

Mountain Pine Beetle Agreement
(the "Agreement")

Between:
Lower Nicola Indian Band

As represented by
Chief and Council

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

(collectively the "Parties")

Whereas:

- The Lower Nicola Indian Band signed a Forest and Range Agreement/Opportunity Agreement (FRO) with the Government of British Columbia on April 28, 2008. This Agreement is a short-term additional forestry economic opportunity and does not supersede or alter the FRO.
- Mountain pine beetle allowable annual cut increases in the Merritt Timber Supply Area have led to increased harvesting activity and potential impacts on Lower Nicola Indian Band aboriginal rights and/or title.
- The Government of British Columbia wishes to support economic opportunities for the Lower Nicola Indian Band.

Purpose

1. The purposes of this Agreement are to:
 - a. increase the participation of the Lower Nicola Indian Band in the forest sector; and,
 - b. provide an economic opportunity by inviting the Lower Nicola Indian Band to apply for a non-replaceable forest licence to assist the province in the management of mountain pine beetle in the Merritt Timber Supply Area, in a manner linked to the FRO and as set out in this Agreement.

Therefore the Parties agree as follows.

2. After execution of this Agreement by the Parties, the Minister of Forests and Range (the "Minister") will invite the Lower Nicola Indian Band to apply for a non-replaceable forest licence (the Licence) under section 47.3 of the *Forest Act* to harvest a total of up to 75,751 cubic meters of beetle infested timber annually over a five year term for a total of 378,755 cubic meters within the traditional territory of the Lower Nicola Indian Band as identified in black bold in Appendix A in the Merritt Timber Supply Area. For greater certainty the volume will be comprised of 25,751 cubic meters annually of uplift volume and 50,000 cubic meters annually of smallwood.
3. If the intended holder of the licence(s) is a legal entity other than the Lower Nicola Indian Band, this Agreement must include supporting documentation as specified in Appendix B stating that the intended holder has been validly appointed by the Lower Nicola Indian Band as its representative.
4. The invitation will be subject to a condition that prior to making an application for the Licence, the Lower Nicola Indian Band will contact the Ministry of Forests and Range and the Parties will work

co-operatively to identify an operating area within the traditional territory of the Lower Nicola Indian Band.

5. The Licence(s) entered into as a result of the invitation to apply under this Agreement will:
 - a. be for a term of no longer than five years as determined by the Minister;
 - b. contain other terms and conditions required by law, including the condition that the Lower Nicola Indian Band must comply with this Agreement and with the FRO;
 - c. include a term that Lower Nicola Indian Band may not dispose of the Licence except in accordance with the *Forest Act*; and
 - d. include other terms and conditions as may be required by the Regional Manager.
6. An invitation to apply for a non-replaceable forest licence entered into as a result of the invitation to apply under this Agreement may be consolidated with other non-replaceable forest licenses in accordance with section 19(3)(a) of the *Forest Act*.

Consultation

7. The Parties agree to participate in consultation regarding forestry operational plans and administrative decisions pertaining to increases and/or potential increases in harvest levels to address the mountain pine beetle epidemic in the Merritt TSA, as set out in section 4 of the Lower Nicola Indian Band FRO.
8. During the term of this Agreement, and subject to the terms and intent of this Agreement being met and adhered to by the Government of British Columbia, the Lower Nicola Indian Band agrees that the Government of British Columbia will have provided an accommodation, with respect to the economic component of potential infringements of the Lower Nicola Indian Band aboriginal title and/or rights resulting from operational plans and administrative decisions pertaining to increases in harvest levels to address the mountain pine beetle epidemic in the Merritt TSA, as an interim measure.



Dispute Resolution

9. If a dispute arises between the Government of British Columbia and the Lower Nicola Indian Band regarding the interpretation of a provision of this Agreement, the Parties will follow the dispute resolution process set out in the Lower Nicola Indian Band FRO.

Amendments

10. Any alteration or amendment to the terms and conditions of the Agreement must be in writing and duly executed by the Parties.
11. Either Party may request the participation of the other Party to review the effectiveness of this Agreement annually and consider amendments to this Agreement.

Term

12. This Agreement will take effect on the date on which the last Party has executed it.
13. This Agreement will terminate on the occurrence of the earliest of any of the following events:
 - a. Five years from the date this Agreement is executed; or
 - b. the mutual agreement of the Parties, or
 - c. upon 90 days written notice by either of the Parties.

14. If the FRO is terminated, the consultation processes that were set out in section 4 of that agreement are incorporated by reference into this Agreement and will continue to be followed by the Parties for the term and for the purposes of this Agreement.
15. The Government of British Columbia will not terminate this Agreement on the grounds that the Lower Nicola Indian Band has challenged an Administrative or Operational Decision by way of legal proceedings.

Notice

16. All of the provisions set out in the Notice section of the FRO apply to this Agreement.



Miscellaneous

17. All of the provisions set out in the Miscellaneous section of the FRO apply to this Agreement.


Signed on behalf of:

Lower Nicola Indian Band:

Date: May 20/08



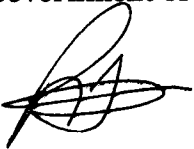
Chief Don Moses



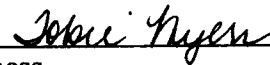
Witness

Signed on behalf of:
Government of British Columbia

Date: JUN 13 2008



Honourable Rich Coleman
Minister of Forests and Range



Witness

APPENDIX A MAP OF LOWER NICOLA INDIAN BAND TRADITIONAL AREA



Cascades Forest District

Proposed Consultation Area

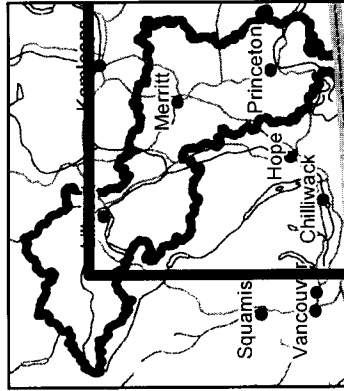
Lower Nicola Indian Band

PLEASE NOTE:

This map is not intended to create, recognize, limit or deny any aboriginal rights, including title, that First Nations may have or impose any obligations on British Columbia or alter the legal status or resources within the Province or the existing legal authority of British Columbia. This map is only intended as a guide.

- First Nation Area
- Land Ownership of Interest
- Private
- Indian Reserve
- Ecological Reserve
- Provincial Park & Protected Areas
- Cascades FD Bdy

RESTRICTED DATA
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Not For Public Display



Scale: 1:1,015,916
(Scale for Letter Sized Paper)
0 5 10 15 20 Kilometers

Projection:
BC Albers Equal Area Projection, NAD83
Digital Base Mapping: Scale Dependent
< 80,000 - TRIM Base Mapping
> 80,000 - 500,000 - NTS Base Mapping
> 500,000 - 2 Million Base Mapping
Data Sources:
Land Ownership
- LRDM & MSRM Regional Datasets
RSI Band Referral Areas - ILMB Reg. Data

Map by: Cascades Forest District
Ministry of Forests and Range
Date: December 5, 2007
GIS Project: P2007-15
Plot File: LNB_Prop-Consult_Area-Dec07

