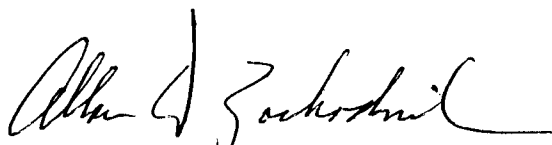


**PERMIT UNDER THE WATER ACT AUTHORIZING THE
OCCUPATION OF CROWN LAND**

The holder of Conditional Water Licence 109056 whose licence authorizes the diversion and use of water from Balfour Creek, is hereby authorized to occupy Crown land by constructing, operating, inspecting, maintaining, repairing, and if need be, replacing thereon the works authorized in clause (b) of this permit.

- a) The Crown land which is authorized to be occupied under this permit is a portion of Lots 121, 122, 123, 124, 125, District Lot 301A, Plan 795, District Lot 7673 and part of District Lot 4599 all in Kootenay District the location of which is shown approximately on the plan attached to the said water licence.
- b) The approximate area of the Crown land authorized to be occupied under this permit is 1.7 acres, being 5,000 feet in length and 15 feet in width for a diversion structure and pipeline.
- c) Prior to the cutting, destruction or flooding of any timber necessary for the construction, operation and maintenance of the said works, the permittee shall apply for and obtain a licence to cut timber from the District Manager of the Ministry of Forests. The amount of stumpage, royalty and (or) compensation payable to the Crown in respect to trees, including merchantable or young growth, cut, removed, damaged, or destroyed by the permittee, shall be the sum or sums fixed by the Forest Service of the Province of British Columbia.
- d) This permit is appurtenant to the land, mine or undertaking to which the aforesaid water licence(s) is appurtenant.
- e) This permit shall become void if the water licence(s) with respect to which this permit is issued should terminate, be abandoned or cancelled, or amended so as to render this permit unnecessary.
- f) This permit is issued and accepted on the understanding that the permittee shall indemnify and save harmless the Government of the Province of British Columbia for all loss, damage to works, cost or expense suffered by the permittee by reason of the Crown land or any portion thereof being submerged or damaged by erosion or otherwise affected by flooding.
- g) The holder of this permit shall not be entitled to compensation if the Crown grants permits to other persons to occupy the land affected by this permit.
- h) In the event of a dispute at any time with respect to the area or boundaries of the land affected by this permit, the holder shall, at his own expense, have the said land surveyed by a duly qualified surveyor.


Allan Zackochnik, P.Eng.
Regional Water Manager

File No. 4003147

Date:

JAN 09 2002

Permit No. 23857