

Memorandum of Understanding

Between:

Kitselas and Kitsumkalum Indian Bands

As represented by

Chief Councillor
Kitselas Band Council

Chief and Council
Kitsumkalum Band Council

And

Her Majesty the Queen in Right of the Province of British Columbia
As represented by the Minister of Forests
(the "Government of British Columbia")

(collectively the "Parties")

Whereas:

- The Kitselas and Kitsumkalum Indian Bands and the Government of British Columbia wish to reinvigorate the forest economy in northwest British Columbia.
- There is an opportunity to utilise undercut from licensee operations in the Kalum Forest District.
- The Kitselas and Kitsumkalum Indian Bands have developed an Incremental Tenure Proposal that is designed to stimulate the forest economy.
- The Government of British Columbia wishes to respond to the Incremental Tenure Proposal

Therefore the Parties agree as follows:

1. Upon execution of this MOU by the Parties, the Minister will invite the Kitselas and Kitsumkalum Indian Bands to jointly apply for a non-replaceable forest licence under section 47.3 of the Forest Act to harvest a total of up to 500,000 cubic meters over a five year term in the Kalum Forest District.
2. The invitation to apply and any licence(s) entered into as a result of the invitation to apply under this agreement will be subject to the policies, regulations and statutes of British Columbia as amended from time to time.
3. The invitation to apply under this agreement will contain terms and conditions required by the Minister of Forests, including the requirement that the Kitselas and Kitsumkalum Indian Bands submit, with their application for the licence, a business plan that is acceptable to the Minister.
4. Any licence entered into as a result of the invitation to apply under this agreement will:
 - be for a term of no longer than 5 years as determined by the Minister,
 - not be transferable or divisible without the consent of the Minister,
 - not be replaceable as defined in the Forest Act,
 - contain other terms and conditions required by law, including the condition that the Kitselas and Kitsumkalum Indian Bands must comply with the *Kitselas and Kitsumkalum Forestry/Range Interim Measures Agreement*, (October 2003) and,
 - include other terms and conditions related to administration of the licence as may be required by the Regional Manager.

5. The Parties will agree to the operating area prior to making application for the non-replaceable forest licence. The operating area will be within Kitselas and Kitsumkalum asserted territories.


This agreement is dated for reference Oct 1, 2003

Signed on behalf of:
Kitselas Indian Band by:

Date: Jan 20, 2004



Glenn Bennett, Chief Councillor



Wilfred H. McKenzie, Witness

Signed on behalf of:
Kitsumkalum Indian Band by:


Date: _____



Steve Roberts, Chief Councillor



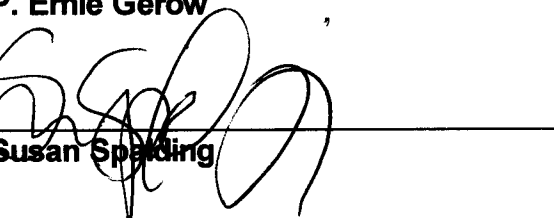
Witness



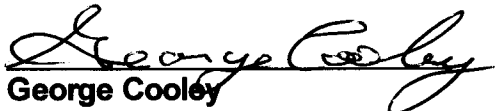
P. Ernie Gerow




Ed Brown



Susan Spalding



George Cooley



Adam McCarron



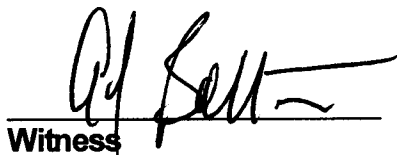
John Christiansen

Signed on behalf of:
Government of British Columbia

Date: Jan. 20, 2004



**Honourable Michael de Jong,
Minister of Forests**



Witness