



Province of
British Columbia

Ministry of
Forests



WOODLOT LICENCE

No. _____

BETWEEN:

THE _____ MANAGER, on behalf of
HER MAJESTY THE QUEEN in right of
the Province of British Columbia

(the "Licensor")

AND:

(the "Licensee")

WHEREAS:

- (a) the Licensee has applied for a Licence under Section 41 of the *Forest Act*, and the Crown has approved a Management Plan for the proposed Woodlot Licence, or
- (b) the Licensee has requested a replacement Licence under Section 43 of the *Forest Act*,

THE PARTIES AGREE AS FOLLOWS:

1.00 GRANT OF RIGHTS, LICENCE AREA AND TERM

1.01 Subject to the *Forest Act* and Regulations and to this Licence, and in consideration of the Licensee's covenants in this Licence, 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 timber growth capability according to this Licence and the *Forest Act*,
- (b) the right, during the term of this Licence, to manage Crown land in the Licence Area according to this Licence and the *Forest Act*, and
- (c) subject to the provisions of the *Forest Act*, the exclusive right during the term of this Licence to harvest timber, according to the Management Plan, Pre-Harvest Silviculture Prescriptions and Cutting Permits, from Crown land and private land in the Licence Area.

1.02 The Licence Area is:

- (a) the private land described and/or shown on the sketch dated _____ and marked Schedule "A" to this Licence; and
- (b) the Crown land described and/or shown on the sketch dated _____ and marked Schedule "B" to this Licence, but excludes Crown land deleted, from time to time, under the *Forest Act*.

1.03 The term of this Licence will be 15 years and will, notwithstanding the date of execution and delivery of this Licence, be conclusively deemed to commence on _____, 19____, and will end on _____, 19____, (the "Term").

1.04 This Licence is replaceable/not replaceable under the *Forest Act*.

2.00 **MANAGEMENT PLANS**

- 2.01 The Licensee will submit, for the approval of the District Manager, Management Plans as and when required by the Licensor in notices given, from time to time, to the Licensee.
- 2.02 A Management Plan, in addition to being prepared in accordance with Section 42(f) of the *Forest Act*, will contain such information as required by the District Manager concerning the management of the Licence Area.
- 2.03 The District Manager will approve Management Plans acceptable to him that:
- (a) are prepared in accordance with Section 42(f) of the *Forest Act*,
 - (b) specify a volume of timber to be harvested from the Licence during a five-year cut control period,
 - (c) specify the portion of the volume of timber to be harvested from the Licence Area during a five-year cut control period which is attributable to Schedule "B" land;
 - (d) specify measures to be taken by the Licensee for the development, protection and silviculture of the forest resources on the Licence Area.
- 2.04 A Management Plan approved
- (a) under Section 41(9) of the *Forest Act* before the execution of this Licence, or
 - (b) under a Woodlot Licence replaced by this Licence,
- shall be deemed to be a Management Plan approved under this Licence.
- 2.05 A Management Plan approved under this Licence shall be deemed to be part of this Licence.

3.00 **CUTTING PERMITS**

- 3.01 Except with the written consent of the District Manager, the Licensee will cut timber on the Licence Area only under this Licence or under a Road Permit.
- 3.02 Upon receipt of an application from the Licensee that meets the requirements of the District Manager, and is consistent with the Management Plan and an approved Pre-Harvest Silviculture Prescription, the District Manager will issue Cutting Permits to the Licensee.
- 3.03 Subject to the Management Plan and Pre-Harvest Silviculture Prescription, 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 five years, as determined by the District Manager;
 - (c) require payment to the Crown of stumpage from 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 out 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 Crown timber wasted or damaged by the Licensee, and penalties payable to the Crown for timber wasted or damaged;
 - (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 A Cutting Permit in effect under a Woodlot Licence replaced by this Licence shall be deemed to be a Cutting Permit issued under this Licence.
- 3.05 A Cutting Permit issued under this Licence shall be deemed to be part of this Licence.

4.00 **CUT CONTROL**

- 4.01 The five-year cut control period under this Licence will commence January 1, 19____, or as otherwise designated by the Regional Manager.

5.00 **FINANCIAL AND DEPOSITS**

- 5.01 In addition to other money payable by the Licensee under the *Forest Act* and under this Licence, the Licensee will pay to the Crown, immediately on receipt of a statement issued on behalf of the Crown:
- (a) the Bonus Offer, if any;
 - (b) annual rent under the *Forest Act*;

- (c) in respect of timber harvested under Cutting Permits, stumpage at rates determined, re-determined and varied under the *Forest Act* and Regulations;
 - (d) scaling fees and other charges, costs and expenses determined under the *Forest Act* and Regulations; and
 - (e) waste and damage assessments levied under Cutting Permits.
- 5.02 During the term of this Licence, the Licensee will maintain with the Crown a Deposit in a form and amount prescribed in the Regulations.
- 5.03 If the Licensee fails to pay money it is required to pay to the Crown, or otherwise fails to perform its obligations under the *Forest Act*, the Regulations, this Licence or 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, remedy the failure and 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 to 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 Where the District Manager considers that timber harvesting or related operations proposed to be carried out under a Cutting Permit or Road Permit are likely to cause damage to 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 Licensor 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 43 of the *Forest Act* or is cancelled; 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 43 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.
- 5.09 If this Licence is disposed of otherwise than bona fide by way of security, the Deposit and any Special Deposit shall be deemed to be assigned for the benefit of the person taking the disposition of this Licence, and the Crown shall not be bound to account to the Licensee for them.

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 or spur roads on land that is subject to a Cutting Permit, included in Road Permits entered into under the *Forest Act* between the District Manager and the Licensee to access timber harvested under this Licence; and
 - (b) consistent with the Management Plan in effect from time to time.

- 6.02 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 in the Licence Area.
- 6.03 The Licensee shall not restrict public access on Schedule "B" land except during periods of hazard, including fire hazard and hazard due to active harvesting and related operations.

7.00 **TIMBER PROCESSING**

- 7.01 The Licensee shall not own and shall not acquire a timber processing facility or control of a corporation that owns a timber processing facility in the Province.

8.00 **FORESTRY AND SILVICULTURE**

- 8.01 The Licensee will not post a sign concerning forestry practises or the development and maintenance of recreation sites or trails under this Licence unless the sign acknowledges the Crown's contributions to such practises or development and maintenance.
- 8.02 Increases in the Allowable Annual Cut attributable to incremental silviculture undertaken by the Licensee at its expense will accrue to the Licensee.
- 8.03 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 **LIABILITY AND INDEMNITY**

- 9.01 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) a servant or agent of the Crown, or
 - (ii) a person who uses or occupies the Licence Area under rights granted by the Crown.
- 9.02 Money paid by the Licensee to the Crown under paragraphs 5.03 and 9.01
- (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.
- 9.03 The Crown shall indemnify the Licensee against and shall save it harmless from all claims, demands, suits, actions, causes of action, costs, expenses and losses faced, incurred or suffered by the Licensee as a result, directly or indirectly, of wrongful acts or omissions on the Licence Area, of the Crown, its employees or agents.

10.00 **REPRESENTATIONS AND WARRANTIES**

- 10.01 The Licensee represents and warrants to the Province that:
- (a) it is:
 - (i) a Canadian citizen or permanent resident of Canada who is 19 years of age or older,
 - (ii) a society incorporated under the *Societies Act*, where the majority of its members meet the qualifications referred to in clause (i),
 - (iii) a band as defined in the *Indian Act (Canada)*, or
 - (iv) a corporation that is controlled by persons who meet the qualifications referred to in clause (i);
 - (b) is not a person, corporation, band or society that:
 - (i) owns, or controls a corporation that owns, a timber processing facility in the Province,
 - (ii) holds another Woodlot Licence;
 - (c) the Licensee is the beneficial owner or lessee of the Schedule "A" lands and the timber thereon.
- 10.02 All representations and warranties made in this Licence are material and will conclusively be deemed to have been relied upon by the Province, notwithstanding any prior or subsequent investigation by the Province, and they will continue in full force and effect for the term of this Licence.

11.00 **TERMINATION**

- 11.01 If this Licence is cancelled, terminated or expires and is not replaced under Section 43 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 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; and
 - (d) title to all improvements, including roads and bridges, then fixed on Crown land shall vest in the Crown without compensation to the Licensee.
- 11.02 Subject to paragraph 13.03, and in addition to its rights to cancel this Licence under the *Forest Act*, the Licensor may cancel this Licence in a notice served on the Licensee if:
 - (a) the Licensee commits an act of bankruptcy, makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency;
 - (b) any representation or warranty made by the Licensee is untrue or incorrect.
- 11.03 The Licensor will not cancel this Licence under subparagraph 11.02(a) 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 or the holder of a bond or debenture issued under a deed or 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.

12.00 **MISCELLANEOUS**

- 12.01 On or before April 30th of each year during the term of this Licence, the Licensee will deliver to the Regional Manager an annual report for the preceding calendar year, in a form specified by the Licensor, that includes such information as required by the District Manager.
- 12.02 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.
- 12.03 This Licence is subject to the *Forest Act* and Regulations.
- 12.04 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: _____

and

the Licensee: _____

- 12.05 Where, between the time a notice is mailed under paragraph 12.04 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.
- 12.06 Either party may, from time to time, advise the other by notice in writing of any change of address of the party giving such notice, and from and after the giving of such notice the address therein specified will, for purposes of the preceding paragraph, be deemed to be the address of the party giving such notice.
- 12.07 Any notice, report, direction or document transmitted by telex or facsimile from either party or the Minister will be conclusively deemed validly given to and received by the intended recipient when so transmitted.
- 12.08 This Licence will enure to the benefit of, and be binding on, the parties and their respective successors and permitted assigns.
- 12.09 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 Pre-Harvest Silviculture Prescription;
 - (c) a Cutting Permit; and
 - (d) a Road Permit entered into to access timber harvested under this Licence.
- 12.10 If any of the documents listed in paragraph 12.09 conflict with or are inconsistent with this Licence, this Licence shall govern to the extent of the conflict or inconsistency.

13.00 **INTERPRETATION**

- 13.01 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.
- 13.02 In this Licence, notwithstanding paragraph 13.01, unless the context otherwise requires:
- (a) "Cutting Permit" means a Cutting permit issued under paragraph 3.02;
 - (b) "Deposit" means the Deposit required to be maintained by the Licensee under paragraph 5.02;
 - (c) "District Manager" means a District Manager of a Forest District in which the Woodlot Licence Area, or part of it, is situated;
 - (d) "five-year cut control period" means the five-year period beginning January 1 of the year when the term of this Licence begins, unless otherwise designated by the Regional Manager, and each succeeding five-year period;
 - (e) "*Forest Act*" means the *Forest Act*, R.S. 1979, Ch. 140, as amended from time to time;
 - (f) "Forest Service" means the forest service continued under the *Ministry of Forests Act*;
 - (g) "harvest" includes entry on the Licence Area for the purpose of cutting and removing timber;
 - (h) "Licence Area" means the area described in paragraph 1.02;
 - (i) "Licensor" includes a person authorized by the Licensor where the context of this Licence, the *Forest Act* and the Regulations so permit;
 - (j) "Management Plan" means a management plan approved under paragraph 2.03;
 - (k) "Person" includes a corporation and a partnership;
 - (l) "Pre-Harvest Silviculture Prescription" means pre-harvest silviculture prescription prepared and approved in accordance with Part 10.1 of the *Forest Act*;
 - (m) "Regional Manager" means the Regional Manager appointed, under the *Ministry of Forests Act*, for the Forest Region in which the Licence Area, or part, is situated;
 - (n) "Regulations" means regulations made under the *Forest Act* and includes amendments to them;
 - (o) "Road Permit" means a Road Permit entered into between the District Manager and the Licensee, under the *Forest Act*, to provide access to or in the Licence Area;
 - (p) "Schedule "A" land" means the private land described in Schedule "A";
 - (q) "Schedule "B" land" means the Crown land described in Schedule "B", except for any part thereof deleted from time to time under the *Forest Act*; and
 - (r) "Special Deposit" means the Deposit required to be maintained by the Licensee under subparagraph 5.05(c).
- 13.03 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.
- 13.04 Each Schedule attached to this Licence is an integral part of this Licence, as if set out at length in the body of this Licence.

- 13.05 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.
- 13.06 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.
- 13.07 Where a section of the *Forest Act* referred to in this Licence is renumbered, the reference in this Licence shall be construed to be the section as renumbered.

This Licence has been executed by the Licensor and the Licensee on _____ 19____.

SIGNED, SEALED AND DELIVERED by the _____
 Manager on behalf of HER MAJESTY THE QUEEN in right of
 the Province of British Columbia in the presence of:

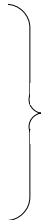


_____ Forest _____

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

 Authorized Signatory

 Title



c/s

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



 Authorized Signatory

 Title