS

- 6.01 The locations, specifications and standards of all roads to be built on Crown land by the Licensee to provide access to or in the Licence Area shall be
- (a) except branch and spur roads on land that is subject to a Cutting Permit, included in road permits entered into between the Regional Manager or District Manager and the Licensee to access timber harvested under this Licence, and
  - (b) consistent with the Management and Working Plan and 5 Year Development Plan.
- 6.02 If a road is to be constructed to provide access to timber to be harvested under this Licence and the construction requires acquisition of a right-of-way over private land, the Licensor or the District Manager shall determine whether the Licensor or the Licensee shall acquire the right-of-way.
- 6.03 A road constructed by the Licensee on a right of way acquired by the Crown under paragraph 6.02 shall be deemed to be owned by the Crown and the Licensee shall have no claim to compensation in respect of the construction of road or establishment of improvements thereon by or for the Licensee.
- 6.04 On or before April 1 of the first year of this Licence and April 1 of every year thereafter, the Licensee will submit to the District Manager for approval a Road Maintenance Plan.

#### 7.00 FOREST PROTECTION

- 7.01 On or before April 1 of the first year of this Licence and April 1 of every year thereafter, the Licensee will submit to the District Manager for approval a Fire Management Plan.

- 7.02 The Licensee's obligations under a Fire Management Plan are in addition to and do not diminish its obligations under section 121 of the FOREST ACT.

8.00 FORESTRY AND SILVICULTURE

- 8.01 The Licensee will not post a sign concerning forestry practised or the development and maintenance of recreation sites or trails under this Licence, unless the sign acknowledges the Crown's contributions to such practise or development and maintenance.
- 8.02 The Licensee will spend a minimum of \$800,000.00 of its own money on incremental forest management on Schedule 'B' lands covered by this Licence within the first ten years of this Licence. After this period, this Licence will have the same expenditure requirements for incremental forest management as other TFLs.
- 8.03 The target annual expenditure will be \$80,000.00. The Licensee will spend a minimum of 50% of the target annual expenditure in every year and a minimum of 90% of the five year target expenditure by the end of the fifth year. There will be no annual maximum limit set and the total requirement will be fulfilled when the total expenditure reaches \$800,000.00.
- 8.04 The Licensee will provide a record of expenditures at such times and format as determined by the Regional Manager.
- 8.05 Expenses eligible to be applied against the \$800,000.00 incremental forest management obligation will be those approved by the Regional Manager. These expenditures will include monies the Licensee has spent on incremental forest management in the TFL licence area since May 1, 1987.
- 8.06 The Licensee may undertake other incremental forest management projects at its own expense.
- 8.07 Increases in the Allowable Annual Cut that are attributable to incremental silviculture activities undertaken by the Licensee at its own expense will accrue to the Licensee.

- 8.08 This Licence does not diminish basic silviculture obligations incurred by persons other than the Licensee prior to the commencement of the term of this Licence on Crown land in the Licence Area.
- 8.09 If under this Licence or the FOREST ACT the Licensee is required to develop or maintain a recreation site or trail on Schedule "B" Land, the Licensee may enter the Schedule "B" Land and develop or maintain the recreation site or trail.

9.00 FOREST SERVICE ACCOMMODATION AND ACCESS

- 9.01 After receiving reasonable notice from the Regional Manager or District Manager, the Licensee will provide the Regional Manager, District Manager and forest officers with reasonable office and living accommodation on the Licence Area, or at a headquarters or timber processing facility of the Licensee near the Licence Area, to enable the Regional Manager, District Manager and forest officers to carry out their responsibilities under this Licence and the Licensee may charge the Crown the reasonable cost of providing such office and living accommodation.
- 9.02 The Regional Manager, District Manager and forest officers may at reasonable times use roads on the Licence Area and enter Schedule "A" Land to carry out their responsibilities under this Licence.

10.00 CONTRACTORS

- 10.01 Each calendar year during the term of this Licence a volume of timber equal to at least,
- (a) 75% of the volume of timber harvested by or for the Licensee from the Licence Area during the year, multiplied by,
  - (b) the result obtained by the division of,
    - (i) the portion of the Allowable Annual Cut specified in subparagraph 2.04(c) as being attributable to Schedule "B" Land, minus the volume specified in subparagraph 1.04, by

- (ii) the portion of the allowable annual cut specified in subparagraph 2.04(d) as being the portion of Allowable Annual Cut that the Licensee has the right to harvest,

shall be harvested by persons under contract with the Licensee, unless the Licensor, pursuant to the Regulations, relieves the Licensee from this requirement in whole or in part.

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

- (a) the volume below the volume required under paragraph 10.01 multiplied by,

- (b) the Average Stumpage Rate,

unless, and to the extent that, relief is given to the Licensee under the Regulations.

#### 11.00 TIMBER PROCESSING

11.01 The Licensee will not cause a timber processing facility owned or operated by it that processes timber from this Licence to be reduced in capacity, or to be closed for a sustained period of time, unless, and to the extent that, the Minister or his designate, exempts the Licensee from the requirements of this paragraph.

11.02 All timber harvested under this Licence or an equivalent volume shall be processed through a timber processing facility owned or operated by the Licensee or any of its affiliates within the meaning of the COMPANY ACT, and such facility shall be equipped to carry out barking and chipping unless, and to the extent that, the Minister or his designate, exempts the Licensee from the requirements of this paragraph.

11.03 At the request of the Regional Manager the Licensee will promptly report,

- (a) the volumes of wood residues produced by the Licensee for any period, and
- (b) the volume of wood residues offered, sold or delivered, or agreed to be sold or delivered, by the Licensee for any period, and the names of the offerees, purchasers and persons taking delivery.

## 12.00 LIABILITY AND INDEMNITY

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

- (a) the Licensee,
- (b) an employee of the Licensee,
- (c) a person who performs work directly or indirectly under contract with the Licensee, and
- (d) any other person who carries on timber harvesting or related operations on the Licence Area with the consent of the Licensee, except
  - (i) the holder of a free use permit referred to in paragraph 14.01,
  - (ii) the holder of a timber sale licence entered into under the FOREST ACT or paragraph 1.04,
  - (iii) a servant or agent of the Crown, or
  - (iv) any other person who uses or occupies the Licence Area under rights granted by the Crown.

- 12.02 Money paid by the Licensee to the Crown under paragraphs 5.03, 10.02 and 12.01 and reductions in the Allowable Annual Cut deemed to be made under this Licence or the FOREST ACT,
- (a) shall be in addition to, and not in substitution for, and
  - (b) shall not, if accepted on behalf of the Crown, be deemed to be a waiver of,
- any remedy available to the Crown, the Licensor, the Regional Manager or the District Manager in respect of the default or failure of the Licensee that led to the payment of the money or the reduction in the Allowable Annual Cut.
- 12.03 The Crown will indemnify the Licensee against and 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 and omissions of the Crown, an employee of the Crown, or an agent of the Crown on the Licence Area.

### 13.00 TERMINATION

- 13.01 If this Licence is cancelled, terminates, expires, and is not replaced under section 29 of the FOREST ACT,
- (a) Cutting Permits and road permits entered into to access timber harvested under this Licence will, subject to section 62 of the FOREST ACT, terminate when the cancellation, termination or expiry occurs,
  - (b) within 30 days of the cancellation, termination or expiration, the Licensee may remove from the Licence Area those improvements that the District Manager determines are,
    - (i) not required for long term use by the Crown, and
    - (ii) capable of being removed without damage to other remaining improvements, and

(c) property in timber and special forest products then on Schedule "B" Land shall pass to the Crown without compensation to the Licensee.

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

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

(a) he gives notice to,

(i) the holder of a debenture, mortgage or other debt security that charges this Licence then registered against the Licensee under the COMPANY ACT, and

(ii) the trustee for the holder of a bond or debenture issued under a deed of trust that charges this Licence then registered against the Licensee under the COMPANY ACT, and

(b) a person referred to in clauses (a)(i) or (a)(ii) has had a reasonable opportunity to exercise his rights and to pursue his remedies under the deed of trust, debenture, mortgage or other debt security, including the taking of possession of the Licensee's properties and assets.

#### 14.00 MISCELLANEOUS

14.01 Each year during the term of this Licence, the District Manager may grant free use permits to persons other than the Licensee authorizing the harvest of a volume of timber from Schedule "B" Land not exceeding 1% of the portion of the Allowable Annual Cut attributable to Schedule "B" Land.

14.02 The Licensee will use the services of one or more registered professional foresters as reasonably required to manage the Licence Area according to this Licence.

- 14.03 In addition to other reports required by the Licensor, each year during the term of this Licence, the Licensee will deliver to the District Manager, Regional Manager and Director, Timber Harvesting Branch an annual report in respect of this Licence, in a form and on a schedule specified by the Licensor that includes, but is not limited to, a report on all audits or reviews conducted by the Licensor and all reviews specified by other Resource Agencies.
- 14.04 The Licensee will on request provide to the Chief forester or his designate, forest inventory information gathered by the Licensee in order to meet its obligations under paragraph 2.03 in such detail and format specified by the Chief Forester or his designate.
- 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 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:

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

and

The Licensee:

WEST FRASER MILLS LTD.  
P.O. BOX 6000  
QUESNEL, BRITISH COLUMBIA  
V2J 3J5

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.
- 14.10 If any of the following documents create covenants, obligations or agreements on behalf of the Licensee, those covenants, obligations and agreements shall form part of this Licence as if set out at length in it,
- (a) a Management and Working Plan,
  - (b) a 5 Year Development Plan,
  - (c) a Pre-harvest Silviculture Prescription,
  - (d) a Cutting Permit,
  - (e) a road permit entered into to access timber harvested under this Licence,
  - (f) a Fire Management Plan,
  - (g) a Forest Health Plan, and
  - (h) a Road Maintenance Plan.
- 14.11 If any of the documents listed in paragraph 14.10 conflict with or are inconsistent with this Licence, this Licence shall govern to the extent of the conflict or inconsistency.
- 14.12 The Licensee shall observe, abide by and comply with all laws, bylaws, orders, directions, ordinances and regulations of any and all competent governmental authorities in any way affecting the Licence Area or the use and occupation of it by the Licensee.

- 14.13 The Licensee shall hold public meetings to review the results of the annual report submitted under paragraph 14.03 at such times and locations specified by the Regional Manager.
- 14.14 The Regional Manager or the District Manager may issue a timber sale licence over part of the Licence Area to a person other than the Licensee at any time the Licensor considers it necessary and expedient to enter into the timber sale licence to satisfy the contractual obligations of the Licensor under an existing pulpwood agreement or any other pulpwood agreement which may be issued over all or part of the Licence Area.

15.00 INTERPRETATION

- 15.01 If a word or phrase used in this Licence is defined in the FOREST ACT or Regulations, the definition in the FOREST ACT or Regulations applies to this Licence.
- 15.02 In this Licence, unless the context otherwise requires,
- (a) "Allowable Annual Cut" means the rate of timber harvesting specified in the Management and Working Plan as being the allowable annual cut for the Licence Area,
  - (b) "Average Net Value" means the value index for timber in a specified area as determined in accordance with section 84 of the FOREST ACT,
  - (c) "Average Stumpage Rate" means the rate determined by dividing the total stumpage billed for timber harvested from Schedule "B" Land by the Licensee during the calendar year, by the total volume of timber harvested from Schedule "B" Land by the Licensee during the calendar year,
  - (d) "Cutting Permit" means a cutting permit issued under paragraph 3.02,
  - (e) "Deposit" means the deposit required to be maintained by the Licensee under paragraph 5.02,

- (f) "District Manager" means a district manager appointed under the MINISTRY OF FORESTS ACT, for a forest district in which the Licence Area, or part of it, is situated,
- (g) "5 Year Development Plan" means the plan required to be approved under paragraph 2.07,
- (h) "Fire Management Plan" means a plan which specifies the Licensee's strategies and tactics to address the following:
  - (i) forest fuel management,
  - (ii) forest fire prevention,
  - (iii) fire preparedness, including fire protection pre-organization and a duty roster, and
  - (iv) fire suppression activities in order to prevent, control and minimize the risk and losses due to wildfire on the Licence Area,
- (i) "Forest Health Plan" means a plan consistent with the Management and Working Plan which specifies the Licensee's activities to maintain or increase forest productivity of the Licence Area,
- (j) "harvest" includes entry on the Licence Area for the purpose of cutting and removing timber,
- (k) "Licence Area" means the area described in paragraph 1.02,
- (l) "Licensor" includes a person authorized by the Licensor where the context of this Licence, the FOREST ACT and the Regulations so permit.
- (m) "Management and Working Plan" means a management and working plan approved under paragraph 2.04,
- (n) "Pest" means any organism or damaging agent designated by the Licensor to be detrimental to effective resource management of the Licence Area, including insects, fungi, bacteria, viruses, nematodes, plants and vertebrates,

- (o) "person" includes a corporation and a partnership,
- (p) "Pre-harvest Silviculture Prescriptions" means pre-harvest silviculture prescriptions prepared and approved in accordance with Part 10.1 of the FOREST ACT,
- (q) "Regional Manager" means the regional manager appointed under the MINISTRY OF FORESTS ACT, for the forest region in which the Licence Area, or part of it, is situated,
- (r) "Regulations" means regulations made under the FOREST ACT,
- (s) "Resource Agency" means any governmental agency, ministry or department having jurisdiction over a resource which may, in the Licensor's sole discretion, be affected by the harvesting of timber under this Licence,
- (t) "Road Maintenance Plan" means a plan which,
  - (i) identifies roads, including portions of forest service roads, that are to be maintained by the Licensee until April 1 of the following year for silviculture, timber harvesting, fire protection and Pest control purposes, and
  - (ii) includes standards to which the roads will be maintained.
- (u) "Schedule "A" Land" means the private tenures described in Schedule "A",
- (v) "Schedule "B" Land" means the Crown land described in Schedule "B",
- (w) "Small Business Forest Enterprise Program" means the program established under B.C. Regulation 265/88,
- (x) "Special Deposit" means the deposit required to be maintained by the Licensee under sub-paragraph 5.05(c),

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

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

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

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

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

This Licence has been executed by the Licensor and the Licensee  
on ... Jan. 29, 1991 .....

SIGNED, SEALED AND DELIVERED )  
by the Minister of Forests )  
on behalf of Her Majesty )  
The Queen in Right of the )  
Province of British Columbia )  
in the presence of: )

..... Bert Wilking ..... )  
..... )  
..... )  
..... )

  
..... )  
Minister of Forests

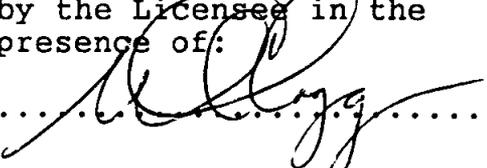
THE COMMON SEAL of the )  
Licensee was affixed in the )  
presence of: )

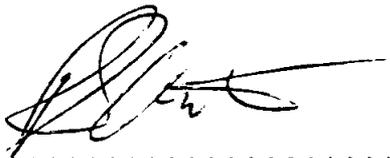
..... )  
Authorized Signatory )  
..... )  
Title )

c/s

(or)

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

.....  ..... )  
..... )  
..... )

  
..... )  
Authorized Signatory )  
..... )  
Title )

Schedule "A"

Bowron-Cottonwood Tree Farm Licence

Tree Farm Licence No. 52

Forest lands and merchantable timber in other tenures owned or controlled by the licensee in the Bowron-Cottonwood Tree Farm Licence No. 52.

NIL

Schedule "B"

Bowron-Cottonwood Tree Farm Licence

Tree Farm Licence No. 52

All Crown lands not otherwise alienated within the area outlined in bold black on the accompanying map.

Commencing at the southeast corner of Lot 1203, Cariboo Land District; thence westerly along the southerly boundaries of Lots 1203, 1202, 1210, 1209 and 1208 to the southwest corner of said Lot 1208; thence northerly along the westerly boundary of said Lot 1208 to the southerly boundary of Lot 1207; thence westerly along the southerly boundary of said Lot 1207 to the southwest corner thereof; thence south 45 degrees west to a point due south of the southwest corner of the east half of Lot 1205; thence north to the southwest corner of the east half of said Lot 1205; thence northerly along the westerly boundaries of the east halves of Lots 1205, 1190, 1198 and 1220 to the northwest corner of the east half of said Lot 1220; thence northerly in a straight line to the southeast corner of Lot 1200; thence northerly along the easterly boundaries of Lots 1200 and 1199 to the northeast corner of said Lot 1199; thence westerly along the northerly boundary of said Lot 1199 780 metres, more or less, to the easterly boundary of the watershed of Victoria Creek; thence in a general northerly direction along the easterly boundary of the watershed of said Victoria Creek to the southerly boundary of the watershed of an unnamed creek, said unnamed creek flowing

easterly into Swift River at a point 1.920 kilometres east and 3.800 kilometres south of the southeast corner of Lot 1235; thence in a general easterly direction along the southerly boundary of the watershed of said unnamed creek to the natural boundary of said Swift River on the left bank thereof; thence due east to the natural boundary of said Swift River on the right bank thereof; thence in a general northerly direction along the natural boundary of said Swift River on the right bank thereof to the southerly boundary of Block A of aforesaid Lot 1235; thence in a general easterly direction along the southerly boundary of Block A of said Lot 1235 to the southeast corner thereof; thence northerly and westerly along the easterly and northerly boundaries of Block A of said Lot 1235 to the natural boundary of aforesaid Swift River on the right bank thereof; thence in a general northerly direction along the natural boundary of said Swift River on the right bank thereof to the southerly boundary of Lot 438; thence easterly, northerly and westerly along the southerly, easterly and northerly boundaries of said Lot 438 to the southeast corner of Lot 437; thence northerly and westerly along the easterly and northerly boundaries of said Lot 437 to the easterly boundary of Lot 4952; thence northerly along the easterly boundary of said Lot 4952 to the southerly boundary of Lot 359; thence easterly along the southerly boundary of said Lot 359 to the southerly limit of Highway No. 26; thence in a general easterly direction along the southerly limit of said Highway No. 26 to the northwesterly boundary of Lot 6318; thence in a general

southwesterly, southeasterly, and northerly direction along the northwesterly, southwesterly and easterly boundaries of said Lot 6318 to the southerly limit of said Highway No. 26; thence in a general easterly direction along the southerly limit of said Highway No. 26 to the southerly boundary of Lot 446; thence easterly and northerly along the southerly and easterly boundaries of said Lot 446 to the southeasterly limit of said Highway No. 26; thence in a general northeasterly direction along the southeasterly limit of said Highway No. 26 to the westerly boundary of Lot 387; thence southerly along the westerly boundary of said Lot 387 to the natural boundary of Lightning Creek on the right bank thereof; thence due south to the natural boundary of said Lightning Creek on the left bank thereof; thence in a general northeasterly direction along the natural boundary of said Lightning Creek on the left bank thereof to the northeasterly boundary of the watershed of a second unnamed creek, said second unnamed creek flowing northwesterly into said Lightning Creek at a point 500 metres east and 670 metres south of the northwest corner of aforesaid Lot 387; thence in a general southeasterly direction along the northeasterly boundary of the watershed of said second unnamed creek to the easterly boundary of the watershed of Everton Creek; thence in a general southerly direction along the easterly boundary of the watershed of said Everton Creek to the westerly boundary of the watershed of Lovett Creek; thence in a general southerly and easterly direction along the westerly and southerly boundaries of the watershed of said

Lovett Creek to the southerly boundary of the watershed of aforesaid Lightning Creek; thence in a general easterly direction along the southerly boundary of the watershed of said Lightning Creek to the westerly boundary of the watershed of Milk Ranch Pass Creek; thence in a general southerly direction along the westerly boundaries of the watersheds of Milk Ranch Pass Creek and Bead Creek to a point 5.050 kilometres north and 6.830 kilometres east of the northeast corner of Lot 9884; thence south 26 degrees east 2.150 kilometres, more or less, to the natural boundary of Little Swift River on the right bank thereof; thence south 15 degrees east 2.050 kilometres, more or less, to the southerly boundary of the watershed of said Little Swift River; thence in a general easterly, northerly and westerly direction along the southerly, easterly and northerly boundaries of the watershed of said Little Swift River to the easterly boundary of the watershed of aforesaid Lightning Creek; thence in a general northwesterly direction along the northeasterly boundary of the watershed of said Lightning Creek to the easterly boundary of the watershed of Rucheon Creek; thence in a general northerly direction along the easterly boundary of the watershed of said Rucheon Creek to a point 4.450 kilometres north and 2.475 kilometres east of the northeast corner of Lot 406; thence north 40 degrees east 2.725 kilometres, more or less, to the natural boundary of Willow River on the left bank thereof; thence due north to the natural boundary of said Willow River on the right bank thereof; thence in a general easterly direction along the the natural

boundary of said Willow River on the right bank thereof to its intersection with the right bank of a third unnamed creek, said third unnamed creek flowing southwesterly into said Willow River at a point 6.600 kilometres north and 4.475 kilometres east of the northeast corner of aforesaid Lot 406; thence north 59 degrees east 3.450 kilometres; thence north 39 degrees east 1.600 kilometres, more or less, to the southerly boundary of the watershed of Sugar Creek; thence in a general westerly and northerly direction along the southerly and westerly boundaries of the watershed of said Sugar Creek to the northeasterly boundary of the watershed of Yuzkli Creek; thence in a general northwesterly direction along the northeasterly boundary of the watershed of said Yuzkli Creek to the southwesterly boundary of the watershed of Big Valley Creek; thence in a general northwesterly direction along the southwesterly boundary of the watershed of said Big Valley Creek to a point 18.240 kilometres north and 425 metres east of the northeast corner of aforesaid Lot 406; thence south 60 degrees west 700 metres, more or less, to the natural boundary of a fourth unnamed creek on the right bank thereof; thence in a general westerly direction along the natural boundary of said fourth unnamed creek on the right bank thereof to the natural boundary of aforesaid Willow River on the right bank thereof; thence in a general northwesterly direction along the natural boundary of said Willow River on the right bank thereof to a point 17.580 kilometres north and 2.540 kilometres west of the northeast corner of aforesaid Lot 406; thence west 780

metres, more or less, to the southerly boundary of the watershed of a fifth unnamed creek, said fifth unnamed creek flowing northwesterly into a back channel of aforesaid Willow River at a point 20.450 kilometres north and 6.050 kilometres west of the northeast corner of aforesaid Lot 406; thence in a general westerly direction along the southerly boundary of the watershed of said fifth unnamed creek to the northerly boundary of the watershed of Pundata Creek; thence in a general westerly and southerly direction along the northerly and westerly boundaries of the watershed of said Pundata Creek to the westerly boundary of the watershed of Aura Fina Creek; thence in a general southerly direction along the westerly boundary of the watershed of said Aura Fina Creek to the northerly boundary of the watershed of Hyde Creek; thence in a general westerly and southerly direction along the northerly and westerly boundaries of the watershed of said Hyde Creek to a point 5.815 kilometres north and 5.790 kilometres east of the confluence of John Boyd Creek and Mary Creek; thence west 3.940 kilometres; thence south 330 metres; thence west 580 metres, more or less, to the natural boundary of Alice Creek on the right bank thereof; thence in a general southerly direction along the natural boundary of said Alice Creek on the right bank thereof to a point 6.950 kilometres north and 2.140 kilometres east of the northeast corner of aforesaid Lot 359; thence west 1.629 kilometres; thence south 1.290 kilometres; thence west 1.030 kilometres; then south 1.040 kilometres; thence south 52 degrees east 1.430 kilometres, more or

less, to the westerly limit of Norton Creek Forest Service Road, 942-7624.01; thence in a general southerly and southwesterly direction along the northerly and northwesterly limits of said Norton Creek Forest Service Road, 942-7624.01 to the northerly boundary of Lot 380; thence westerly along the northerly boundary of said Lot 380 to the northerly limit of aforesaid Highway No. 26; thence in a general westerly direction along the northerly limit of said Highway No. 26 to the easterly boundary of the watershed of Frye Creek; thence in a general southerly direction along the easterly boundary of the watershed of said Frye Creek to the westerly boundary of the watershed of aforesaid Swift River; thence in a general southerly direction along the westerly boundary of the watershed of said Swift River to a point 9.180 kilometres east and 210 metres north of the northeast corner of Lot 9155; thence west 4.500 kilometres, more or less, to a point being on a line bearing south 60 degrees east of the northeast corner of Lot 9786; thence northwesterly in a straight line to the northeast corner of said Lot 9786; thence north 1.280 kilometres; thence east 180 metres; thence north 1.850 kilometres; thence west 180 metres; thence due north to the natural boundary of Cottonwood River on the right bank thereof; thence in a general westerly direction along the natural boundary of said Cottonwood River on the right bank thereof to the easterly boundary of Lot 9670; thence northerly and westerly along the easterly and northerly boundaries of said Lot 9670 to the natural boundary of said Cottonwood River on the right bank thereof; thence

in a general northerly direction along the natural boundary of said Cottonwood River on the right bank thereof to a point due south of the southeast corner of Lot 8911; thence north to the southeast corner of said Lot 8911; thence northerly along the easterly boundary of said Lot 8911 to the northeast corner thereof; thence due north to the southerly boundary of Lot 3306; thence easterly along the southerly boundaries of Lots 3306 and 7599 to the most westerly corner of Lot 12814; thence southeasterly, easterly, northerly, westerly, northerly, northwesterly, and westerly along the southwesterly, southerly, easterly, northerly, easterly, northeasterly and northerly boundaries of said Lot 12814 to the northeast corner of said Lot 7599; thence westerly along the northerly boundary of said Lot 7599 to the southeast corner of Lot 7598; thence northerly and westerly along the easterly and northerly boundaries of said Lot 7598 to the easterly limit of British Columbia Railway right of way, Lot 11267; thence in a general northerly direction along the easterly limit of said British Columbia Railway right of way, Lot 11267 to the natural boundary of Ahbau Creek on the right bank thereof; thence in a general southeasterly direction along the natural boundary of said Ahbau Creek on the right bank thereof to a point 600 metres south and 1.440 kilometres east of the southeast corner of aforesaid Lot 7599; thence due west to the natural boundary of said Ahbau Creek on the left bank thereof; thence in a general southeasterly and northeasterly direction along the natural boundary of said Ahbau

Creek on the left bank thereof to the southerly boundary of Lot 11695; thence easterly along the southerly boundary of said Lot 11695 to the natural boundary of Ahbau Lake of the southerly shore thereof; thence in a general southeasterly and northeasterly direction along the natural boundary of said Ahbau Lake on the southerly and easterly shores thereof to a point 2.850 kilometres east and 6.297 kilometres north of the northwest corner of Lot 11295; thence east 127 metres; thence north 1.160 kilometres, more or less, to the northerly limit of Naver Creek Forest Service Road, 942-5431.03; thence in a general easterly direction along the northerly limit of said Naver Creek Forest Service Road, 942-5431.03 to a point 7.480 kilometres north and 5.260 kilometres east of the northwest corner of aforesaid Lot 11295; thence north 740 metres; thence west 360 metres; thence north 402 metres; thence west 540 metres; thence north 402 metres; thence west 340 metres; thence north 2.160 kilometres; thence east 1.900 kilometres, more or less, to the natural boundary of aforesaid Willow River on the left bank thereof; thence in a general southeasterly direction along the natural boundary of said Willow River on the left bank thereof to a point 9.910 kilometres north and 7.160 kilometres east of the northwest corner of aforesaid Lot 11295; thence east 4.375 kilometres, more or less, to the westerly boundary of the watershed of Stephanie Creek; thence in a general southerly and easterly direction along the westerly and southerly boundaries of the watershed of said Stephanie Creek to a point 4.365 kilometres west

and 11.150 kilometres south of the confluence of the natural boundary of said Stephanie Creek on the left bank thereof and the inlet of Stony Lake as shown on National Topographic Series Map 93H/5, Edition 2, dated 1975; thence north 18 degrees east 450 metres, more or less, to the natural boundary of a sixth unnamed creek on the right bank thereof, said sixth unnamed creek flowing northerly into Stephen Lake at a point 1.660 kilometres east and 940 metres south of the confluence of the natural boundary of said Stephanie Creek on the left bank thereof and the inlet of said Stony Lake; thence in a general northerly direction along the natural boundary of said sixth unnamed creek on the right bank thereof to the natural boundary of a seventh unnamed creek on the left bank thereof, said seventh unnamed creek flowing northwesterly into said sixth unnamed creek at a point 5.280 kilometres south and 1.140 kilometres west of the confluence of the natural boundary of said Stephanie Creek on the left bank thereof and the inlet of said Stony Lake; thence in a general southeasterly direction along the natural boundary of said seventh unnamed creek on the left bank thereof to a point 5.900 kilometres south and 100 metres east of the confluence of the natural boundary of aforesaid Stephanie Creek on the left bank thereof and the inlet of aforesaid Stony Lake; thence south 69 degrees east 1.100 kilometres, more or less, to the natural boundary of an unnamed lake on the southwesterly shore thereof; thence in a general southeasterly direction along the natural boundary of said unnamed lake on the southwesterly shore thereof to the natural

boundary of an eighth unnamed creek on the right bank thereof, said eighth unnamed creek flowing southeasterly from said unnamed lake at a point 6.580 kilometres south and 2.050 kilometres east of the confluence of the natural boundary of aforesaid Stephanie Creek on the left bank thereof and the inlet of aforesaid Stony Lake; thence in a general southeasterly direction along the natural boundary of said eighth unnamed creek and its expansion on the right bank thereof to a point 8.225 kilometres south and 3.275 kilometres east of the confluence of the natural boundary of aforesaid Stephanie Creek on the left bank thereof and the inlet of aforesaid Stony Lake; thence south 40 degrees west 3.000 kilometres, more or less, to the southwesterly boundary of the watershed of aforesaid Stephanie Creek; thence in a general southeasterly and northeasterly direction along the southwesterly and southeasterly boundaries of the watershed of said Stephanie Creek to a point due west of the most southerly corner of Lot 9519; thence east to the most southerly corner of said Lot 9519; thence due east 2.300 kilometres, more or less, to the westerly boundary of the watershed of Indianpoint Creek; thence in a general easterly and northerly direction along the westerly boundary of the watershed of said Indianpoint Creek to a point due west of the confluence of Kruger Creek and Littlefield Creek; thence east 9.960 kilometres, more or less, to the southerly boundary of the watershed of said Littlefield Creek; thence in a general easterly direction along the southerly boundary of the watershed of said Littlefield Creek to the westerly boundary of

Bowron Lake Provincial Park, established by Order in Council 1386, approved and ordered July 11, 1981; thence in a general southerly direction along the westerly boundaries of said Bowron Lake Provincial Park to the northeast corner of Lot 2045; thence westerly along the northerly boundaries of Lots 2045 and 364 to the southeast corner of Lot 11349; thence northerly and westerly along the easterly and northerly boundaries of Lots 11349 and 9445 to the northwest corner of said Lot 9445; thence southerly along the westerly boundary of said Lot 9445 to the natural boundary of Bowron River on the right bank thereof; thence due south to the natural boundary of said Bowron River on the left bank thereof; thence in a general southeasterly direction along the natural boundary of said Bowron River on the left bank thereof to the westerly boundary of Lot 9719; thence southerly along the westerly boundary of said Lot 9719 to the most northerly northwest corner of Lot 12435; thence southerly, westerly, southerly and easterly along the westerly, northerly, westerly and southerly boundaries of said Lot 12435 to the natural boundary of Antler Creek on the left bank thereof; thence in a general southerly direction along the natural boundary of said Antler Creek on the left bank thereof to a point due west of the southwest corner of Lot 9901; thence east to a point on the middle line of aforesaid Antler Creek, said point also being on a southerly boundary of aforesaid Bowron Lake Provincial Park; thence in a general easterly and southeasterly direction along the southerly and southwesterly boundaries of said Bowron Lake

Provincial Park to a point 6.280 kilometres east and 850 metres south of Triangulation Station Swamp "W", coordinates 53 degrees, 01 minute, 19.3106 seconds latitude and 121 degrees, 15 minutes, 49.8581 seconds longitude; thence west 1.940 kilometres, more or less, to the northerly boundary of the watershed of Cunningham Creek; thence in a general westerly direction along the northerly boundary of the watershed of said Cunningham Creek to a point 330 metres north and 400 metres east of aforesaid Triangulation Station Swamp "W"; thence north 43 degrees west 1.336 kilometres; thence west 1.100 kilometres; thence south 150 metres, more or less, to the northerly boundary of the watershed of aforesaid Cunningham Creek; thence in a general westerly and southerly direction along the northerly and westerly boundaries of the watershed of aforesaid Cunningham Creek to the southerly boundary of the watershed of aforesaid Swift River; thence in a general westerly, southerly and westerly direction along the southerly, easterly and southerly boundaries of the watershed of said Swift River to the easterly boundary of aforesaid Lot 1203; thence southerly along the easterly boundary of said Lot 1203 to the southeast corner thereof, being the point of commencement.

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

Barkerville Historic Town	O.I.C. 1946/88
Barkerville Park	O.I.C. 1950/88
Wendle Provincial Park	O.I.C. 514/41

