

**Short Term Mountain Pine Beetle Agreement**  
(the "Agreement")

**Between:**  
***Ulkatcho First Nation***

As represented by  
Chief and Council  
Ulkatcho First Nation

**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 Ulkatcho First Nation has signed an Interim Agreement on Forest and Range Opportunities (FRO) with the Government of British Columbia. This Short Term Mountain Pine Beetle Agreement is a short-term additional forestry economic opportunity and does not supersede the FRO.
- The Ulkatcho First Nation has aboriginal rights and/or aboriginal title within its traditional territory (see map in Appendix A to the FRO).
- The Ulkatcho First Nation asserts that it has a relationship to the land that is important to its culture and the maintenance of its community, governance and economy.
- This Agreement and any decisions and/or licences issued during the term of this Agreement do not change or affect the positions either Party has, or may have, regarding jurisdiction and authorities.
- Mountain pine beetle uplifts in the Prince George, Quesnel and Lakes Timber Supply Areas have lead to increased harvesting activity and potential infringements on Ulkatcho First Nation aboriginal rights and/or title.
- The Parties wish to enter into an interim measures agreement in relation to mountain pine beetle uplifts and harvesting.
- The Government of British Columbia wishes to support additional economic opportunities for the Ulkatcho First Nation.

## **Purpose**

1. The purposes of this Agreement are to:
  - a. increase the participation of the Ulkatcho First Nation in the forest sector;
  - b. provide an economic opportunity by inviting the Ulkatcho First Nation to apply for one or more non-replaceable forest licences to assist the province in the management of mountain pine beetle in the Prince George Timber Supply Area and the Quesnel 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 Ulkatcho First Nation to apply for a non-replaceable forest licence (the "Prince George uplift licence opportunity") under section 47.3 of the *Forest Act* to harvest a total of up to 250,000 cubic meters over a five year term in the Prince George Timber Supply Area and within the traditional territory of the Ulkatcho First Nation.
3. In addition, after execution of this Agreement by the Parties, the Minister of Forests and Range (the "Minister") will invite the Ulkatcho First Nation to apply for a non-replaceable forest licence (the "Quesnel uplift licence opportunity") under section 47.3 of the *Forest Act* to harvest a total of up to 250,000 cubic meters over a five year term in the Quesnel Timber Supply Area and within the traditional territory of the Ulkatcho First Nation.
4. Any invitation will be subject to a condition that prior to making an application for the Licence, the Ulkatcho First Nation 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 Ulkatcho First Nation.
5. Any licence(s) entered into as a result of the invitation to apply under this Agreement:
  - a. will be for a term of no longer than five years as determined by the Minister,
  - b. will contain other terms and conditions required by law, including the condition that the Ulkatcho First Nation must comply with this Agreement and with the Ulkatcho First Nation FRO;
  - c. will include a term that Ulkatcho First Nation may not dispose of the Licence except in accordance with the *Forest Act*; and
  - d. will include other terms and conditions as may be required by the Regional Manager.
6. An invitation to apply for a licence(s) and any licence(s) entered into as a result of the invitation to apply under this Agreement may be combined with a tenure opportunity included in any other agreement in accordance with the *Forest Act*.

## **Consultation**

7. The Government of British Columbia intends to consult with the Ulkatcho First Nation regarding forestry operational plans and administrative decisions pertaining to increased harvest levels to address the mountain pine beetle epidemic in the Lakes, Prince George and Quesnel TSAs, as set out in this agreement and section 4 of the Ulkatcho First Nation FRO.
8. The Ulkatcho First Nation agrees to participate in any consultation initiated by the Government of British Columbia regarding forestry operational plans and administrative decisions pertaining to increased harvest levels to address the mountain pine beetle epidemic in the Lakes, Prince George and Quesnel TSAs, as set out in this agreement and section 4 of the Ulkatcho First Nation FRO.
9. During the term of this Agreement, and subject to the terms and intent of this Agreement being met and adhered to by British Columbia, the Ulkatcho First Nation agrees that British Columbia will have provided an accommodation, with respect to the economic component of potential infringements of the Ulkatcho First Nation's 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 Lakes, Prince George and Quesnel TSAs, as an interim measure.
10. The Ulkatcho First Nation is entitled to full consultation, and accommodation where required, with respect to all potential infringements of its aboriginal rights and/or title arising from operational plans or administrative decisions affecting Ulkatcho's rights and/or title, regardless of the economic opportunity afforded to the Band under this Agreement.

## **Dispute resolution**

11. If a dispute arises between the Government of British Columbia and the Ulkatcho First Nation regarding the interpretation of a provision of this Agreement, the Parties or their duly appointed representatives will meet as soon as is practicable to attempt to resolve the dispute.
12. If the Parties are unable to resolve differences at the appropriate level, the interpretation issue will be raised to more senior levels of the Government of British Columbia and Ulkatcho First Nation.
13. The Parties may choose other appropriate approaches to assist in reaching resolution of the interpretation issue.

## **Subsequent Agreement**

14. Any subsequent agreement between the Government of British Columbia and the Ulkatcho First Nation may provide for an opportunity to acquire a renewable forest tenure, and/or other economic benefits.
15. This Agreement is intended to be a short-term economic agreement, and thus does not preclude the Ulkatcho First Nation from accessing other forestry economic opportunities and benefits, which may be available from time to time.

## **Amendments**

16. Any alteration or amendment to the terms and conditions of the Agreement must be in writing and duly executed by the Parties.
17. 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**

18. This Agreement will take effect on the date on which the last Party has executed it.
19. 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.
20. If the Ulkatcho First Nation FRO is terminated, any consultation processes that were developed pursuant to 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 purposes of this Agreement.
21. The Government of British Columbia shall not terminate this Agreement on the grounds that the Ulkatcho First Nation has challenged an administrative or operational decision by way of legal proceedings.

## **Notice**

22. Any notice or other communication that is required to be given or that a Party wishes to give to the other Party with respect to this Agreement will be in writing and will be effective if delivered, sent by registered mail, or transmitted by facsimile to the address of the other as in this section of the Agreement.
23. Any notice or other communications will be deemed to have been given on the date it is actually received, if received before 4:00 p.m. If received after 4:00 p.m., it will be deemed to have been received on the next business day.
24. The address of either Party may be changed by notice in the manner set out in this section of the Agreement.

## ***British Columbia***

Deputy Minister  
Ministry of Forests and Range  
P.O. Box 9525 STN PROV GOVT  
Victoria, B.C. V8W 9C3  
Telephone: (250) 387-3656  
Facsimile: (250) 953-3687

***Ulkatcho First Nation***

Chief and Council  
Ulkatcho First Nation  
Box 3430  
Anahim Lake, BC  
V0L 1C0  
Telephone: (250) 742-3260  
Facsimile: (250) 742-3211

**Miscellaneous**

25. This Agreement shall be interpreted in a manner consistent with provincial, federal and constitutional law.
26. This Agreement is not a treaty or a land claims agreement within the meaning of sections 25 and 35 of the *Constitution Act, 1982* and does not define or amend aboriginal rights, or limit any priorities afforded to aboriginal rights, including aboriginal title.
27. This Agreement will not limit the positions that a Party may take in future negotiations or court actions.
28. Nothing in this Agreement, including the recitals, defines or confirms the specific nature, scope, location or geographic extent of aboriginal rights and/or title of the Ulkatcho First Nation.
29. This Agreement shall not be interpreted as addressing any potential infringements other than potential infringements associated with increased harvesting activity pursuant to temporary mountain pine beetle uplifts in Allowable Annual Cut in the Lakes, Prince George and Quesnel Timber Supply Areas that may result from decisions contemplated by this Agreement during the term of this Agreement. Nothing in this Agreement shall be interpreted to authorise any infringement that may occur following the termination of this Agreement, even if that infringement is caused by a decision that was made during the term of this Agreement.
30. This Agreement does not address or affect any claims by the Ulkatcho First Nation regarding infringements of aboriginal rights and/or title, arising from operational or administrative decisions made previous to the signing of this Agreement, nor any future settlement related to an aboriginal right or title claim.
31. Any reference to a statute in this Agreement includes all regulations made under that statute and any amendments or replacement of that statute and its regulations.
32. There will be no presumption that any ambiguity in any of the terms of this Agreement should be interpreted in favour of either Party.

33. The applicable laws of British Columbia and Canada shall govern this Agreement.
34. This Agreement may be entered into by each Party signing a separate copy of this agreement, including a photocopy or facsimile copy, and delivering it to the other Party via facsimile. Each facsimile will be deemed to be an original for all purposes and all counterparts taken together will be deemed to constitute one document.

Signed on behalf of:

**Ulkatcho First Nation**

Date: September 26, 2006

  
Chief Lynda Price

  
Councillor Nora Brubaker

  
Councillor Corinne Cahoose

  
Councillor Judy Cahoose

\_\_\_\_\_  
Councillor Theresa Capoose

\_\_\_\_\_  
Councillor Jacqueline Clement

  
Councillor Nicole Joseph

\_\_\_\_\_  
Councillor Bertha Jack


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Councillor Douglas Sill

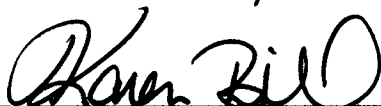
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Witness of Ulkatcho First Nation signatures

Signed on behalf of:

**Government of British Columbia**

Date: Dec 19/06

  
Rich Coleman  
Minister of Forests and Range

  
Witness of Minister's signature

ULKATCHO BAND COUNCIL RESOLUTION

DATE: September 5, 2006

AGENCY DISTRICT: BC Region

PROVINCE: British Columbia

PLACE OF APPROVAL: Anahim Lake

WHEREAS, the Ulkatcho First Nation has entered negotiations with the Ministry of Forests with respect to an Interim Agreement on Forest & Range Opportunities and a Short Term Mountain Pine Beetle Agreement: and,

WHEREAS, the Ulkatcho First Nation has met with the Ministry of Forests on many occasions and as a result feel confident that the Agreements will benefit the Ulkatcho First Nation membership; and,

WHEREAS, the Ulkatcho First Nation has drafted a letter of request for a lump sum payment (\$430,058) being the first years payment in order to assist in protecting the assets in the industry, and to ensure that we maintain the highest number of jobs possible from our natural resources.

WHEREAS, the Agreements form part of the BCR; and,

THEREFORE BE IT RESOLVED THAT, the Ulkatcho First Nation Chief and Council support the signing of the IAFRO and the MPBA

Quorum: Five (5)

*Alma Buhaker*  
*Courine Cahose*  
*Jack O'S*  
*Bertie Jack*  
*Judy Whorow*

*Rice*  
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\_\_\_\_\_  
\_\_\_\_\_

RECEIVED

OCT - 3 2006

MINISTRY OF FORESTS AND RANGE  
200 - 640 Borland Street  
Williams Lake, British Columbia

## **Ulkatcho Indian Band Chief and Council Resolution:**

### **IAFRO use of funds schedule**

- 1) This document represents the direction of the Ulkatcho First Nation Chief and Council as to the method and use of the funds being presented to the Ulkatcho First Nation as a portion of the Interim Agreement on Forest and Range Opportunities.**
- 2) The funds are to be placed in a trust account with the accountant (corporations accountant) (Financial administrator) and to be used only with the strictest of regulation and budgetary controls. The corporations accountant will report on the use of funds to the Chief and Council to ensure their wishes and the following direction are headed.**
- 3) The Ulkatcho First Nations' wholly owned corporation, Yun Ka Whu'ten Holdings Company Ltd. will be used to administer the use of funds, and to ensure the ends desired by Chief and Council, as dictated by this document, are achieved, upheld and protected.**
- 4) Yun Ka Whu'ten will prepare budgets and reports, forwarding to the appointed accountant for approval, review and allotment of quarterly funds to YKW to achieve the goals.**
- 5) First and foremost the funds will be used towards the purchase one half of the shares of the one third partner in West Chilcotin Forest Products, CAT Holding Company Ltd. This will result in the Ulkatcho First Nation owning one half of West Chilcotin Forest Products, and Carrier Lumber owning one half of WCFP. This buyout will allow the mill to resume operation under new management, subject to the constraints of the American dollar and lumber prices.**
- 6) Any funds not utilized for this process will be used in the following manner:**



- a) 25% Forest management fund. Management of the licence and protection of the licence through the activities of YKW and the Natural Resources Centre.
  - b) 20% Fund to negotiate longstanding partnership agreements with MOF as per point 7 following.
  - c) 25% Capital investment fund to be utilized for future economic opportunity, most likely a pellet plant or co-generation facility.
  - d) 20% Fund to investigate, and seed, leverage funding for economic alternative forest use
  - e) 5%...Management of the trust account and accounting reports to Chief and Council.
  - f) 5%...To be determined.
- 7) As funds become available from the Joint Venture/partnership in WCFP, and through our wholly owned company YKW, the IAFRO fund and trust account will be repaid the funds used for the capital purchase of the WCFP shares identified in point 5 above at an amount and rate to ensure the continuation of the projects identified in this document.
- 8) Partnership agreements between Ulkatcho First Nations and the Ministry of Forests, Province of BC to be worked towards during the duration of the IAFRO and by a timetable mutually agreed upon that includes, but is not limited to the following items. These initiatives would ensure that Ulkatcho First Nation becomes an equal partner in the management of the Forest resource.
- a) Ulkatcho Tenures Officer. Ulkatcho has a paid MOF position on the board that plans tenures that affect or may affect the traditional territory of Ulkatcho'ten. This person would sit on any and all Tenure planning sessions with the Ministry, in the three forest districts our traditional territory encompasses. The position would be appx. one half time. The position would have influence at the tenure discussions, having an equal say and vote at the tables as the other participants.

- b) **MOF satellite office maintained in Ulkatcho. This would facilitate timely and smooth handling of MOF issues in the local area, which are not served well from the existing Alexis Creek office. (no offense, it is just a two hour + drive from there to here, then another hour or so to the “bush” meaning they do not make it here very often.)**
  
- c) **Stumpage Revenue Sharing agreement to be investigated. Work would begin immediately to research the viability of an agreement with the Province of BC and the MOF for a revenue sharing agreement. The possible stumpage revenue sharing agreement would be applicable for the areas within our defined and agreed upon traditional areas boundaries.**
  
- d) **Capacity generating project. The MOF would partner with Ulkatcho to develop and implement a capacity building process. This ten year project would set goals for educating, training and providing positions for local individuals to work as MOF employees in the region. This project would be in conjunction with one or more established forestry programs in the Province. This initiative would constitute a strategy for developing a management partnership between Ulkatcho and the MOF for our traditional area.**
  
- e) **Fire Fighting, Tanker Base. Given the recent experience with project fires in the area, and given the elevated fire risk as the beetle infestation moves, consider situating a tanker base, and attack crew in the area. Again, preference given to, and training programs initiated, to utilize young locals for the crews. Improvements to the local airstrip (lengthening) would facilitate tankers being based here for the fire season as needed and aide in the general infrastructure of the area.**