BRITISH COLUMBIA

Ministry of
Forests, Lands and
Natural Resource Operations

File: 19545-60/L50651

October 11, 2016

British Columbia Hydro and Power Authority
12th Floor 333 Dunsmuir Street
Vancouver, British Columbia
V6B 5R3

Dear Licensee:

Reference is made to your letter dated September 27, 2016 requesting exemptions provided for under the authority of *Forest and Range Practices Act, Forest Planning and Practices Regulation Section 91* as detailed in the following table:

FPRR Section	Practice Requirement	Exemption Requested		Rationale
		Section 91(1)(a)(ii)	Section 91(1)(b)	
47	Stream riparian classes		Yes	To clear and salvage merchantable timber that will be affected by the Site C Project in a manner consistent with BC Hydro's commitments under the Environmental Impact Statement.
48	Wetland Riparian classes		Yes	
49	Lake Riparian classes		Yes	
51	Restrictions in a riparian reserve zone	Yes		
53	Temperature Sensitive streams		Yes	
66	Wildlife tree retention		Yes	
68	Coarse woody debris	Yes		
69	General wildlife measures (GAR 9)		Yes	
70(1)	Resource features(GAR 5)	Yes		

**FPPR Section 67 Restriction on harvesting in WTP is not applicable*

As provided by Section 91 of the *Forest Planning and Practices Regulation* (FPPR) the exemption requests identified above associated with Occupant License to Cut L50651 are hereby approved.

Yours truly,

Dave Francis
Deputy District Manager

BRITISH COLUMBIA

OCCUPANT LICENCE TO CUT CUT AND REMOVE TIMBER L50651

Ministry of Forests, Lands and Natural Resource Operations

THIS LICENCE, dated **October 11, 2016**

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF BRITISH COLUMBIA,
as represented by the **Director of Authorization**,
MINISTRY OF FORESTS, LANDS AND
NATURAL RESOURCE OPERATIONS
SUITE 370 10003 110TH AVE
FORT ST JOHN, BRITISH COLUMBIA
V1J 6M7
Phone: #250 787-3415 Fax: #250 261-2084
Email address: authorizingagency.fortstjohn@gov.bc.ca
(the "Licensor")

AND:

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
12TH FLOOR 333 DUNSMUIR STREET
VANCOUVER, BRITISH COLUMBIA
V6B 5R3
Phone: 604-623-3502
(the "Licensee")

WHEREAS:

A. The Licensee has the right of occupation as the lawful **occupier** of certain areas of land pursuant to **authority under *Land Act* Statutory Right-of-Way #802177, Licence of Occupation #8015854, #8015855 and #8015856 under which purchaser/occupier has occupancy.**

B. The Licensee and Licensor are entering into this Licence under section 47.4 of the *Forest Act* to cut and remove the Crown timber from the Licence area.

"The Table of Contents and headings in this Licence are included for convenience only and do not form a part of this Licence and in no way define, limit, alter or enlarge the scope or meaning of any provision of this Licence."

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THE PARTIES agree as follows:

1.00 GRANT OF RIGHTS AND TERM

1.01 The term of this Licence begins on **October 11, 2016**, and ends on the earlier of:

(a) the day upon which the Licensee's right of occupation expires or is surrendered, cancelled or otherwise terminated;

(b) October 10, 2021 or

(c) at the Licensee's request, the Licensor gives notice to the Licensee that all contractual and legislative obligations associated with the Licence have been completed.

1.02 The Licensee is authorized to cut and remove Crown timber from the area shown on the attached Exhibit "A" maps ("Licence area") that is necessary to cut in order to facilitate the operations or the use of the Crown land within the Licence area as described in the right of occupation.

1.03 The Licensee's rights under this Licence are of no force or effect when the right of occupation is suspended.

1.04 Subject to the Licence, the Licensee may enter onto areas referred in paragraph 1.01 for the purpose of exercising the rights under this Licence.

1.05 This Licence does not grant the Licensee the exclusive right to harvest timber from the Licence area, and the Licensor reserves the right to grant rights to other persons to harvest timber from the Licence Area.

2.00 TIMBER MARK

2.01 The timber mark for timber removed under this Licence is:

L 5 0

6 5 1

2.02 If directed to do so by the Licensor, the Licensee must erect signs at all exits from areas of land referred to in paragraph 1.02, clearly showing the timber mark referred to in paragraph 2.01.

3.00 TIMBER HARVEST LIMITATIONS

3.01 The Licensee must comply with the forestry legislation and the conditions and requirements set out in Schedule "A" to this Licence.

3.02 In addition to timber specified in the forestry legislation as reserved, the Licensee must not cut, damage, or destroy timber if specified as reserved in Schedule B.

4.00 SCALE-BASED STUMPAGE

0.01 For the purpose of determining the amount of stumpage payable in respect of timber removed from the harvest area, the volume or quantity of timber removed will be determined using information provided in a scale of the timber.

0.02 The Licensee must ensure that:

(a) all timber removed from the harvest area is scaled; and

(b) the scale of the timber is conducted properly in accordance with the requirements of the *Forest Act* and the regulations made under that Act.

5.00 TIMBER VOLUME CHARGED TO THE LICENCE

5.01 The timber of the following species and grades will be included in determining the volume that will be charged to the Licence:

(a) all species and grades except for grades 6 and Z.

6.00 WASTE ASSESMENT

6.01 The quantity and quality of merchantable Crown timber that could have been removed under this Licence but at the Licensee's discretion was not removed, will be determined in accordance with the provisions of Provincial Logging Residue and Waste Measurements Procedures Manual, as amended or replaced from time to time ("current waste assessment manual").

6.02 The Regional Executive Director or District Manager, in a notice given to the Licensee, may require the Licensee to pay in respect of the volume of timber determined under paragraph 6.01, a monetary assessment for all waste.

6.03 The amount of money that the Licensee must pay under a waste assessment will be determined in accordance with the provisions of the current waste assessment manual.

6.04 For the purpose of conducting the assessment of the volume of timber that was not harvested as described in paragraph 6.01:

(a) the Licensee must conduct an assessment in accordance with the current waste assessment manual after the Licensee has declared that primary logging has been completed for each cut block; or

(b) the Regional Executive Director or District Manager may conduct an assessment in accordance with the current waste assessment manual after the expiry of the term of the Licence.

7.00 COURT DETERMINED ABORIGINAL RIGHTS AND/OR TITLE

7.03 Notwithstanding any other provision of this Licence, if a court of competent jurisdiction:

(a) determines that activities or operations under or associated with this Licence will unjustifiably infringe an aboriginal right and/or title, or treaty right;

(b) grants an injunction further to a determination referred to in subparagraph 7.01 (a); or

(c) grants an injunction pending a determination of whether activities or operations under or associated with this Licence will unjustifiably infringe an aboriginal right and/or title, or treaty right;

the Regional Executive Director or District Manager in a notice given to the Licensee, may vary or suspend, this Licence in whole or in part, so as to be consistent with the court determination.

7.02 Subject to this Licence and the forestry legislation, if:

(a) under paragraph 7.01, the Regional Executive Director or District Manager has varied the Licence issued to the Licensee;

(b) a court of competent jurisdiction subsequently overturns, sets aside or dissolves the determination or injunction referred to in that paragraph; and

(c) it is practical to do so;

the Regional Executive Director or District Manager, at the request of the Licensee, will vary the Licence to reflect as closely as possible, for the remainder of its term, the terms and conditions of the Licence prior to the variation under paragraph 7.01.

7.03 Subject to this Licence and the forestry legislation, if:

(a) under paragraph 7.01, the Regional Executive Director or District Manager has suspended the Licence;

(b) a court of competent jurisdiction subsequently overturns, sets aside or dissolves the determination or injunction referred to in that paragraph; and

(c) it is practical to do so;

the Regional Executive Director or District Manager, at the request of the Licensee, will reinstate the Licence for the remainder of its term.

8.00 FINANCIAL

8.01 In addition to any money payable in respect of this Licence under the forestry legislation, the Licensee must pay to the Government, immediately upon receipt of a notice, statement or invoice issued on behalf of the Government:

(a) stumpage under part 7 of the *Forest Act* at rates determined, re-determined and varied under section 105 of that Act in respect of timber removed under this Licence;

(b) any payment required as a result of a waste assessment under part 6.00 of this Licence.

9.00 LIABILITY AND INDEMNITY

9.01 Subject to paragraph 9.02, the Licensee will indemnify the Government against and save it harmless from all claims, demands, suits, actions, causes of action, costs, expenses and losses faced, incurred or suffered by the Government as a result, directly or indirectly, of any act or omission of:

(a) the Licensee;

(b) an employee or agent of the Licensee;

(c) a contractor of the Licensee who engages in any activity or carries out any operation, including but not restricted to the Licensee's operations, under or associated with this Licence; or

(d) any other person who on behalf of or with the consent of the Licensee engages in any activity or carries out any operation under or associated with this Licence.

9.02 For greater certainty, the Licensee has no obligation to indemnify the Government under paragraph 9.01 in respect of any act or omission of:

(a) an employee, agent or contractor of the Government , in the course of carrying out his or her duties as employee, agent or contractor of the Government; or

(b) a person, other than the Licensee, to whom the Government has granted the right to use or occupy Crown land, in the course of exercising those rights.

9.03 Any payments required under parts 6.00 or 8.00, and payments required further to the indemnity referred to in paragraph 9.01 are in addition to and not in substitution for any other remedies available to the Government in respect of a default of the Licensee.

9.04 The Government is not liable to the Licensee for injuries, losses, expenses, or costs incurred or suffered by the Licensee as a result, directly or indirectly, of an act or omission of a person who is not a party to this Licence, including but not restricted to an act or omission of a person disrupting, stopping or otherwise interfering with the Licensee's operations under this Licence by road blocks or other means.

10.00 TERMINATION

10.01 If this Licence expires or is cancelled or is otherwise terminated:

(a) title to all improvements, including roads and bridges, fixed on Crown land in the Licence area; and

(b) all timber, including logs and special forest products, located on the Licence area, will vest in the Crown, without right of compensation to the Licensee.

10.02 If the Licensee commits an act of bankruptcy, makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency, the Licensee is deemed to have failed to perform an obligation under this Licence.

11.00 WAIVER

11.01 No waiver by the Crown of any default or non-compliance by the Licensee in the strict and literal performance of or compliance with any provision of the Licence will be deemed to be a waiver of the strict and literal performance of or compliance with any other provision, condition or requirement of the Licence or to be a waiver of, or in any manner release the Licensee from compliance with any provision, condition or requirement in the future, nor will any delay or omission by the Crown in the exercising of any right hereunder in any manner with respect to non-compliance impair the exercise of any such rights in the future.

12.00 NOTICE

12.01 A notice given under this Licence must be in writing.

12.02 A notice given under this Licence may be:

(a) delivered by hand;

(b) sent by mail;

(c) sent by facsimile transmission; or

(d) electronic mail ("commonly referred as Email");

to the address, facsimile or email number, as applicable, specified on the first page of this Licence, or to such other address, email address or facsimile number as is specified in a notice given in accordance with this part.

12.03 If a notice is given under this Licence, it is deemed to have been given:

(a) if it is given in accordance with subparagraph 12.02 (a) on the date it is delivered by hand;

(b) if it is given in accordance with subparagraph 12.02 (b), subject to paragraph 12.04, on the eighth day after its deposit in a Canada Post Office at any place in Canada; and

(c) if it is given in accordance with subparagraph 12.02 (c), subject to paragraph 12.05, on the date it is sent by email;

(d) if it is given in accordance with subparagraph 12.02 (d), subject to paragraph 12.05, on the date it is sent by facsimile or email transmission.

12.04 If, between the time a notice is mailed in accordance with subparagraph 12.02 (b) and the time it is actually received, there occurs a postal strike, lockout or slowdown that might reasonably affect delivery of the notice, the notice is not deemed to be given until the party actually receives it.

12.05 If a notice is sent by email or facsimile transmission, the party sending the notice must take reasonable steps to ensure that the transmission has been successfully completed.

12.06 Either party may, from time to time, advise the other party by notice in writing, of any change of address, email address or facsimile number of the party giving such notice and, from and after the giving of such notice, the address, email address or facsimile number specified will, for purposes of this Licence, be considered to be the address, email address or facsimile number of the party giving such notice.

13.00 MISCELLANEOUS

13.01 This Licence will enure to the benefit of and be binding on the parties and their respective heirs, executors, successors and permitted assigns.

13.02 The laws of British Columbia will govern the interpretation of this Licence and the performance of the Licensee's obligations under this Licence.

13.03 Any non-statutory power conferred or duty imposed on the Regional Executive Director or District Manager under this Licence may be exercised or fulfilled by any person authorized to do so by the Regional Executive Director or District Manager.

13.04 Any Schedules, Exhibit "A" map(s) or attachments referenced in, or attached to this Licence are an integral part of this agreement as if set out in the body of this agreement, and the Licensee will comply with all the terms in the Schedules.

13.05 If there is a conflict between the *Workers Compensation Act* or a regulation under that Act, and a provision of this Licence, the *Workers Compensation Act*, or the regulations made under that Act, prevails, and the Licensee must immediately notify the District Manager of the conflict and follow any direction given by the District Manager with respect to the conflict, provided such direction is consistent with the *Workers Compensation Act* and the regulations under that Act.

13.06 Nothing in this Licence authorizes the Licensee to in any way restrict the Government's right of access to the Licence areas or a road permit or the right of any other authorized entrant, user or occupier of these areas.

13.07 This Licence is the entire agreement between the parties as to the matters set out in this Licence, and all previous promises, representations or agreements between the parties, whether oral or written, are deemed to have been replaced by this Licence.

13.08 Unless otherwise defined in this Licence, if a word or phrase used in this Licence is defined in the legislation described in paragraph 14.02, the definition in the legislation applies to this Licence, and where the word or phrase in the legislation is replaced by a new word or phrase, this Licence is deemed to have been amended accordingly.

13.09 If any provision in this Licence is found to be invalid or unenforceable by a court of law, the remainder of this Licence is separately valid and enforceable to the fullest extent permitted by law.

13.10 The Licensee acknowledges that any information released to the Licensee by the Regional Executive Director, District Manager or the Government about the nature of the Licence area or the quality or quantity of timber, is not to be relied upon. Execution of this Licence by the Licensee is an absolute release by the Licensee of the Regional Executive Director or District Manager and the Crown from any claim that the Licensee may have in respect of the nature of the Licence area or the quality or quantity of timber.

13.11 The licensee, excluding those holding the licence in their individual capacity or as a First Nation recorded in Aboriginal Affairs and Northern Development Canada Registration System, must be registered to do business under the *Business Corporations Act*, and the licensee maintain such registration in good standing throughout the term of the licence.

13.12 This document contains the entire agreement and no additional terms are to be implied.

14.00 INTERPRETATION AND DEFINITIONS

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

14.02 In this Licence, unless the context otherwise requires,

"forestry legislation" means the statutes and regulations, to which the Licence is subject including: the *Forest Act*, *Forest and Range Practices Act* and the *Wildfire Act,*

"Licence area" means the area allocated for the Licensee's operations pursuant to this Licence and which for greater detail is outlined on the map found in Exhibit "A",

"right of occupation" means the rights described in Whereas clause A that give the Licensee the right to occupy the land described in Schedule "A".

IN WITNESS WHEREOF the Licence has been executed by the Licensor and the Licensee.

SIGNED by the Licensor on behalf of Her Majesty the Queen in Right of the Province of British Columbia in the presence of:

Wendy P. Cole
Signature

Wendy P. Cole
Print Witness Name

D. Francis
Dave Francis, Director of Authorizations

12 OCT 2016
Dated

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

Signature

Print Name Witness

c/s

Dated

(or)

SIGNED by the Licensee in the presence of:

Signature

Alex Gray
Print Name Witness

Karen von Muehldorfer
Licensee

Karen von Muehldorfer, Regulatory Manager, on behalf of BC Hydro
Printed Name and Title

October 21, 2016
Dated

SCHEDULE "A"
OTHER CONDITIONS AND REQUIREMENTS

1.01 Unless the Licensor specifies otherwise in writing, the Licensee must ensure that all reasonable steps are taken to:

(a) advise the Licensor in writing and in a form acceptable to the Licensor, of the date that the Licensee's activities will commence at least five days before commencement; and

(b) notify the Licensor in writing in a form acceptable to the Licensor, when all obligations under this Licence are complete.

1.02 The Licensee is required to the extent practicable, limit their harvesting of timber to the amount only require to safely conduct operations.

1.03 The Licensee is required to adhere to the Management Plan titled: BC Hydro – Site C Clean Energy Project Occupant Licence to Cut #11 Management Plan and all commitments made outside of this plan.

1.04 Provide shape files of actual harvest area when harvesting is completed.

1.05 Maintenance of Environmental Assessment Certificate #E14-02 must be in good standing.

1.06 The Licensee is to resolve the conflict with TFL 48 held by Canadian Forest Products Ltd. through correspondence by giving Canadian Forest Products Ltd. First right of refusal for all timber harvested within the area of overlap.