

COPY

TREE FARM LICENCE NUMBER 56

GOLDSTREAM TREE FARM LICENCE

THIS LICENCE is dated for reference this 15 day of May, 1993.

BETWEEN:

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

(the "Licensor")

AND:

WESTSHORE TERMINALS LTD.
1800-1188 West Georgia Street
Vancouver, BRITISH COLUMBIA
V6E 4B9

(the "Licensee")

WHEREAS:

- A. The Licensor and Westar Timber Ltd. (formerly Canadian Cellulose Company Limited) entered into Tree Farm Licence Number 23, dated January 1, 1980, pursuant to Section 33 of the *Forest Act*.
- B. On December 30, 1991, Westar Timber Ltd. assigned Tree Farm Licence Number 23 to the Licensee, an affiliate of Westar Timber Ltd.
- C. On April 6, 1992 the Licensor subdivided Tree Farm Licence Number 23 and a subdivided portion was designated Tree Farm Licence Number 55 and was retained by the Licensee.
- D. The Licensee has consented to the subdivision of Tree Farm Licence Number 55 into Tree Farm Licence Number 55 and Tree Farm Licence Number 56 for the purpose of transferring those licences to unaffiliated third parties.
- E. The Licensor has consented to the subdivision.

NOW THEREFORE, in consideration of the rights and obligations set out and assumed below, 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 (as hereinafter defined) for the purpose of managing its timber resources and forest growth capability according to Management 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 Management Plans; and
- (c) except as otherwise provided in this document and in the *Forest Act*, the exclusive right during the term of this Licence to harvest timber, according to the Management Plans, Pre-harvest Silviculture Prescriptions and Cutting Permits, from the Licence Area.

1.02 The Licence Area is:

- (a) the area described in the attached Schedule "A" (Schedule "A" Land); and
- (b) the area described in the attached Schedule "B" (Schedule "B" Land).
- (c) subject to further amendment as provided for in the document entitled "Amendment" - Tree Farm Licence Number 55 - Instrument Number 1, a copy of which is appended to this Licence and forms a part of this Licence.

1.03 The term of this Licence shall commence on the 15 day of May, 1993, and shall expire on the 31st day of December, 2004.

- 1.04 This Licence is replaceable pursuant to the provisions of the *Forest Act*. For the purpose of such replacement, the request for replacement by the Licensee under Tree Farm License Number 23 in December of 1988 shall be deemed to be a request for replacement under this Licence and the date that the Minister is to offer a tree farm licence to replace this Licence in accordance with the *Forest Act* and the commencement date of such replacement tree farm licence shall in each case be the same dates as they would have been for Tree Farm Licence Number 23 had the subdivisions referred to in the recitals of this Licence not have occurred.
- 1.05 The Licensor retains the right to authorize third parties to harvest 6 500 cubic metres of the Allowable Annual Cut from Schedule "B" Land in each year during the term of the Licence.
- 1.06 The Licensee and the District Manager shall attempt to agree upon the areas to be harvested pursuant to Paragraph 1.05 and shall make reasonable efforts to ensure that the Average Net Value of the timber so harvested within such areas is equal to the Average Net Value of the timber harvested by the Licensee within the Schedule "B" Land.
- 1.07 If the Licensee and the District Manager do not agree on the areas to be harvested pursuant to Paragraph 1.05, the District Manager shall determine the areas to be harvested.

2.00 MANAGEMENT PLANS

- 2.01 On or before December 31, 1993, and on or before June 30 of every fifth year thereafter, the Licensee shall submit for the Chief Forester's approval a proposed Management Plan for the 5-year period beginning January 1 of the following year.
- 2.02 A Management 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 forest inventory information and information on the soil resources of the Licence Area;

- (b) include a proposal for developing timber harvesting operations on the Licence Area over 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 over 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 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 Plan;
 - (ii) is prepared by a Registered 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 five 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 such other information required by the District Manager.

2.03 The Chief Forester shall approve Management 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 7(3)(a) of the *Forest Act*;
- (c) specify the portion of the Allowable Annual Cut that the Chief Forester determines is attributable to the 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 Paragraph 10.00 herein.

2.04 If the Chief Forester considers that special circumstances require the Management Plan to be amended or replaced, the Chief Forester may by notice to the Licensee require the Licensee to amend or replace the Management Plan.

2.05 A notice given under Paragraph 2.04 shall specify:

- (a) the occurrence which has rendered the Management Plan inadequate;

- (b) the extent to which the Management Plan is inadequate;
 - (c) the nature of the change to the Management Plan required by the Chief Forester; and
 - (d) that, unless otherwise determined by the Chief Forester, the Licensee shall within six months after the date of the notice submit for the Chief Forester's approval a proposed Management Plan or amendment to the Management Plan.
- 2.06 The District Manager shall approve 5-Year Development Plans that are consistent with the Management Plan and acceptable to him.
- 2.07 At least 18 months before the date on which the Management Plan must be submitted under Paragraph 2.01, the Licensee shall contact the Regional Manager and all Resource Agencies affected by timber harvesting on the Licence Area to identify resource management issues.
- 2.08 The interim Management Plan approved by the Chief Forester under Paragraph 2.08 of Tree Farm Licence Number 55, shall be deemed to be the interim Management Plan for the Licence, until such time as a proposed management plan referred to in Section 2.01 of this Licence has been approved, subject to such modifications as are required as a result of the amendments to Tree Farm Licence Number 55 under Instrument Number 1 dated for reference May 15, 1993 including but not restricted to adjustments to the allowable annual cut.
- 2.09 The 5-Year Development Plan approved under Tree Farm Licence Number 55 for areas covered by this Licence shall be deemed to be a 5-Year Development Plan submitted under Subparagraph 2.02(e).

3.00

CUTTING PERMITS

- 3.01 Except with the written consent of the Regional Manager or District Manager, the Licensee shall cut timber on the Licence Area only as follows:
- (a) pursuant to a road permit to access timber under this Licence;
or
 - (b) pursuant to 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 Manager or District Manager shall issue Cutting Permits to the Licensee.
- 3.03 Subject to a Management Plan, a 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 three years, as determined by the District Manager;
 - (c) require payment to the Crown of stumpage or royalty 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 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 Cutting permits listed in Schedule "C" attached to this Licence, which were in effect under that area of Tree Farm Licence Number 55 that was replaced by this Licence, shall continue in effect and shall be deemed to be part of this Licence.
- 3.05 Cutting permit applications made for that area of Tree Farm Licence Number 55 that was replaced by this Licence, shall be deemed to be cutting permit applications made under 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) tenures issued to third parties by the Licensor, pursuant to Paragraph 1.05 of this Licence, and the *Forest Act*.
- 4.02 The first five year cut control period under this Licence will commence January 1, 1993, or as otherwise designated by the Regional Manager.
- 4.03 For purposes of Section 55 to 55.3 inclusive, of the *Forest Act*, all timber harvested in that portion of Tree Farm Licence Number 55 that is replaced 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.

FINANCIAL AND DEPOSITS

- 5.01 In addition to other money payable by the Licensee under the *Forest Act* and under this Licence, the Licensee shall 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 the Schedule "B" Land, stumpage at rates determined, predetermined 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 the Schedule B lands, annual rent at rates specified in the Regulations;
 - (c) waste assessments levied under a Cutting Permit or under a Road Permit; and
 - (d) in respect of timber cut under this Licence from Schedule "A" Land subject to Timber Licences; either
 - (i) stumpage at rates set out and varied under cutting permits; or
 - (ii) royalty at rates specified in the *Forest Act*;according to the election made under the *Forest Act* in respect of the Timber Licences.
- 5.02 During the term of this Licence the Licensee shall maintain with the Crown a Deposit in the form and amount prescribed by the Regulations.
- 5.03 If the Licensee does any of the following in respect of operations carried on under this Licence:
- (a) fails to pay money it is required to pay to the Crown; or
 - (b) fails to perform its obligations under the *Forest Act*, this Licence, or a road permit;

the Licensor may, after at least 30 days notice to the Licensee do the following:

- (c) 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
- (d) if the Licensor considers that it is not practical to remedy the failure, make an assessment in respect of that 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 canceled, surrendered, 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 location, construction, maintenance and deactivation of roads built on Crown land by the Licensee to provide access to the Licence Area shall be:

- (a) consistent with the Management Plan and 5-Year Development Plan;
- (b) authorized and specified by road permit or Cutting Permit.

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 roads 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 shall submit to the District Manager for approval a Road Maintenance Plan and a Deactivation Plan.
- 6.05 All road permits, Road Maintenance Plans, and Deactivation Plans in effect under that area of Tree Farm Licence Number 55 that was replaced by this Licence shall continue in effect and shall be deemed to be part of this Licence.

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*.
- 7.03 All Fire Management Plans in effect under that area of Tree Farm Licence Number 55 that was replaced by this Licence shall continue in effect and shall be deemed to be part of this Licence.

8.00 FORESTRY AND SILVICULTURE

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

8.02 If under this Licence or the *Forest Act* the Licensee is required to develop or maintain a recreation site or trail on the Schedule "B" Land, the Licensee may enter the Schedule "B" Land and develop or maintain the recreation site or trail.

8.03 All outstanding silviculture obligations with respect to the Licence Area, imposed under:

- (a) Tree Farm Licence Number 55 that is replaced by this Licence;
- (b) a Pre-Harvest Silviculture Prescription;
- (c) a Cutting Permit issued under that portion of Tree Farm Licence Number 55; or
- (d) the *Forest Act* or Regulations;

while the Licence Area formed part of the area covered by Tree Farm Licence Number 55 , shall be deemed to be obligations under this licence.

8.04 The plan for elimination of backlog "not satisfactorily restocked" areas, entitled "Forest Renewal Initiative", dated April 1990, prepared by T.M. Thomson and Associates Ltd. for Westar Timber Ltd., the title page and table of contents of which are attached to this Licence (for purposes of identification) as Schedule "D", shall be deemed to be an integral part of this Licence and the Licensee agrees to carry out obligations therein which pertain to the Licence area.

9.00 FOREST SERVICE ACCOMMODATION AND ACCESS

9.01 Upon receipt of 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 the 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) 50 percent 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 2.03(c) as being attributable to the Schedule "B" Land; by
 - (ii) the portion of the allowable annual cut specified in Subparagraph 2.03(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.

10.03 For the purposes of this Part, the volume the Licensor has the right to authorize third parties to harvest under Paragraph 1.05 shall not be considered part of the timber harvested by or for the Licensee.

11.00 TIMBER PROCESSING

11.01 The Licensee will not close or reduce the production of its timber processing facility at Malakwa for a sustained period of time, unless, and to the extent that the Licensor, or his designate, exempts the Licensee from the requirements of this paragraph.

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*;
- (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;

Provided, however, that liability on the Licensee pursuant to this paragraph shall not arise where the wrongful acts or omissions of any of the persons listed in Subparagraph (a) to (d) inclusive arise from the occupation of the Licence Area in a manner or for a purpose not authorized by this Licence.

Provided further, however, this Paragraph 12.01 does not apply to an act or omission that is a reasonable response to and complies with an order outside the scope of this agreement made on behalf of the Crown.

12.02 Money paid by the Licensee or deducted from a deposit maintained by the Licensee, pursuant to a paragraph in this Licence and reductions in the Allowable Annual Cut made or deemed to be made 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 other remedies 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.

TERMINATION

13.01 If this Licence is canceled, surrendered, terminates, expires, and is not replaced under Section 29 of the *Forest Act*:

- (a) Cutting permits and road permits entered into to access timber to be harvested under this Licence will, subject to Section 62 of the *Forest Act*, terminate when the cancellation, surrender, termination or expiry occurs;
- (b) within 30 days of the cancellation, surrender, 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

any improvements not so removed shall remain the property of the Crown;

- (c) property in timber and special forest products then on the 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 by notice served on the Licensee.

13.03 The Licensor shall 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* or the *Personal Property Security 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* or the *Personal Property Security 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 the Schedule "B" Land not exceeding one percent of the portion of the Allowable Annual Cut attributable to the Schedule "B" Land.
- 14.02 The Licensee will employ or contract for the services of, or both, one or more Registered Professional Foresters as reasonably required to manage the Licence Area according to this Licence.
- 14.03 In addition to other plans or reports required by the Licensor under this Licence or the *Forest Act*, each year during the term of this Licence, the Licensee shall 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 shall 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 2.02 in such detail and format specified by the Chief Forester or his designate, on a reasonable basis.
- 14.05 If the Licensor so directs, the Licensee shall, 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

WESTSHORE TERMINALS LTD.
1800 - 1188 WEST GEORGIA STREET
VANCOUVER, BRITISH COLUMBIA
V6E 4B9

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 shall ensure 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 Plan;
- (b) a 5-Year Development Plan;
- (c) a Pre-harvest Silviculture Prescription;
- (d) a Cutting Permit;
- (e) a Logging Plan;
- (f) a road permit entered into to access timber to be harvested under this Licence;
- (g) a Fire Management Plan;
- (h) a Forest Health Plan;
- (i) a Road Maintenance Plan; and
- (j) a Deactivation 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 Where:

- (a) the boundaries of the Licence Area are based on boundaries established under existing or expired timber licences;

- (b) the legal description of the boundaries of the Licence Area has been derived from original timber licence survey plans or from reference maps prepared by the Ministry of Environment, Lands and Parks from original timber licence survey plans; and
- (c) the legal description differs from the actual ground location of timber licence corner posts;

the boundaries of the Licence Area are the boundaries as established by the actual ground location of the timber licence corner posts.

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

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 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 the Schedule "B" Land by the Licensee during the calendar year, by the total volume of timber harvested from the Schedule "B" Land by the Licensee during the calendar year;

- (d) "Cutting Permit" means a cutting permit issued under Paragraph 3.02;
- (e) "Deactivation Plan" means a plan as required in Paragraph 6.04 which identifies roads that are presently deactivated and roads that are proposed for deactivation over the term of the plan;
- (f) "Deposit" means the deposit required to be maintained by the Licensee under Paragraph 5.02;
- (g) "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;
- (h) "5-Year Development Plan" means the plan required to be approved under Paragraph 2.06;
- (i) "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;
- (j) "*Forest Act*" means the *Forest Act*, R.S.B.C. 1979, c.140 and regulations, both as amended from time-to-time;
- (k) "Forest Health Plan" means a plan consistent with the Management Plan which specifies the Licensee's activities to maintain or increase forest productivity of the Licence Area;
- (l) "harvest" includes entry on the Licence Area for the purpose of cutting and removing timber;
- (m) "Licence Area" means the area described in Paragraph 1.02;

- (n) "Licensor" includes a person authorized by the Licensor where the context of this Licence, the *Forest Act* and the Regulations so permit;
- (o) "Management Plan" means:
 - (a) a management plan approved under Paragraph 2.03; or
 - (b) the interim management plan approved by the Chief Forester for the period beginning on the effective date of this Licence and ending on the effective date of the first management plan submitted under Paragraph 2.02 and approved under Paragraph 2.03;
- (p) "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;
- (q) "person" includes a corporation and a partnership;
- (r) "Pre-harvest Silviculture Prescriptions" means pre-harvest silviculture prescriptions prepared and approved in accordance with Part 10.1 of the *Forest Act*;
- (s) "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;
- (t) "Regulations" means regulations made under the *Forest Act*;
- (u) "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;
- (v) "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 shall be maintained;
- (w) "Schedule "A" Land" means the private land and timber licences described in Schedule "A";
- (x) "Schedule "B" Land" means the Crown land described in Schedule "B";
- (y) "Special Deposit" means the deposit required to be maintained by the Licensee under Subparagraph 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

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

1.00 part;

1.01 paragraph;

(a) subparagraph;

(i) clause;

A. subclause;

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

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

16.00 WAIVER OF RIGHTS

16.01 The Licensee waives any right the Licensee may have to compensation from the Licensor, and releases the Licensor from any claims the Licensee might have, as a result of any deletion from the licensee area pursuant to Section 53 of the Forest Act, of the areas the approximate boundaries of which are indicated on Schedule "E" attached to this Licence as Proposed Serenity Peaks Wilderness Area.

This Licence has been executed by the Licensor and the Licensee

on this 15 day of May, 1993.

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: [Signature])
licence)
_____)

[Signature]
Minister of Forests

THE CORPORATE SEAL (C/S) of the)
Licensee was affixed in the presence of:)
[Signature])
Authorized Signatory)
_____)
Authorized Signatory)
_____)

C/S

(OR)

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

Authorized Signatory

Title

SCHEDULE "A"

GOLDSTREAM TREE FARM LICENCE

TREE FARM LICENCE NUMBER 56

Forest lands and merchantable timber in other tenures owned or controlled by the Licensee in Tree Farm Licence Number 56.

Crown Grants

Nil

<u>Timber Licence</u>	<u>Replaces Special Timber Licence</u>	<u>Land District</u>	<u>Hectares</u>
T0617	TL 2328P	Kootenay	106
T0646	TL 4898P	Kootenay	259
T0648	TL 5372P	Kootenay	138
T0658	TL 12439P	Kootenay	148
T0662	TL 12440P	Kootenay	<u>259</u>
		TOTAL	910

SCHEDULE "B"
GOLDSTREAM TREE FARM LICENCE
TREE FARM LICENCE NUMBER 56

All Crown lands not otherwise alienated within the area outlined in bold black on the accompanying map except Crown land reverted subsequent to 1971, which was subject to an old temporary tenure (within the meaning of the *Forest Act* assented to March 30, 1972) and held by a person other than the licensee.

Commencing at the confluence of the natural boundaries of Cap Creek on the left bank thereof and Revelstoke Lake on the easterly shore thereof; thence in a general northeasterly direction along the natural boundary of said Cap Creek on the left bank thereof to a point being 400 metres south and 3.100 kilometres east of the northeast corner of Lot 3414, Kootenay Land District; thence north 25 degrees east 940 metres, more or less, to the westerly boundary of the watershed of Holdich Creek; thence in a general northerly and easterly direction along the westerly and northerly boundaries of the watershed of said Holdich Creek to the southwesterly boundary of the watershed of Downie Creek; thence in a general southeasterly, easterly and northerly direction along the southwesterly, southerly and easterly boundaries of the watershed of said Downie Creek to the easterly boundary of the watershed of Goldstream River; thence in a general northerly direction along easterly boundary of the watershed of said Goldstream River to the southerly boundary of the watershed of Stitt Creek; thence in a general westerly direction along the southerly boundary of the watershed of said Stitt Creek to a point 3.480 kilometres east and 220 metres south of the southeast corner of Lot 16941; thence south 60 degrees west 280 metres, more or less, to the natural boundary of an unnamed

creek on the left bank thereof, said unnamed creek flowing southerly into aforesaid Goldstream River at a point 3.090 kilometres east and 2.200 kilometres south of the southeast corner of aforesaid Lot 16941; thence in a general southerly direction along the natural boundary of said unnamed creek on the left bank thereof to the natural boundary of said Goldstream River on the right bank thereof; thence in a general westerly direction along the natural boundary of said Goldstream River on the right bank thereof to the easterly boundary of Section 24, Township 2, Kootenay Land District; thence southerly along the easterly boundary of said Section 24 to the southeast corner thereof; thence westerly along the southerly boundaries of Sections 24 and 23 to the northeast corner of Section 14; thence southerly along the easterly boundaries of Sections 14, 11 and 2, and Lot 80A to the most northerly corner of Lot 4685; thence southeasterly and southwesterly along the northeasterly and southeasterly boundaries of said Lot 4685 to the easterly boundary of said Lot 80A; thence southerly and westerly along the easterly and southerly boundaries of said Lot 80A to the natural boundary of aforesaid Revelstoke Lake on the easterly shore thereof; thence in a general southerly direction along the natural boundary of said Revelstoke Lake on the easterly shore thereof to a point due west of a tie point, said tie point being 6.172 kilometres north and 1.658 kilometres west of the northwest corner of Lot 8296; thence east to said tie point; thence south 805 metres; thence east 402 metres; thence south 1.207 kilometres; thence east 402 metres; thence south 805 metres; thence due west to the natural boundary of aforesaid Revelstoke Lake on the easterly shore thereof; thence in a general southerly direction along the natural boundary of said Revelstoke Lake on the easterly shore thereof to a point due west of a tie point, said tie point being 1.195 kilometres east and 787 metres south of the southwest corner of aforesaid Lot 8296; thence east to said tie point; thence south 402 metres; thence due west to the natural boundary of aforesaid Revelstoke Lake on the easterly shore thereof;

thence in a general southerly direction along the natural boundary of said Revelstoke Lake on the easterly shore thereof to the northerly boundary of Lot 2772; thence easterly along the northerly boundary of said Lot 2772 to the southwest corner of Block A of Lot 2712; thence northerly, easterly and southerly along the westerly, northerly and easterly boundaries of Block A of said Lot 2712 to the northerly boundary of aforesaid Lot 2772; thence easterly along the northerly boundary of said Lot 2772 to the natural boundary of Downie Arm on the northerly shore thereof; thence in a general northeasterly and southwesterly direction along the natural boundary of said Downie Arm on the northwesterly and southeasterly shores thereof to the easterly boundary of Lot 1880; thence southerly along the easterly boundary of said Lot 1880 to the natural boundary of aforesaid Revelstoke Lake on the easterly shore thereof; thence in a general southerly direction along the natural boundary of said Revelstoke Lake on the easterly shore thereof to the second most northerly boundary of Lot 2771; thence easterly and southerly along the northerly and easterly boundaries of said Lot 2771 to the northerly boundary of Lot 2774; thence easterly, southerly and westerly along the northerly, easterly and southerly boundaries of said Lot 2774 to the natural boundary of said Revelstoke Lake on the easterly shore thereof; thence in a general southeasterly direction along the natural boundary of said Revelstoke Lake on the easterly shore thereof to the northerly boundary of Lot 3414; thence easterly and southerly along the northerly and easterly boundaries of said Lot 3414 to the natural boundary of aforesaid Revelstoke Lake on the easterly shore thereof; thence in a general southeasterly direction along the natural boundary of said Revelstoke Lake on the easterly shore thereof to the natural boundary of aforesaid Cap Creek on the left bank thereof, being the point of commencement.

Excluding thereout all of that foreshore and land covered by water within the above described area, and lands that were deleted by notice or amendment under Tree Farm Licence Number 23, namely:

1. Notice dated September 20, 1955, which deleted various surveyed lots within Kootenay Land District.
2. Amendment No. 2, which deleted Lot 7486, Kootenay Land District.
3. Amendment No. 73, replaces Amendment No. 63, removes radio site.

See copies attached.

Active amendments and instruments of (former) Tree Farm Licence Number 23, which are currently in effect and are not described in Schedule "B" and are not noted on the document map(s).

<u>Document</u>	<u>Date</u>	<u>Particulars</u>
A	55-08-12	Removes Lots 2662, 2669, 1973, 1974, Kootenay Land District
C	55-09-20	Removes Lots 4814, 6944, 6945, 6946, 6947, 6948, 6949, 6950, 6951, 6952, 6953, 6954, 7483, 7484, 7485, 7487, 7488, 7489, 7490, 7493, 7408, Kootenay Land District
#2	55-12-09	Removes Lot 7486, Kootenay Land District
#73	67-02-06	Replaces Amendment #63. Removes radio site
#74	67-02-06	Replaces Amendment #71. Removes radio site
#78	67-12-12	Replaces Amendment #76. Removes radio site
#108	72-09-01	Replaces Amendment #104. Removes Hydro R/W
#132	90-10-09	Removes Lot 16941, Kootenay Lake District

SCHEDULE "C"

GOLDSTREAM TREE FARM LICENCE

TREE FARM LICENCE NUMBER 56

Cutting Permits

724

726

727

728

734

735

742

746

748

756

SCHEDULE "D"

GOLDSTREAM TREE FARM LICENCE

TREE FARM LICENCE NUMBER 56

COPY OF TITLE PAGE AND TABLE OF CONTENTS FROM "FOREST RENEWAL PLAN".

SCHEDULE "D"

FOREST RENEWAL INITIATIVE
TREE FARM LICENSE 23

TMT File No: 2403
TMT Report No.: R9017

Prepared for:

WESTAR TIMBER LTD.
Southern Regional Woodlands
Revelstoke, B.C.

Prepared by:

T.M. THOMSON & ASSOCIATES LTD.
Victoria, B.C.

April, 1990

DJSR:djsr R9017-R-02WPS

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I. PRESCRIPTION BINDERS: FULL OPTION SET**REVELSTOKE DIVISION (BLUE BINDERS)**

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COMPARTMENTS 120 TO 128	VOLUME II
COMPARTMENTS 130 TO 150	VOLUME III
COMPARTMENTS 686 TO 698	VOLUME IV
COMPARTMENTS 700 TO 726	VOLUME V
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NAKUSP DIVISION (BLACK BINDERS)

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CASTLEGAR DIVISION (RED BINDER)

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II. PRESCRIPTION BINDERS: ABBREVIATED SET**REVELSTOKE DIVISION (GREY BINDERS)**

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CASTLEGAR DIVISION (GREY BINDER)

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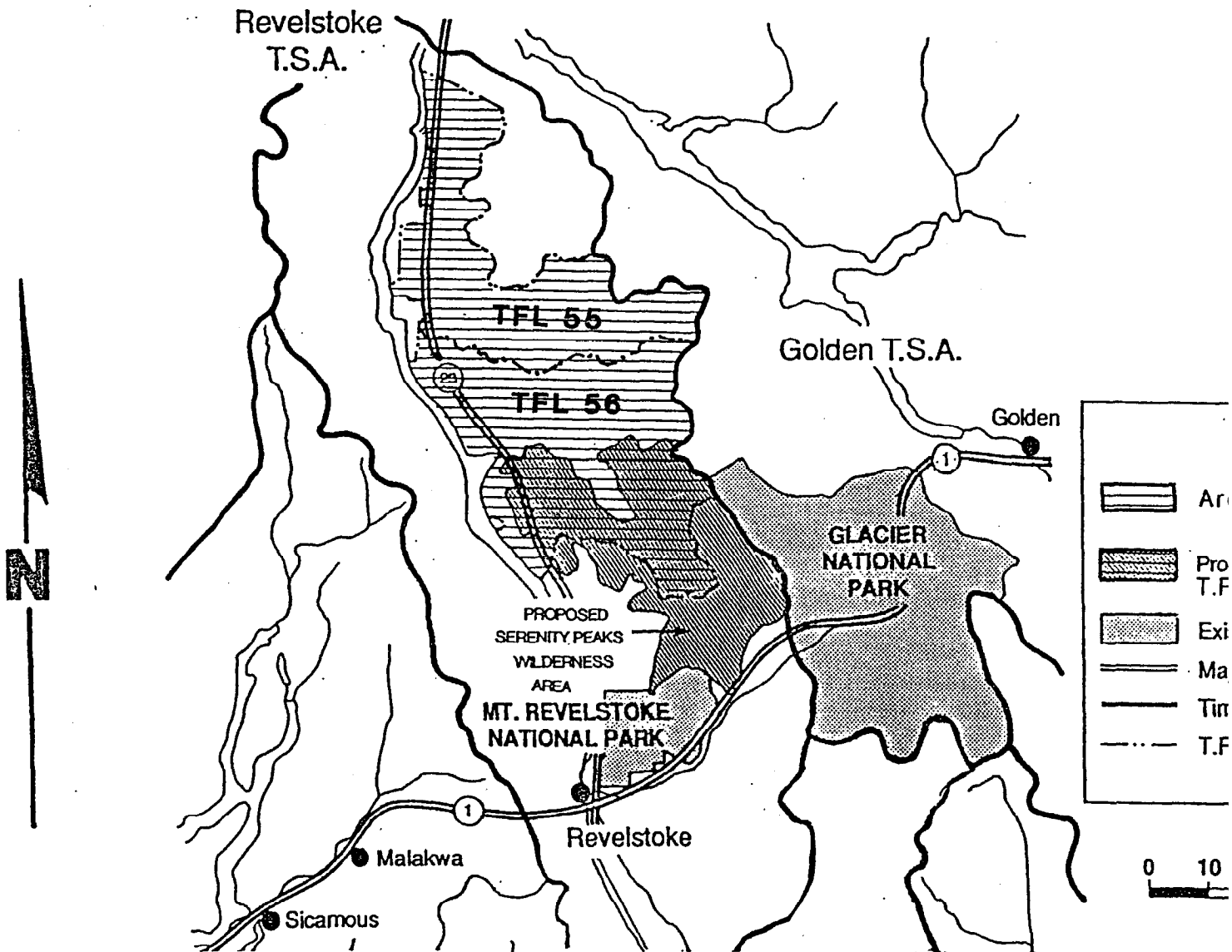
SCHEDULE "E"

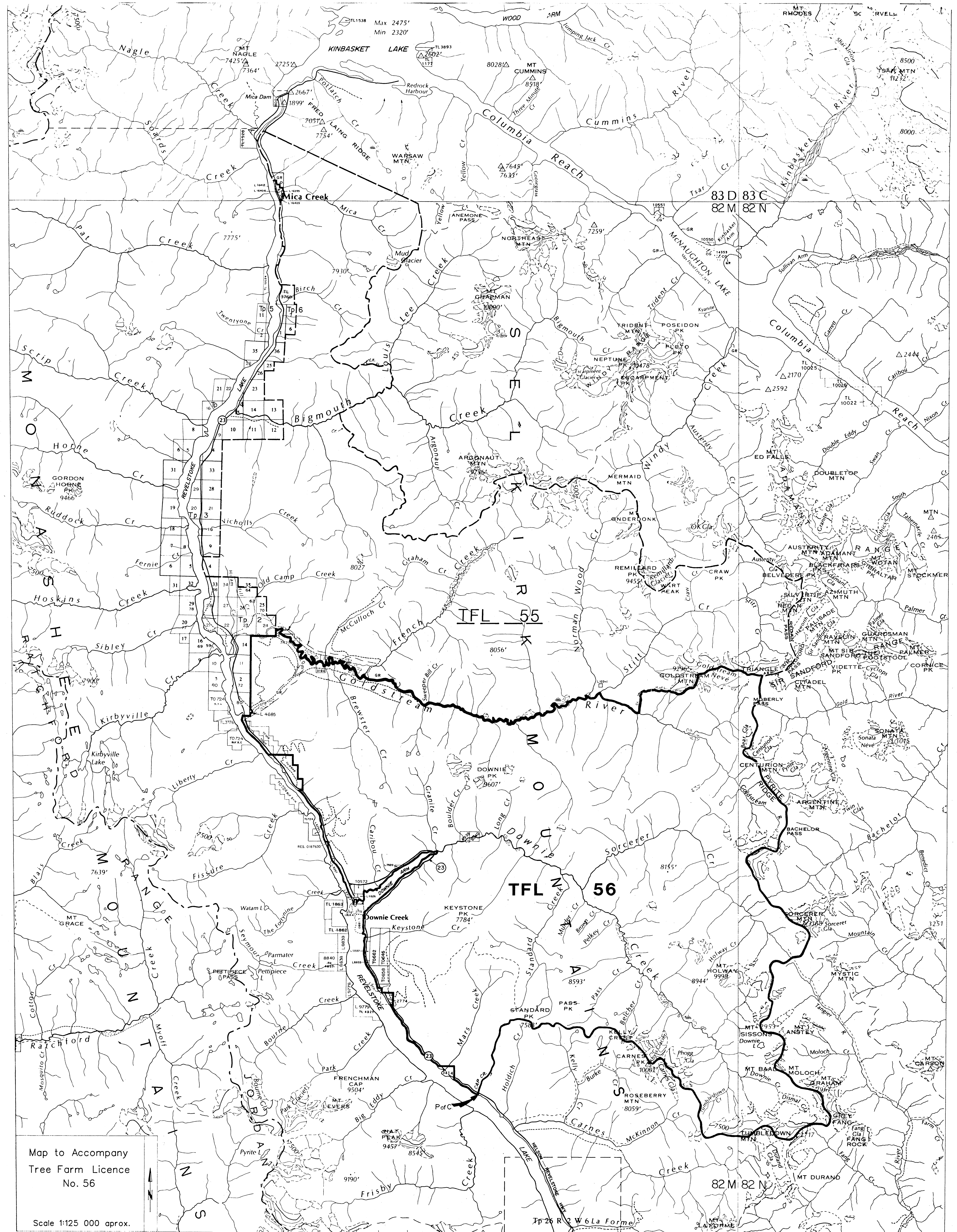
GOLDSTREAM TREE FARM LICENCE

TREE FARM LICENCE NUMBER 56

Map of parks, wilderness areas in Tree Farm Licence Number 56.

Schedule "E"





Map to Accompany
Tree Farm Licence
No. 56

Scale 1:125 000 approx.

NOTE: FLOODING OF REVELSTOKE LAKE BASED ON 1:20 000 INVENTORY BRANCH FOREST COVER MAPS