



File: 19700-25/TFL 23, 19040-20/1194  
10185-20/Pope & Talbot

Oct. 9, 2008

Michael Armstrong, RPF, CA  
Court Appointed Interim Receiver for Pope & Talbot Ltd.  
Pricewaterhouse Coopers Inc.  
700 – 250 Howe Street  
Vancouver, British Columbia  
V6C 3S7

Dear Mr. Armstrong:

I am writing in regard to Pope & Talbot Ltd.'s June 5, 2007 request to remove the majority of private land from Tree Farm Licence (TFL) 23 (hereafter referred to as the "private land") and your letters to Deputy Minister, Doug Konkin on the same topic. This relates only to the approximately 4341 hectares of private land associated with the TFL that is currently held by Pricewaterhouse Coopers Inc. as Receiver for Pope & Talbot Ltd. (hereafter referred to as the "Receiver").

Since this request was received, the Ministry of Forests and Range (MFR) has completed consultation with First Nations whose aboriginal interests may be affected by this decision. In addition, MFR staff has solicited input from other government agencies, local government and the public. MFR staff has also held discussions with Pope & Talbot Ltd. and the Receiver regarding the potential impacts of this decision. My understanding is that the results of these discussions included the Receiver voluntarily agreeing to withdraw the request to remove District Lot 770 (approximately 120 hectares) from the TFL so that it remains available for mountain caribou habitat. These lands were transferred to International Forest Products Limited (Interfor) with the transfer of the TFL and remain subject to the TFL.

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**Ministry of Forests  
and Range**

Office of the Minister

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Michael Armstrong, RPF,CA, Court Appointed Interim Receiver for Pope & Talbot Ltd.  
Pricewaterhouse Coopers Inc.

I understand that the Receiver has agreed to Statutory Right of Way access agreements over certain portions of the private land held by Pope & Talbot Ltd. I also understand that the following has been agreed to contingent on the private land being removed from the TFL:

- the Receiver will donate the property known as the Eagle Bay recreation site to the government. This will include subdividing approximately 9 hectares of District Lot 860, and selling that property to the government for \$1.00. Government would be responsible for the cost of the surveying to facilitate the subdivision;
- the Receiver has agreed to Purchase and Sales agreements associated with the private lands provide for continued access to and usage of the log dumps and gravel sources;
- the Receiver will pay \$4,150,000 to Arrow/Boundary local suppliers and logging contractors whose primary business emanated from woodlands operations of Pope & Talbot Ltd.;
- the Receiver will pay up to \$211,000 to Arrow/Boundary contractors that provided surety bonds to Pope & Talbot Ltd.; and
- the Receiver will donate \$50,000 to the Nakusp Community Forest.

Provided that the above is accurate, I am prepared to delete the private land currently held by the Receiver from TFL 23 under authority of Section 39.1 of the *Forest Act*. If you, as the Receiver, agree with the contents of this letter and wish to proceed with deletion of the private land from the TFL, please forward the enclosed instruments to Interfor requesting that they execute both instruments.

If you do not wish to proceed with deletion of these lands from TFL 23, please return the instruments, unexecuted.

Sincerely,

Original signed by

Pat Bell  
Minister

Michael Armstrong, RPF,CA, Court Appointed Interim Receiver for Pope & Talbot Ltd.  
Pricewaterhouse Coopers Inc.

pc: Doug Konkin, Deputy Minister of Forests and Range  
Jim Snetsinger, Chief Forester  
Craig Sutherland, Deputy Chief Forester  
Bob Friesen, Assistant Deputy Minister, Tenure and Revenue Division  
Tim Sheldon, Assistant Deputy Minister, Operations Division  
Phil Zacharatos, Regional Executive Director, Southern Interior Forest Region  
Larry Peitzsche, District Manager, Arrow Boundary Forest District  
Dave Raven, District Manger, Columbia Forest District  
Jim Langridge, Director, Resource Tenures and Engineering Branch  
Darrell Robb, Director, Aboriginal Affairs Branch