

**Lake Babine Nation
Interim Forestry Agreement
(the “Agreement”)**

**Between:
The Lake Babine Nation**

**As Represented by
Chief and Council
("Lake Babine")**

And

**Her Majesty the Queen In Right of the Province of British Columbia
as represented by the Minister of Indigenous Relations and Reconciliation
("British Columbia")**

(Collectively the “Parties”)

WHEREAS:

- A. In 2005, British Columbia and the First Nations Leadership Council, representing the Assembly of First Nations-BC Region, First Nations Summit, and the Union of BC Indian Chiefs entered into a New Relationship and signed the Transformative Change Accord, the purposes of which is to implement a government-to-government relationship based on an effective working partnership, enhanced collaboration, mutual respect and recognition and accommodation of Aboriginal title and rights and achieve the mutual goals of closing the social and economic gap between First Nations and other British Columbians.
- B. The Supreme Court of Canada in *Tsilhqot'in Nation v. British Columbia*, 2014 SCC 44, found that Tsilhqot'in Nation had established Aboriginal title in British Colombia.
- C. Lake Babine, British Columbia and Canada signed a 20-year Foundation Agreement on September 18, 2020, which recognizes Lake Babine's inherent right of self-government and the existence of Lake Babines' Aboriginal rights and title in Lake Babine Territory ("Territory") and commits the Parties to collaboratively and progressively implementing these rights, including in relation to the forestry sector.
- D. This Agreement is intended to assist in promoting stability and greater predictability for forest and/or range resource development within the Territory by maintaining the Parties' interim approach to forestry revenue-sharing and consultation while they implement the Foundation Agreement's Milestones and Key Steps relating to forestry.
- E. The Parties intend to negotiate and implement new approaches to their forestry relationship under the Foundation Agreement that will replace this Agreement and therefore expect this renewal to be the last one.

THEREFORE THE PARTIES AGREE AS FOLLOWS:

1.0 Definitions

1.1. Definitions. For the purposes of this Agreement, the following definitions apply:

“Administrative or Operational Decision” means a decision made by the Minister or a Delegated Decision Maker related to forest and range resources under provincial legislation.

“BC Fiscal Year” means a period beginning on April 1 of a calendar year and ending on March 31 of the next calendar year.

“Delegated Decision Maker” and **“DDM”** means a person with authority to make statutory decisions with respect to forest and range resources under provincial legislation as amended from time to time.

“Designate” has the meaning given to that term in section 3.1.1.

“Effective Date” means the date this Agreement is fully executed by both Parties.

“Eligible Volume” means the volume of Crown timber provided to Lake Babine in a Direct Award tenure under Section 47.3 of the *Forest Act* originating from the volume reallocation of the *Forestry Revitalization Act* that is appraised through the Market Pricing System;

“Engagement Process” means the framework in Appendix B which will be used to define consultation between the Parties with respect to Proposed Decisions.

“Forest Revenue Sharing Area” means for the purposes this Agreement, the area which the Parties agree is used to calculate revenue sharing as per Appendix C of this Agreement. The Forest Revenue Sharing Area Map is shown in Appendix A of this Agreement.

“Forest Tenure Opportunity Agreement” means an agreement signed between the Minister and a First Nation that provides for the Minister to direct award forest tenure under the *Forest Act*.

“Foundation Agreement” means the Lake Babine Nation Foundation Agreement signed on September 18, 2020 by British Columbia, Lake Babine Nation and Canada that provides Vision Statements, Milestones and Key Steps for pursuing reconciliation and collaboratively and progressively implementing Lake Babine Section 35 Rights.

“Licensee” means a holder of a forest tenure or a range tenure.

“Minister” means the Minister of Forests, Lands and Natural Resource Operations having the responsibility, from time to time, for the exercise of powers in respect of forests and range matters.

"Operational Plan" means a Forest Stewardship Plan, Woodlot Licence Plan, a Range Use Plan, or Range Stewardship Plan (as those terms are defined in forest and range legislation) that has or will have effect in Lake Babine Territory.

"Payment Account" has the meaning given to that term in section 3.1.3.

"Proponent" means a company or individual who holds or is applying for an Administrative or Operational Decision.

"Proposed Decision" means an Operational Plan or an Administrative or Operational Decision that may have an adverse impact on Lake Babine's Section 35 Rights within the Territory.

"Revenue Sharing Contribution" means each payment to be made by British Columbia to Lake Babine in accordance with Section 3.0 of this Agreement.

"Section 35 Rights" means:

- a) rights asserted under s. 35(1) of the *Constitution Act, 1982*, or
- b) rights recognized and affirmed under s. 35(1) of the *Constitution Act, 1982*.

"Term" has the meaning given to that term in section 11.1.

"Timber Harvesting Land Base" means the portion of the total land area of a management unit considered by Ministry of Forest, Lands and Natural Resource Operations to contribute to, and be available for, long-term timber supply.

"Territory" means Lake Babine's claimed or asserted Territory as shown in bold black on the map attached in Appendix A.

"Treasury Board" means the cabinet committee of British Columbia defined in the *Financial Administration Act*.

1.2 Interpretation. For purposes of this Agreement:

- 1.2.1 "includes" and "including" are not intended to be limiting;
- 1.2.2 the recitals and headings are inserted for convenience of reference only, do not form part of this Agreement and are not intended to define, enlarge or restrict the scope or meaning of this Agreement or any provision of it;
- 1.2.3 any reference to a statute in this Agreement includes all regulations made under that statute and any amendments or replacement of that statute or its regulations;
- 1.2.4 unless the context otherwise requires, words expressed in the singular include the plural and vice versa;
- 1.2.5 any reference to a corporate entity includes any predecessor or successor to such entity; and
- 1.2.6 there will be no presumption that doubtful expressions, terms or provisions in this Agreement are to be resolved in favour of any Party.

1.3 Appendices. The following Appendices and Schedule are attached to and form part of this Agreement:

Appendix A - Map of Territory and Forest Revenue Sharing Area;

Appendix B - Engagement Process;

Appendix C - Revenue Sharing Contribution Methodology;

Appendix D - Annual Report

2 Purpose and Objectives

The purposes and objectives of this Agreement are:

2.2 to establish an interim forestry relationship that includes a consultation process between Lake Babine and British Columbia through which the Parties will engage on Proposed Decisions;

2.3 to provide a Revenue Sharing Contribution:

2.3.1 to support the capacity of the Lake Babine Nation to participate in the consultation process herein, and

2.3.2 as an accommodation for any adverse impacts to Lake Babine Nation's Section 35 Rights resulting from forest and range resource development within the Territory; and

2.3.3 to assist in achieving stability and greater predictability for forest and range resource development on Crown lands within the Territory.

3.0 Forest Revenue Sharing Contribution

3.1 Recipient Entity:

3.1.1 Unless Lake Babine elects to have another entity (its "Designate") receive Revenue Sharing Contributions pursuant to section 3.1.2, recognizing that any such election does not relieve Lake Babine of its obligation under this agreement, Lake Babine will be the recipient of the Revenue Sharing Contributions.

3.1.2 Where Lake Babine chooses to have its Designate receive Revenue Sharing Contributions under this Agreement, British Columbia may withhold payment of the Revenue Sharing Contribution until it is satisfied that the Designate is a registered corporation or society with the legal authority and capacity to receive the funds for the purposes described in section 2.0 to receive the Revenue Sharing Contribution on behalf of Lake Babine.

3.1.3 Lake Babine will establish and throughout the Term maintain a bank account in the name of Lake Babine (or the Designate, as the case may be) at a Canadian financial institution into which direct

deposits can be made by British Columbia for the purpose of receiving monies payable by British Columbia pursuant to this Agreement (the "Payment Account"). Lake Babine will provide to British Columbia sufficient address and account information respecting the Payment Account to enable British Columbia to make direct deposit payments to the Payment Account.

- 3.2 Subject to section 3.1.2 and section 10.0 of this Agreement, British Columbia will during the Term make an annual Revenue Sharing Contribution, calculated in accordance with Appendix C, to Lake Babine, or to its Designate, as the case may be, and, subject to section 3.4, the Revenue Sharing Contribution will be disbursed as follows:
- For the first BC Fiscal Year of the Agreement:
- 3.2.2. the first payment of \$775,441.50 to be paid on or before September 30th, 2021; and
- 3.2.3 the second payment of \$775,441.50 to be paid on or before March 31st, 2022.
- 3.3 The total amount calculated in accordance with Appendix C, for the first fiscal year of this agreement, is deemed to be \$1,550,883.
- 3.4 Notwithstanding any other provisions of this Agreement, the payment of money by British Columbia to the Lake Babine Nation pursuant to this Agreement is subject to:
- 3.4.1 there being sufficient monies available in an appropriation, as defined in the *Financial Administration Act*, to enable British Columbia in any BC Fiscal Year or part thereof when any such payment may be required, to make that payment; and
- 3.4.2 Treasury Board not having controlled or limited, pursuant to the *Financial Administration Act*, expenditure under any appropriation referred to in section 3.4.1.
- 3.4.3 Lake Babine having published all of the necessary statements and reports before the applicable dates as set out in section 6 of this Agreement; and
- 3.4.4 Revenue Sharing Contributions not having been suspended under section 10 of this Agreement.
- 3.5 For subsequent BC Fiscal Year amounts, before November 30th of each year during the Term, British Columbia will provide written notice to Lake Babine of the amount of the Revenue Sharing Contribution for the following BC Fiscal Year and the summary document(s) and calculations identified in Appendix C.

- 3.6. Lake Babine agrees that the amount set out in the notice provided under section 3.5 will be the amount of the Revenue Sharing Contribution payable under this Agreement for that following BC Fiscal Year.
- 3.7 For greater certainty, during the term of this Agreement the Parties will discuss and seek to reach agreement on a longer-term approach to forestry revenue-sharing pursuant to Forests Milestone 3 (s. 7.10) of the Foundation Agreement.

4.0 Engagement Process

- 4.1 The Parties agree that the process set out in Appendix B will be the means by which British Columbia will consult on proposed Operational Plans or proposed Administrative or Operational Decisions and, where appropriate, is the means by which British Columbia will identify potential measures to accommodate any potential adverse impacts on the Lake Babine's Section 35 Rights resulting from Operational Plans or Administrative or Operational Decisions.
- 4.2 British Columbia will use the map of Lake Babine's Territory set out in this Agreement as Appendix A.
- 4.3 Lake Babine agrees that British Columbia may share the map of the Territory as set out in Appendix A with another provincial government agency and/or a Licensee responsible for information sharing associated with a decision that is subject to this Agreement.
- 4.4 The Parties agree that, pursuant to the Foundation Agreement, they expect to replace the consultation process set out in Appendix B with new approaches to some or all of the Operational Plans and Administrative or Operational Decisions; they will make such replacement(s) explicit in their new agreement(s).

5.0 Acknowledgments and Covenants by Lake Babine

- 5.1 Lake Babine agrees that the Revenue Sharing Contributions made under section 3.0 of this Agreement are an economic accommodation and constitute a component of any accommodation or compensation that may be required for any impacts on Lake Babine Aboriginal Title and Rights of Administrative or Operational Decisions or Operational Plans in the Territory from April 1, 2021 to the end of the term of this Agreement.
- 5.2 Lake Babine Nation agrees that if the consultation process set out in Appendix B is followed, British Columbia has consulted and, where appropriate, has identified potential measures to accommodate potential adverse impacts of Administrative or Operational Decisions, and any forest or range development practices that may be carried out under an Operational Plan, on Lake Babine Nation's Section 35 Rights.

6.0 Community Priorities, Annual Reports and Records

- 6.1 If requested by British Columbia, Lake Babine will provide a summary report substantially in the form set out in Appendix D regarding the projects or initiatives to which Revenue Sharing Payments may have been allocated in the previous fiscal year.
- 6.2 The annual report referred to in section 6.1 will be provided to British Columbia within 120 days of the end of the BC Fiscal Year.
- 6.3 Lake Babine covenants and agrees that, in accordance with its existing annual planning and budgetary process, it will:
 - 6.3.1. prepare an annual spending plan and annual report for the Revenue Sharing Contribution for the term of this Agreement; and
 - 6.3.2. bring the annual spending plan and annual report for the Revenue Sharing Contribution to the attention of its members by publishing the information in Lake Babine's annual audited financial statements.
 - 6.3.3 Notwithstanding the termination or expiry of this Agreement, Lake Babine or its Designate will continue to comply with the provisions of section 6.1 until 120 days after it receives the last Revenue Sharing Contribution from British Columbia.

7.0 Security Deposits

- 7.1 In recognition of Lake Babine entering into this Agreement, British Columbia may choose not to request a silviculture deposit(s) pertaining to licence(s) entered into as a result of the invitation to apply under a Forest Tenure Opportunity Agreement entered into between Lake Babine (or a legal entity controlled by the Lake Babine) and British Columbia.
- 7.2 Lake Babine agrees that British Columbia may apply any payment that Lake Babine is entitled to receive under this Agreement, to a maximum of the amounts that British Columbia would have obtained in a silviculture deposit, in order to fully or partially satisfy any unfulfilled financial obligations of Lake Babine to British Columbia arising from a licence(s) entered into as a result of the invitation to apply under a Forest Tenure Opportunity Agreement entered into between Lake Babine (or a legal entity controlled by the Lake Babine) and British Columbia.
- 7.3 Prior to British Columbia applying any payment to satisfy unfulfilled Lake Babine financial obligations arising from a licence(s) in accordance with section 7.2, British Columbia will notify the Lake Babine of the unfulfilled financial obligation(s).

8.0 Stability for Land and Resource Use

- 8.1 Lake Babine will respond promptly to any discussions sought by British Columbia in relation to any acts of intentional interference by members of

Lake Babine with provincially authorized forest and/or range activities and will work co-operatively with British Columbia to assist in resolving any such matters.

9.0 Dispute Resolution

- 9.1 If a dispute arises between British Columbia and Lake Babine regarding the interpretation of a provision of this Agreement, the duly appointed representatives of the Parties will meet as soon as is practicable to attempt to resolve the dispute.
- 9.2 If the Parties are unable to resolve differences at the appropriate level, the interpretation issue will be raised to more senior levels of British Columbia and Lake Babine.
- 9.3 If the interpretation dispute cannot be resolved by the Parties directly, the Parties may choose other appropriate approaches to assist in reaching resolution of the interpretation issue.

10.0 Suspension and Termination

- 10.1 British Columbia may suspend the making of further Revenue Sharing Contributions under this Agreement if it determines, acting reasonably, that Lake Babine is not fulfilling its obligations under sections 4.0 and 6.0 or sections 8.1 or 10.3 of this Agreement, or where the Lake Babine has outstanding unfulfilled financial obligations to British Columbia arising from a licence(s) issued further to an agreement between the Lake Babine and British Columbia. Upon making any such determination, British Columbia will provide notice to Lake Babine of the alleged non-compliance, and the Parties will then attempt to resolve their differences.
- 10.2 If the alleged non-compliance by Lake Babine is not resolved within 60 days of the notice provided in section 10.1, British Columbia will notify Lake Babine that the alleged non-compliance remains unresolved and, without limiting the actions that may be taken by British Columbia, may terminate this Agreement.
- 10.3 If, during the Term of this Agreement, Lake Babine challenges or supports a challenge to an Administrative or Operational Decision or an Operational Plan or activities carried out pursuant to those decisions or plans, by way of legal proceedings or otherwise, on the basis that, contrary to section 5.2, the Revenue Sharing Contribution provided for in section 3.0 of this Agreement does not provide an accommodation for impacts on Lake Babine's Section 35 Rights, without limiting any actions that may be taken by British Columbia, the Revenue Sharing Contribution provided for in section 3.0 may be suspended or this Agreement may be terminated by British Columbia.
- 10.4 This Agreement will terminate prior to the end of the Term in any one of the following circumstances: 90 days' written notice of termination is given by one Party to the other; termination occurs in accordance with any of the

provisions of section 10.0; or upon mutual agreement of the Parties. In the event of such early termination of this Agreement, the Revenue Sharing Contribution for the BC Fiscal Year in which termination becomes effective will be prorated to the termination date.

- 10.5 If a Party gives written notice of its intention to terminate this Agreement effective 90 days from the date of the notice, the Parties will, prior to the end of the 90-day period, meet and will attempt to resolve any issue that may have given rise to the termination notice.

11.0 Term

- 11.1 The term of this Agreement commences on the Effective Date and, unless terminated earlier in accordance with any of the provisions hereof, will end on March 31 2024.

12.0 Amendment of Agreement

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

13.0 Entire Agreement

- 13.1 This Agreement and any amendment to it constitute the entire Agreement between the Parties with respect to the subject matter of this Agreement.

14.0 Notice

- 14.1 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 Party as in this section of the Agreement.
- 14.2 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.
- 14.3 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 Indigenous Relations and Reconciliation
P.O. Box 9100 STN PROV GOVT
Victoria B.C. V8W 9B1

Telephone: (250) 356-1394
Fax: (250) 387-6594

Lake Babine Nation
Chief
PO Box 879
Burns Lake, BC V0J 1E0
Telephone: 250-692-4700
Facsimile: 250-692-4790

15.0 General Provisions

15.1 Governing law. This Agreement will be governed by and construed in accordance with the laws of British Columbia.

15.2 Not a Treaty. This Agreement does not:

- (a) constitute a treaty or a lands claims agreement within the meaning of sections 25 or 35 of the *Constitution Act, 1982*; or
- (b) establish, affirm, recognize, abrogate or derogate from any Section 35 Rights.

15.3 No Admissions. Nothing in this Agreement will be construed as:

- (a) an admission of the validity of, or any fact or liability in relation to, any claims relating to alleged past or future infringements of Lake Babine's Section 35 Rights;
- (b) an admission or acknowledgement of any obligation to provide any financial, economic or other compensation, including those in this Agreement, as part of British Columbia's obligation to consult and, as appropriate, accommodate; or
- (c) in any way limiting the position the Parties may take in any proceedings or in any discussions or negotiations between the Parties, except as expressly contemplated in this Agreement.

15.4 No Fettering. Nothing in this Agreement is to be construed as fettering in any manner, the exercise of any statutory, prerogative, executive or legislative power or duty.

15.5 No Implied Waiver. Any waiver of any term or breach of this Agreement is effective only if it is in writing and signed by the waiving Party and is not a waiver of any other term or breach.


15.6 Assignment. Lake Babine must not assign, either directly or indirectly, this Agreement or any right of First Nation under this Agreement without the prior written consent of British Columbia.

- 15.7 Emergencies.** Nothing in this Agreement affects the ability of either Party to respond to any emergency circumstances.
- 15.8 Acknowledgment.** The Parties acknowledge and enter into this Agreement on the basis that Lake Babine has Aboriginal title and rights within the Territory but that the specific nature, scope or geographic extent of those Aboriginal interests have yet to be determined.
- 15.9 Third Parties.** This Agreement is not intended to limit any obligation of forest or range licensees or other third parties to Lake Babine.
- 15.10 Other Economic Opportunities and Benefits.** This Agreement does not preclude Lake Babine from accessing forestry economic opportunities and benefits, which may be available to it, other than those expressly set out in this Agreement.
- 15.11 Validity of Agreement.** If any provision of this Agreement or the application of it to any person or circumstance is invalid or unenforceable to any extent, the remainder of this Agreement and the application of it to any person or circumstance will not be affected or impaired and will be valid and enforceable to the extent permitted by law.
- 15.12 Entire Agreement.** This Agreement and any amendment to it constitute the entire agreement between the Parties with respect to the subject matter of this Agreement.
- 15.13 Further Acts and Assurances.** Each Party must perform the acts, execute and deliver the writings, and give the assurances as may be reasonably necessary to give full effect to this Agreement.
- 15.14 Legal power, capacity and authority.** Lake Babine represents and warrants to British Columbia, with the intent and understanding that they will be relied on by British Columbia in entering into this Agreement, that it enters into this Agreement for, and on behalf of itself and its members and that as represented by its Chief and Council, it has the legal power, capacity and authority to enter into and to carry out its obligations under this Agreement.

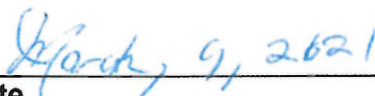
15.15 Execution in Counterpart. This Agreement may be entered into by a separate copy of this Agreement being executed by each Party and that executed copy being delivered to the other Party by a method provided for in Article 14 or any other method agreed to by the Parties.

Signed on behalf of:


Lake Babine Nation



Chief Gordon Alec



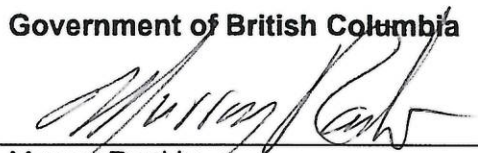
Date



Witness of Lake Babine Nation signature

Signed on behalf of:

Government of British Columbia



Murray Rankin
Minister of Indigenous Relations and
Reconciliation

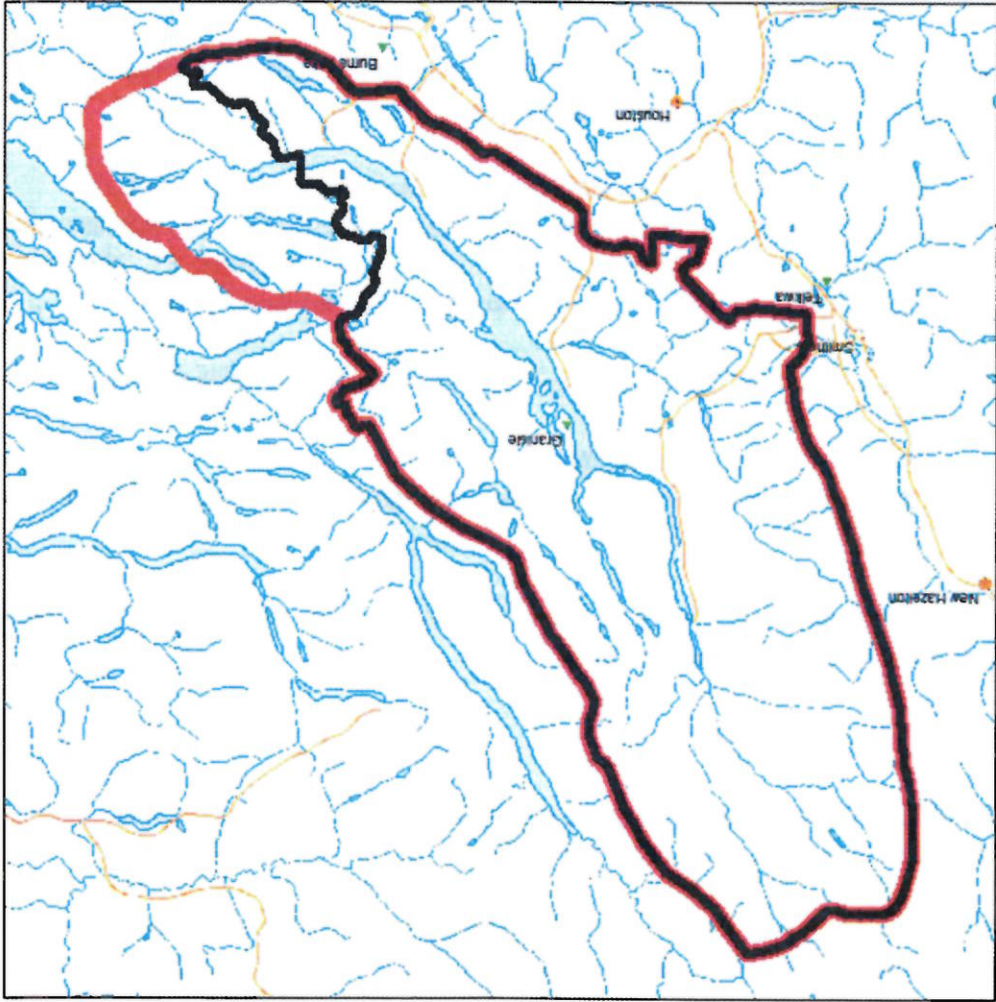


Date



Witness of Minister signature

Appendix A: Map of the Lake Babine Nation Traditional Territory



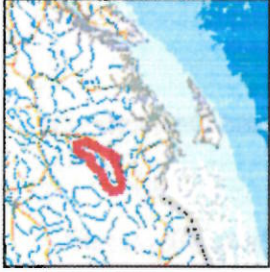
FCRSA Boundaries
Forest Revenue Sharing Area
Consultation Area

Date: March 18, 2015

0 10 20 40 Kilometers



This map has been prepared for information purposes only and is not intended to create, recognize, limit or deny any aboriginal rights, including title, that any First Nations may have, or impose any obligations on British Columbia or alter the legal status of resources within the Province or the existing legal authority of British Columbia.



Key Map

APPENDIX B

Engagement Process

Engagement Process:

1. British Columbia will consult with Lake Babine on Proposed Decisions in accordance with this Engagement Process.
2. Lake Babine will participate in consultation with British Columbia or with Licensees or licence proponents on Proposed Decisions in accordance with this Engagement Process.
3. The Parties will follow the Engagement Process for Proposed Decisions where that consultation is initiated after the Effective Date of the Agreement.
4. The Parties agree that for the following Proposed Decision types the Engagement Process will not apply, and British Columbia will provide an annual summary report to Lake Babine prior to March 31, 2022, March 31, 2023 and March 31, 2024, indicating how many such decisions were made:
 - a. Free Use Permits, other than those for First Nation Cultural use
 - b. Christmas Tree Permits
 - c. Woodlot private land deletions
 - d. Range Animal Unit Month (AUM) increases < 10% of current authorised level
5. The Parties will review the list under s.4 annually to determine whether additional Proposed Decision types can be added.

Engagement Process Steps:

6. British Columbia or the Proponent will provide an information package on a Proposed Decision(s) to Lake Babine.
7. Consultation begins when Lake Babine has received an information package and British Columbia's letter initiating consultation on the Proposed Decision(s). Lake Babine will be deemed to have received British Columbia's letter three calendar days after the letter is sent.

8. Lake Babine may respond in writing within 21 calendar days of receiving British Columbia's letter under s.6 by providing:
- a. general confirmation of the potential for adverse impacts to Lake Babine's Section 35 Rights,
 - b. confirmation of its intention to engage in consultation, and
 - c. any requests for additional information relating to the Proposed Decision(s).
9. If Lake Babine does not provide a response within 21 calendar days, or where Lake Babine indicates no interest in further consultation, British Columbia may proceed to a decision on the Proposed Decision(s).
10. Where Lake Babine confirms that it intends to engage in consultation, Lake Babine may, within 45 calendar days from the date it received the letter from British Columbia under s.6, provide in writing:
- a. any additional information regarding potential impacts to Lake Babine's Section 35 Rights, and
 - b. any recommendations to avoid, mitigate, or otherwise address those impacts.

This time period will be extended in situations where Lake Babine has requested additional information reasonably required to respond to the referral and British Columbia has not provided reasonably available information within 10 calendar days of the request.

11. Upon written notice from LBN of readiness to begin discussion or upon expiry of the 45 day period, the Parties will engage to the extent reasonably required to achieve the following objectives:
- a) ensure that British Columbia understands Lake Babine's concerns and any recommendations by Lake Babine to avoid, mitigate, or otherwise address potential impacts to Lake Babine's Section 35 Rights;
 - b) ensure that Lake Babine understands British Columbia's views regarding potential adverse impacts to Lake Babine's Section 35 Rights (including strength of claim where it is at issue) and any Lake Babine proposals or recommendations;
 - c) seek a common understanding of shared or respective interests.

d) where British Columbia agrees that Lake Babine has identified reasonable concerns that are not fully addressed by economic accommodation provided for under this Agreement, work towards a mutually agreeable course of action to meaningfully address those concerns through appropriate accommodation tools which, depending on the circumstances, may include, but are not limited to:

- i. non-economic accommodation measures such as avoidance or mitigation measures;
- ii. potential for additional economic accommodation;
- iii. a decision by British Columbia to defer a Proposed Decision until such time as appropriate accommodation or other suitable agreements or arrangements are identified; or
- iv. a decision not to authorize a particular activity.

12. The Parties will make reasonable efforts to complete dialogue described under s. 11 (a-d) within 30 days. Where the proposed decision carries the potential for serious adverse impacts on Lake Babine's Section 35 Rights, and more time is reasonably required to meet the objectives under s.11, the Parties will extend consultation for an additional time period, including a target end date, to be determined by the Parties.

13. Where there are several Proposed Decisions contained in one information package, Lake Babine may decide that further engagement on particular individual Proposed Decisions is not required, and will provide notice in writing to British Columbia.

14. Where British Columbia and Lake Babine reach agreement on accommodations to meaningfully address the concerns raised by Lake Babine, British Columbia may proceed with the Proposed Decision(s).

15. Where British Columbia and Lake Babine fail to reach agreement on appropriate accommodation tools to meaningfully address the concerns raised by Lake Babine and where British Columbia proceeds with a Proposed Decision that is inconsistent with the accommodations proposed by Lake Babine, British Columbia will provide Lake Babine with written reasons for its decision(s).

General Principles:

- The Parties will engage in a good faith and open dialogue. The Parties will choose their means of communication by agreement, except where this Process expressly requires written communication.

- The Parties may communicate in writing by emailing the other Party's designated representative(s).
- The Parties will make reasonable efforts to satisfy requests by the other party to meet in person.
- The Parties will engage with each other in a timely fashion and will make reasonable efforts to meet agreed-upon timelines. Where additional engagement time is reasonably required under s.12, the extended timeline will take into account all relevant factors including any urgency for the decision and internal capacity of each Party.
- Nothing in this process prevents either Party from responding to an emergency.

APPENDIX C

Revenue Sharing Contribution Methodology

Lake Babine Territory Forest Revenue Sharing Component

- 1.0 For the Term that this Agreement is in effect, and subsequent to the release by the Minister of Finance of the previous Fiscal Year's public accounts of British Columbia, a summary document will be prepared of the Fort St. James District, Nadina District, Skeena Stikine District and Vanderhoof District's forest revenue, defined as the total of stumpage, waste and annual rent payments received by the Crown for the previous 2 Fiscal Years. An average amount over 2 years will be calculated for the Fort St. James District, Nadina District, Skeena Stikine District and Vanderhoof District.
- 1.1 For the purposes of the summary document in section 1.0 of this Appendix, the stumpage payments from Eligible Volume in Lake Babine's Forest Licenses will not be included in the calculations of forest revenue.
- 1.2 The amount of the forest revenue attributed to the Lake Babine's Territory will be calculated by determining the percent of Lake Babine's Forest Revenue Sharing Area that falls within the Timber Harvesting Land Base in the Fort St. James District, Nadina District, Skeena Stikine District and Vanderhoof District, applied against the forest revenue described in section 1.0 of this Appendix. This calculation will prorate for overlapping territories of other First Nations.
- 1.3 The Territory Forest Revenue Sharing Component will be calculated by multiplying 5 percent of the forest revenue attributed to Lake Babine as described in section 1.2 of this Appendix.

Direct Award Tenure Forest Revenue Sharing Component

- 2.0 Subsequent to the release by the Minister of Finance of the previous Fiscal Year's public accounts of British Columbia, a summary document will be prepared Lake Babine's Forest License (if applicable) forest revenue, defined as the total of stumpage payments received by the Crown for the previous Fiscal Year from Eligible Volume within the Forest License.
- 2.1 The Direct Award Forest Tenure Revenue Sharing Component will be calculated by multiplying 85 percent of the forest revenue as described in section 2.0 of this Appendix.

Forest Revenue Sharing Transition

- 3.0 For each BC Fiscal Year that this Agreement is in effect, a portion of the Revenue Sharing Contribution is calculated by adding the total of the Traditional Territory Forest Revenue Sharing Component to the Direct Award Tenure Forest Revenue Sharing Component for that BC Fiscal Year.
- 3.1 For the BC Fiscal Years that this Agreement is in effect, the remaining portion of the Revenue Sharing Contribution is calculated by determining the value of the

payments that were made by British Columbia to Lake Babine in any given full year under the *Lake Babine Forest and Range Opportunity Agreement* ("the Annual Amount") and

3.1.1 2021/22 BC Fiscal Year: 40 percent;

3.1.2 2022/23 BC Fiscal Year: TBD;

3.1.3 2023/24 BC Fiscal Year: TBD.

3.2 Notwithstanding sections 3.0 and 3.1 of this Appendix, if the Revenue Sharing Transition Calculation for BC Fiscal years 2021/22, 2022/23 and 2023/24 under section 3.1 provides:

- (a) an amount calculated under sections 1.3 and 2.1 of this Appendix that is equal to or greater than the annual payments received under the Lake Babine Forest and Range Opportunity Agreement, then Lake Babine will receive the annual payments described by the Revenue Sharing Transition Calculation in section 3.0 for BC Fiscal Years 2021/22, 2022/23 and 2023/24; and
- (b) an amount calculated under the Revenue Sharing Transition Calculations in sections 3.0 and 3.1 of this Appendix that is greater than the annual payments received under the Lake Babine Forest and Range Opportunity Agreement, then Lake Babine will receive an annual payment for BC fiscal Years 2021/22, 2022/23 and 2023/24 that is equal to the annual payment received under the Lake Babine Forest and Range Agreement.

APPENDIX D

Lake Babine Statement of Community Priorities

Community Priorities	Annual Planned Expenditures	Annual Actual Expenditures	Outcomes Achieved