

A. Standard Operating Conditions

1. This disposition is subject to and the disposition holder shall comply with, all the provisions and requirements of the document entitled “**2002 Millar Western Forest Products Ltd. Ground Rules**” as amended or replaced from time to time and which is an integral part of this disposition.
2. Felling, skidding, removal of timber and any necessary site restoration must be completed by the expiry date.
3. This disposition does not convey ownership of the timber until such time as the timber has been cut for use by the timber disposition holder. Where any inconvenience resulting from the activity of a holder of a land disposition occurs, the timber disposition holder has the right to claim for compensation limited to areas containing the kind, size and species of timber authorized for removal by this disposition.
4. The disposition holder shall comply with all the provisions and the requirements of;
 - a) the Forests Act, and as amended from time to time,
 - b) and Act of the Legislature of the Province of Alberta in force, or enacted hereafter from time to time, and as amended for time to time, and
 - c) and Regulation inclusive of any amendments or substitutions in force from time to time under any of the Acts referred to in clauses (a) and (b) that apply to the disposition holder or to this disposition either specifically or generally by express wording or by implication.

The Minister may, by notice in writing to the disposition holder, require the disposition holder to provide the Minister, within the time specified in the notice, an audited statement disclosing the information related to the disposition holder’s forestry operation that the notice specifies, including, without limitation, information respecting production and sales of primary timber products and reporting of timber dues and levies.

C. SPECIFIC CONDITIONS

1. Millar Western Forest Products Ltd. hereafter referred to as “the Company” has a Forest Management Agreement covering the lands described within this permit, giving the Company right to the management and ownership of the timber, subject to the right of the Minister to issue timber licenses and permits.
2. Stream crossings must be constructed with the approval of a Forest Officer. All culvert or bridge locations must be approved prior to construction.

Note: All provincial licenses, authorizations and approvals issued under the Alberta Environmental Protection and Enhancement Act, Forest Act, Water Act or Public Lands Act should not be taken to mean the proponent (applicant) has complied with federal legislation.

In relation to the application of federal laws relating to the Fisheries Act (Canada), proponents should contact Fisheries and Oceans Canada, Habitat Management Program, Prairies Area, 1028 Parsons Road, Edmonton AB T6X 0J4 phone: (780) 495-4220

In relation to the Navigable Waters Protection Act, contact the Navigable Waters Protection Program, Prairie and Northern Region, Transport Canada, Canada Place 1100-9700 Jasper Avenue Edmonton, AB T5J 4E6 phone: (780) 495-8215.

3. The disposition holder shall back slope all cuts and fills to a slope ratio of not less than 2:1, or as otherwise directed by a Forest Officer.

4. All healthy coniferous understory encountered must be protected and avoided during logging.
5. The permittee is responsible for all roading responsibilities, including layout, construction and abandonment.
6. The permittee must be in good standing with the Forest Resource Improvement Association of Alberta, (FRIAA). Ph 780 429-5873. SRD will be checking prior to AOP approval.
7. The permittee must not be in debt to the Alberta Government.
8. The permittee is to contact the trapper prior to the submission of an AOP and at least 10 days prior to commencement of activities.
9. Unless otherwise approved by a Forest Officer, the permittee will be required to dispose by burning, slash and top piles left on site before the permit will be terminated.
10. The permittee is required to account for volumes and pay the dues based on the accounting basis set up by the receiving mill.
11. The permittee is to report the total volume for the timber year removed from the permit to the FMA holder by April 30 each year.
12. Millar Western Forest Products Ltd. Whitecourt must have the first right of refusal for any deciduous cut from this permit on their FMA as this volume is part of their allocated harvest.
13. A start-up meeting is required with the inspecting officer before any operations commence.
14. The permittee must obtain road use and pipeline crossing agreements with the applicable companies or municipalities for use of their roads, and when constructing pipeline crossings, prior to commencement of logging activities. Both disposition holders must adhere to existing legislation and policy. It is the responsibility of the permittee to determine the companies or municipalities, which will be affected by their logging operations.