

LICENCE NO. [XXXX-XX]

**FOREST RESOURCE PROCESSING FACILITY LICENCE**

Issued under the  
Crown Forest Sustainability Act, 1994  
Subsection 54 (1)

SUBJECT to the *Crown Forest Sustainability Act, 1994* and the regulations thereunder, and the terms and conditions hereinafter set forth, this licence is issued to:

**[LICENSEE NAME]**  
a **[corporation/general or limited partnership/sole proprietorship]**  
existing under the laws of **[Province, State or Country]****[carrying on**  
**business as “XXXXXXX”]**  
**(the “Licensee”)**

for the purpose of **[constructing the Facility OR increasing the Productive Capacity of the Facility OR converting the Facility to another type of facility and] operating a**

Type **[X]** facility at the location specified in Appendix “A”, for the Term of this Licence.

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Timber Allocation & Licensing Section  
Ministry of Natural Resources

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Date

**TERMS AND CONDITIONS OF FOREST RESOURCE PROCESSING  
FACILITY LICENCE # [XXXX-XX]**

**ARTICLE 1  
INTERPRETATION**

1.1 **Definitions.** In this Licence, the following terms shall have the following meanings:

**“Activities”** means [constructing the Facility OR increasing the Productive Capacity of the Facility OR converting the Facility to another type of facility and] operation of the Facility as more particularly described in the Business Plan;

**“Annual Licence Fee”** means the annual licence fee applicable to this Licence as set out at Column 4 of the Schedule to O. Reg. 167/95;

**“Annual Return”** means the annual return that the holder of a Forest Resource Processing Facility Licence shall make to the Minister as required in the *CFSA*;

**“Applicable Law”** means any law, statute, by-law, ordinance, decree, requirement, directive, order, judgment, licence, permit, code or regulation having the force of law, and any applicable determination, interpretation, ruling, order or decree, of any governmental authority or arbitrator, which is legally binding at such time;

**“Business Day”** means a day other than a Saturday, Sunday or any statutory holiday in the Province of Ontario;

**“Business Plan”** means the business plan for the Facility entitled “[XXXXXXXX]” and dated [month day, year] submitted by the Licensee and accepted by MNR, and any amendments thereto as accepted in writing by MNR;

**“CFSA”** means the *Crown Forest Sustainability Act, 1994*, S.O. 1994, c. 25 as may be amended from time to time and any regulations thereunder;

**“Crown”** means His Majesty the King in Right of Ontario;

**“Facility”** means the Type [X] Forest Resource Processing Facility at the location specified in Appendix “A”;

**“Forest Resource”** means forest resource as defined at section 3 of the *CFSA*;

**“Forest Resource Processing Facility”** means forest resource processing facility as defined at section 3 of the *CFSA*;

**“Forest Resource Processing Facility Licence”** means a licence issued pursuant to subsection 54(1) of the *CFSA*;

**“Licence”** means this Forest Resource Processing Facility Licence # [XXXX-XX], including all of the Appendices hereto, and all amendments made hereto;

**“Minister”** means the Minister of Natural Resources;

**“MNR”** means the Ontario Ministry of Natural Resources;

**“MROL”** or **“Ministry Recognized Operating Level”** means the operating level which describes the Forest Resource supply requirements of the Facility consisting of the annual volumes, species, log type or fibre type required by the Facility and includes Forest Resources from all sources (Crown land, private land and out of province) as recognized by the MNR;

**“Productive Capacity”** means the volume of Forest Resources set out in the Business Plan that the Facility is designed to consume on an annual basis, and includes the tree species, log type or wood fibre that the Facility was designed to process at its maximum capacity assuming full use of the Facility’s equipment; and

**“Term”** means the term of this Licence as set out in Article 3.

## **ARTICLE 2 ACTIVITIES**

- 2.1 **Activities.** The Licensee is authorized by this Licence to undertake the Activities. This Licence does not authorize the Licensee to undertake any other actions beyond the Activities.
- 2.2 **CFSA and other Applicable Law.** All Activities authorized by this Licence are subject to, and shall be carried out by the Licensee in accordance with, the provisions of the *CFSA* and all other Applicable Law.
- 2.3 **Business Plan.** All Activities shall be conducted in accordance with the Business Plan.
- 2.4 **No Changes to the Business Plan.** The Licensee shall not make any changes to the Business Plan without prior written approval from the MNR.

- 2.5 **No Changes to the Facility.** Except in accordance with the Business Plan, the Licensee shall not undertake any change to the Activities which would:
- (a) increase the Productive Capacity of the Facility,
  - (b) convert the Facility into another facility type as defined under the *CFSA*,
  - (c) change the Forest Resource supply requirements of the Facility, or
  - (d) materially impact any provision of this Licence.
- 2.6 **Permits, Approvals, etc.** Prior to engaging in the Activities, the Licensee must have obtained, all orders, licences, approvals, permits, authorizations, exemptions, filings or registrations of, from or with any governmental authority that are material to the Activities.
- 2.7 **Permits, Approvals, etc. in Good Standing.** During the Term of this Licence, the Licensee shall maintain in good standing all orders, licences, approvals, permits, authorizations, exemptions, filings or registrations of, from or with any governmental authority that are material to the Activities.
- 2.8 **No Commitment of Forest Resources.** The issuance of this Licence does not require the Minister to make Forest Resources available to the Licensee and neither this Licence nor the MROL implies or should be interpreted as a commitment by MNR of a supply of Forest Resources to the Licensee or the Facility.

### **ARTICLE 3 TERM**

- 3.1 **Term.** The Term of this Licence commences on April 1<sup>st</sup>, [20XX], and expires on March 31<sup>st</sup>, [20XX] unless this Licence is cancelled earlier in accordance with the *CFSA*.

### **ARTICLE 4 ANNUAL RETURN AND LICENCE FEE**

- 4.1 **Annual Return.** On or before September 30<sup>th</sup> of each year, or as may otherwise be required in accordance with the provisions of the *CFSA*, the Licensee shall make an Annual Return to the Minister in the form provided by the Minister from time to time.
- 4.2 **Annual Licence Fee.** The Licensee shall pay the Annual Licence Fee in respect of this Licence within the time frames specified by the Minister and in accordance with the *CFSA*.

**ARTICLE 5  
SCALING OF CROWN FOREST RESOURCES**

- 5.1 **Minister May Direct.** The Licensee shall measure, count, and weigh the Crown Forest Resources that are received at the Facility in such a manner as the Minister may direct.

**ARTICLE 6  
ASSIGNMENT AND AMENDMENT**

- 6.1 **No Assignment.** The Licensee shall not, and shall not purport to, transfer, assign, charge, use as collateral for security, or make any other disposition of this Licence except in accordance with the *CFSA*.
- 6.2 **Amendment.** The Minister may amend this Licence in accordance with the *CFSA* and other Applicable Law. The MNR may amend Article 8.3 to reflect the periodic review of the MROL by MNR, and MNR shall provide written notice to the Licensee of the amendment.

**ARTICLE 7  
DEFAULT**

- 7.1 **Default.** Should the Licensee fail to comply with the terms and conditions of this Licence, or the provisions of the *CFSA* or any other Applicable Law, MNR may take any action available under the *CFSA* or any other Applicable Law.

**ARTICLE 8  
GENERAL PROVISIONS**

- 8.1 **Information Requests by MNR.** The Licensee shall respond promptly and in any event within 20 Business Days of the date of any written request by MNR for any information respecting this Licence.
- 8.2 **Notices.** Any demand, notice, direction or other communication to be made or given hereunder (in each case, a "**Communication**") must be in writing and made or given by personal delivery, courier, registered mail, charges prepaid, or by email, and shall be addressed to the respective parties as follows or at such other address as any party may from time to time designate in writing:

in the case of MNR:

Manager, Timber Allocation & Licensing Section  
Ministry of Natural Resources  
Forest Industry Division

70 Foster Drive, Suite 400  
Sault Ste. Marie, ON P6A 6V5

in the case of the Licensee:

[Licensee Name]  
[Position Title]  
[Licensee Address]  
[Licensee email Address]

Any Communication made by personal delivery or by courier shall be conclusively deemed to have been given and received on the day of actual delivery thereof or if such day is not a Business Day, on the first Business Day thereafter. Any Communication that is mailed shall be conclusively deemed to have been given and received on the fifth Business Day following the date of mailing but if, at the time of mailing or within five Business Days thereafter, there is or occurs a labour dispute or other event that might reasonably be expected to disrupt delivery of documents by mail, any Communication shall be delivered or transmitted by any other means provided for in this Section. Any Communication given by electronic means on a Business Day before 4:00 p.m. shall be deemed to have been given and received on such Business Day, and otherwise shall be deemed to have been given and received on the first Business Day following transmission.

- 8.3 **MROL.** The MROL for the Facility is [XXXXXX cubic metres per year of species XXXX, etc.], which is subject to change following a periodic review by MNR. The MROL is not a commitment by MNR of a supply of Forest Resources to the Licensee, nor does it represent a maximum or minimum operating level.

**[ARTICLE 9  
SPECIAL CONDITIONS]**

## **APPENDIX "A"**

### **LEGAL DESCRIPTION/LOCATION OF THE SITE OF THE FACILITY**

[Enter Legal Description, and authority to occupy the site of the Facility if applicable]