

**Xwémalkwu First Nation
Forest & Range
Consultation and Revenue Sharing Agreement (FCRSA)
(the "Agreement")**

**Between:
The Xwémalkwu (Homalco) First Nation**

As Represented by
Chief and Council
(the Xwémalkwu First Nation)

And

**Her Majesty the Queen in Right of the Province of British Columbia
as represented by the Minister of Aboriginal 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. In the spirit of the New Relationship and the Transformative Change Accord, British Columbia and Xwémalkwu First Nation have undertaken a shared commitment to strengthening relationships on a government-to-government basis, and on focusing efforts to close the socio-economic gaps between Aboriginal and non-Aboriginal people.
- C. This Agreement, and the benefits flowing from it, will assist the Xwémalkwu First Nation in achieving progress towards the goals referred to in the previous recitals, and in particular help to address the conditions that contribute to economic challenges among Aboriginal people and to ensure that they can more fully benefit from and contribute to British Columbia's prosperity.
- D. British Columbia recognizes that Xwémalkwu First Nation has a unique history and its own culture and traditions that help to define it, and that these characteristics, along with its relationship with British Columbia, form an important context for the cooperative efforts needed to improve the Xwémalkwu First Nation community's well-being.

- E. The Xwémalhkwa First Nation has Aboriginal Interests within its Traditional Territory.
- F. British Columbia intends to consult with the Xwémalhkwa First Nation and to accommodate its Aboriginal Interests as appropriate (including accommodation by way of the payments provided through this Agreement), with respect to impacts on the Xwémalhkwa First Nation's Aboriginal Interests arising from forest and/or range resource development activities proposed within the Xwémalhkwa First Nation Traditional Territory.
- G. The Xwémalhkwa First Nation intends to fully participate in any consultation or information sharing with British Columbia or a Licensee in relation to forest and/or range resource development activities proposed within the Xwémalhkwa First Nation's Traditional Territory that may impact the Xwémalhkwa First Nation's Aboriginal Interests.
- H. This Agreement is intended to assist in achieving stability and greater certainty for forest and/or range resource development on Crown lands within the Traditional Territory of the Xwémalhkwa First Nation which will enhance the ability of the forestry and ranching industries to exercise timber harvesting and grazing rights in a timely, economic, and environmentally sustainable manner while longer term interests of the Xwémalhkwa First Nation are addressed through other agreements or processes.

THEREFORE THE PARTIES AGREE AS FOLLOWS:

1.0 Definitions

For the purposes of this Agreement, the following definitions apply:

- 1.1 **"Aboriginal Interests"** means asserted aboriginal rights (including aboriginal title) or determined aboriginal rights (including aboriginal title) which are recognized and affirmed by section 35(1) of the *Constitution Act, 1982*.
- 1.2 **"Administrative and/or Operational Decision"** means a decision made by the Minister or a Delegated Decision Maker related to forest and range resources under provincial legislation as identified in the First Annual List and/or Annual List as defined in Appendix B.
- 1.3 **"Band Council Resolution"** means a resolution of Xwémalhkwa First Nation having the form of Appendix D.
- 1.4 **"BC Fiscal Year"** means a period beginning on April 1 of a calendar year and ending on March 31 of the next calendar year.
- 1.5 **"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.
- 1.6 **"Designate"** has the meaning given to that term in section 3.1.1.

- 1.7 **"Effective Date"** means the date on which this Agreement has been ratified and signed by each of the Parties.
- 1.8 **"First Fiscal Year of the Term"** has the meaning given to that term in section 3.3.
- 1.9 **"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*.
- 1.10 **"Licensee"** means a holder of a forest tenure or a range tenure.
- 1.11 **"Matrix"** means the framework in Appendix B which will be used to define consultation between the Parties with respect to Operational and Administrative Decisions.
- 1.12 **"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.
- 1.13 **"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 the Xwémalhkwu First Nation's Traditional Territory.
- 1.14 **"Payment Account"** has the meaning given to that term in section 3.1.3.
- 1.15 **"RP"** means a reconciliation protocol between British Columbia and the Xwémalhkwu First Nation that creates a foundation for the reconciliation of aboriginal rights and/or aboriginal title with Crown sovereignty but is not a treaty in the meaning of section 35(1) of the *Constitution Act, 1982*.
- 1.16 **"Revenue Sharing Contribution"** means each payment to be made by British Columbia to the Xwémalhkwu First Nation in accordance with Section 3.0 of this Agreement.
- 1.17 **"SEA"** means a strategic engagement agreement between British Columbia and the Xwémalhkwu First Nation that describes a consultation process between the Xwémalhkwu First Nation and more than one natural resource ministry of the Government of British Columbia.
- 1.18 **"Term"** has the meaning given to that term in section 11.1.
- 1.19 **"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.
- 1.20 **"Traditional Territory"** means the Xwémalhkwu First Nation's claimed or asserted Traditional Territory as shown in bold black on the map attached in Appendix A.
- 1.21 **"Treasury Board"** means the cabinet committee of British Columbia defined in the *Financial Administration Act*.

2.0 Purpose and Objectives

The purposes and objectives of this Agreement are:

- 2.1 In relation to potential impacts on Xwémalhkwu First Nation's Aboriginal Interests resulting from forest and range development in its Traditional Territory, to facilitate the Parties in meeting their respective legal consultation obligations by supporting the capacity of Xwémalhkwu First Nation to participate in consultation initiated by British Columbia and by establishing a consultation process which results in appropriate accommodation measures being implemented, where appropriate, in addition to the Revenue Sharing Contribution provided as an accommodation in this Agreement; and
- 2.2 To provide an opportunity for the Xwémalhkwu First Nation to identify and pursue activities that will enhance and improve the social, cultural and economic well-being of its community and assist the Xwémalhkwu First Nation in achieving progress towards closing socio-economic gaps between the members of Xwémalhkwu First Nation and non-Aboriginal people in British Columbia.

3.0 Forest Revenue Sharing Contribution

3.1 Recipient Entity:

- 3.1.1 Unless the Xwémalhkwu First Nation 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 the Xwémalhkwu First Nation of its obligation under this agreement, the Xwémalhkwu First Nation will be the recipient of the Revenue Sharing Contributions.
- 3.1.2 Where the Xwémalhkwu First Nation 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 and that it has been appointed by Band Council Resolution documented in Appendix D to receive the Revenue Sharing Contribution on behalf of the Xwémalhkwu First Nation.
- 3.1.3 Xwémalhkwu First Nation will establish and throughout the Term maintain a bank account in the name of Xwémalhkwu First Nation (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"). Xwémalhkwu First Nation 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 annual Revenue Sharing Contributions, calculated in accordance with Appendix C, to the Xwémalhkwu First Nation, or to its Designate, as the case may be, and, subject to section 3.4 and 3.6, the Revenue Sharing Contribution will be disbursed in two equal payments: the first payment to be paid on or before September 30th, and the second payment to be paid on or before March 31st.
- 3.3 Notwithstanding section 3.2, for the BC Fiscal Year in which the Effective Date falls (the "First Fiscal Year of the Term") the amount calculated in accordance with Appendix C is deemed to be \$30,700 (representing March 2014). For further certainty the first payment under this agreement will be on March 31, 2014.
- 3.4 For the purposes of determining the amount of the Revenue Sharing Contribution for partial BC Fiscal Years, the amount will be prorated to the month in which the Agreement is signed by the Xwémalhkwu First Nation.
- 3.5 Before November 30th of each year during the Term, Xwémalhkwu First Nation will receive written notification from British Columbia of the Revenue Sharing Contribution for the following BC Fiscal Year (including the summary document(s) and calculations identified in Appendix C) and the Xwémalhkwu First Nation agrees that such written notification will have the effect for the purposes of this Agreement of describing the amount of the Revenue Sharing Contribution under this Agreement for that following BC Fiscal Year.
- 3.6 For each BC Fiscal Year subsequent to the First Fiscal Year of the Term, the Revenue Sharing Contribution will be provided by British Columbia to the Xwémalhkwu First Nation or its Designate in the manner specified in section 3.2 only if Xwémalhkwu First Nation has published all of the necessary statements and reports before the appropriate dates as set out in section 6.0 of this Agreement, is in all other respects in compliance with the terms of this Agreement and this Agreement has not been suspended or terminated pursuant to section 10.0.
- 3.7 Notwithstanding any other provisions of this Agreement, the payment of money by British Columbia to the Xwémalhkwu First Nation pursuant to this Agreement is subject to:
 - 3.7.1 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
 - 3.7.2 Treasury Board not having controlled or limited, pursuant to the

Financial Administration Act, expenditure under any appropriation referred to in section 3.7.1.

4.0 Consultation Process

- 4.1 The Parties agree that consultation with respect to impacts to Xwémalhkwu First Nation's Aboriginal Interests arising from any Operational or Administrative Decisions or Operational Plans is to be carried out in accordance with the process set out in Appendix B of this Agreement.
- 4.2 British Columbia will use the map of the Xwémalhkwu First Nation's Traditional Territory set out in this Agreement as Appendix A.
- 4.3 Xwémalhkwu First Nation agrees that British Columbia may share the map of the Traditional 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 in the event Xwémalhkwu First Nation enters into a SEA or RP with British Columbia after the Effective Date which includes a consultation process which addresses forest and range management and decision making, the consultation process set out in the SEA or RP will supersede and replace the consultation process set out in this Agreement for the term of the SEA or RP if the SEA or RP so provides; and in any such case, if the SEA or RP terminates prior to the end of the Term, the Parties agree that the consultation process set out in Appendix B of this Agreement will apply for the remainder of the Term.
- 4.5 In the event that the Effective Date falls after the date on which Xwémalhkwu First Nation enters into a SEA or RA with British Columbia that includes a consultation process which addresses forest and range management and decision making, and the SEA or RA is subsequently terminated prior to the end of the Term, the Xwémalhkwu First Nation agrees that this Agreement will be amended within 60 days of the date of termination of the SEA or RA to include a consultation process in this Agreement.

5.0 Acknowledgments and Covenants by Xwémalhkwu First Nation

- 5.1 Xwémalhkwu First Nation acknowledges that forest revenues received by British Columbia fluctuate and that the Revenue Sharing Contributions under this Agreement will vary over time.
- 5.2 Xwémalhkwu First Nation agrees that the Revenue Sharing Contributions made under section 3.0 of this Agreement constitute an accommodation for impacts on Xwémalhkwu First Nation Aboriginal Interests of Administrative Decisions, Operational Decisions and/or Operational Plans in the Traditional Territory.

- 5.3 Xwémalhkwu First Nation agrees that during the term of this Agreement, if the consultation process set out in this Agreement is followed, British Columbia has adequately consulted and has provided an accommodation with respect to potential infringements of Xwémalhkwu First Nation's Aboriginal Interests in the context of Operational Decisions and Administrative Decisions that British Columbia will make and any forest or range practices that may be carried out under an Operational Plan in the Traditional Territory

6.0 Community Priorities, Annual Reports and Records

- 6.1 Xwémalhkwu First Nation covenants and agrees as follows:

- 6.1.1 Within 60 days of the Effective Date of this Agreement, Xwémalhkwu First Nation or its Designate will prepare a statement of community priorities covering the term of the Agreement, substantially in the form set out in Appendix E that outlines activities it intends to fund to help achieve the socio-economic objectives identified in section 2.2. This statement will outline the community priorities based on the First Fiscal Year Revenue Sharing Contribution.
- 6.1.2 Before the end of each BC Fiscal Year, Xwémalhkwu First Nation or its Designate will update the statement of community priorities identified in section 6.1.1 based on the updated Revenue Sharing Contribution described in section 3.5.
- 6.1.3 Within 90 days of the end of each BC Fiscal Year, Xwémalhkwu First Nation or its Designate will prepare an annual report, substantially in the form set out in Appendix F, identifying all expenditures made from the Payment Account since the date of the last such report (or, in the case of the first such report, since the Effective Date of this Agreement) and confirming that, aside from reasonable administrative expenses, all such expenditures were made for the purpose of accomplishing the purposes and objectives referred to in section 2.0.
- 6.1.4 British Columbia retains the right at its sole discretion, such discretion to be exercised reasonably, to require an audit of expenditures made from the Payment Account to ensure that all such expenditures were made for appropriate purposes under this Agreement, such audit to be at the expense of the Xwémalhkwu First Nation or its Designate.
- 6.1.5 The documents referred to in sections 6.1.1, 6.1.2, and 6.1.3 will be published by Xwémalhkwu First Nation or its Designate in a manner that can reasonably be expected to bring the information to the attention of its communities and the public.
- 6.1.6 The annual report referred to in section 6.1.3 will be provided to British Columbia within 120 days of the end of each BC Fiscal Year.
- 6.1.7 Notwithstanding the termination or expiry of this Agreement,

Xwémalhkwu First Nation 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.

- 6.2 If Xwémalhkwu First Nation requires funding ("capacity") to engage in consultation processes on forest and range decisions, or with other provincial Ministries where Xwémalhkwu First Nation has entered into an SEA and/or RA with British Columbia, up to \$35,000 annually of the Revenue Sharing Contribution will be used by Xwémalhkwu First Nation for that capacity during the Term of this Agreement.

7.0 Security Deposits

- 7.1 In recognition of Xwémalhkwu First Nation 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 Xwémalhkwu First Nation (or a legal entity controlled by the Xwémalhkwu First Nation) and British Columbia.
- 7.2 Xwémalhkwu First Nation agrees that British Columbia may apply any payment that Xwémalhkwu First Nation 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 Xwémalhkwu First Nation 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 Xwémalhkwu First Nation (or a legal entity controlled by the Xwémalhkwu First Nation) and British Columbia.
- 7.3 Prior to British Columbia applying any payment to satisfy unfulfilled Xwémalhkwu First Nation financial obligations arising from a licence(s) in accordance with section 7.2, British Columbia will notify the Xwémalhkwu First Nation of the unfulfilled financial obligation(s).

8.0 Stability for Land and Resource Use

- 8.1 Xwémalhkwu First Nation will respond immediately to any discussions sought by British Columbia in relation to any acts of intentional interference by members of Xwémalhkwu First Nation 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 the Xwémalhkwu First Nation 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 the Xwémalhkwu First Nation.
- 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 Xwémalhkwu First Nation 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 Xwémalhkwu First Nation has outstanding unfulfilled financial obligations to British Columbia arising from a licence(s) issued further to an agreement between the Xwémalhkwu First Nation and British Columbia. Upon making any such determination, British Columbia will provide notice to Xwémalhkwu First Nation of the alleged non-compliance, and the Parties will then attempt to resolve their differences.
- 10.2 If the alleged non-compliance by Xwémalhkwu First Nation is not resolved within 60 days of the notice provided in section 10.1, British Columbia will notify Xwémalhkwu First Nation 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, Xwémalhkwu First Nation challenges or supports a challenge to an Administrative Decision and/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 Xwémalhkwu First Nation's Aboriginal Interests then, 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 the day immediately before the third anniversary of the Effective Date.

12.0 Renewal of the Agreement

- 12.1 Prior to the expiry of the Term, if the terms and conditions of this Agreement are being met, British Columbia and Xwémalkwu First Nation will, if each party has received such authorizations as it may require, begin negotiations for the renewal of this Agreement or for a new agreement.

13.0 Amendment of Agreement

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

14.0 Entire Agreement

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

15.0 Notice

- 15.1 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.
- 15.2 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.
- 15.3 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 Aboriginal Relations and Reconciliation
P.O. Box 9100 STN PROV GOVT
Victoria B.C. V8W 9B1
Telephone: (250) 356-1394
Fax: (250) 387-6594

Xwémalhkwa First Nation

Chief Richard Harry
Xwémalhkwa First Nation
1218 Bute Crescent
Campbell River, BC V9H 1G5
Telephone: (250) 923-4979
Facsimile: (250) 923-4987

16.0 Miscellaneous

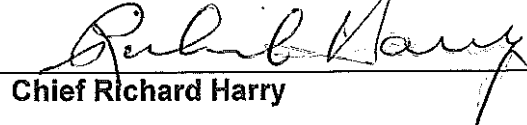
- 16.1 This Agreement shall be interpreted in a manner consistent with provincial and federal law.
- 16.2 This Agreement is not a treaty or a lands claims agreement within the meaning of sections 25 and 35 of the *Constitution Act, 1982* and does not define or amend aboriginal rights, or limit any priorities afforded to aboriginal rights, including aboriginal title.
- 16.3 This Agreement does not address or prejudice conflicting interests or competing claims between First Nations.
- 16.4 Subject to paragraph 10.3, this Agreement will not limit the positions that a Party may take in future negotiations or court actions.
- 16.5 British Columbia acknowledges and enters into this Agreement on the basis that the Xwémalhkwa First Nation has Aboriginal Interests within their Traditional Territory but that the specific nature, scope or geographic extent of Aboriginal Interests of the Xwémalhkwa First Nation have yet to be determined. Broader processes engaged in to bring about reconciliation will result in a common understanding of the nature, scope and geographic extent of Aboriginal Interests or treaty interests of the Xwémalhkwa First Nation.
- 16.6 References in this Agreement to Crown lands are without prejudice to the Xwémalhkwa First Nation's Aboriginal title and/or rights claims over those lands.
- 16.7 This Agreement does not address or affect any claims by the Xwémalhkwa First Nation regarding impacts on its Aboriginal Interests resulting from past Operational or Administrative Decisions made by British Columbia prior to the effective date of this Agreement
- 16.8 This Agreement and any decisions made during the term of this Agreement do not change or affect the positions either Party has, or may have, regarding jurisdiction and authorities
- 16.9 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.

- 16.10 There will be no presumption that any ambiguity in any of the terms of this Agreement should be interpreted in favour of either Party.
- 16.11 The applicable laws of British Columbia and Canada shall govern this Agreement.
- 16.12 This Agreement is not intended to limit any obligation of forest or range Licensees or other third parties to the Xwémalhkwu First Nation.
- 16.13 This Agreement does not exclude the Xwémalhkwu First Nation from accessing forestry economic opportunities and benefits, which may be available to the Xwémalhkwu First Nation, other than those expressly set out in this Agreement.
- 16.14 Nothing in this Agreement is to be construed as an acceptance of or admission by a Party of the position of the other Party or as an admission of fact or liability.
- 16.15 This Agreement does not constitute an admission of an obligation to provide financial or economic benefits, as provided in this Agreement, as part of the British Columbia's obligation to consult and accommodate.
- 16.16 If any part of this Agreement is void or unenforceable at law, that part shall be severed from this Agreement and the rest of the Agreement shall remain in effect and fully enforceable.
- 16.17 If any part of this Agreement is void or unenforceable at law, the Parties agree to negotiate and attempt to reach agreement, to the extent reasonably possible and as their respective interests may require, on a replacement for the severed part with a view to achieving the intent of the Parties as expressed in this Agreement.
- 16.18 All headings in this Agreement are for convenience only and do not form a part of this Agreement and are not intended to interpret, define, limit, enlarge, modify or explain the scope, extent or intent of this Agreement or any of its provisions.
- 16.19 In this Agreement, words in the singular include the plural, and words in the plural include the singular unless the context or any specific definition otherwise requires.
- 16.20 The appendices to this Agreement form part of the Agreement.

16.21 This Agreement may be entered into by each Party signing a separate copy of this Agreement, including a photocopy or faxed copy, and delivering it to the other Party by fax. Each facsimile will be deemed to be an original for all purposes and all counterparts taken together will be deemed to constitute one document.

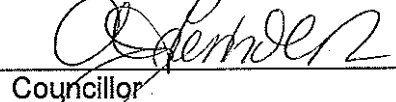
Signed on behalf of:

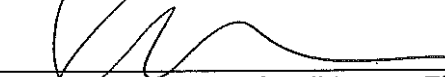
Xwémalhkwu First Nation


Chief Richard Harry

January 22, 2014
Date



Councillor

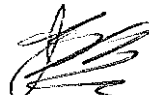

Councillor


Witness of Xwémalhkwu First Nation
signatures

Signed on behalf of:

Government of British Columbia

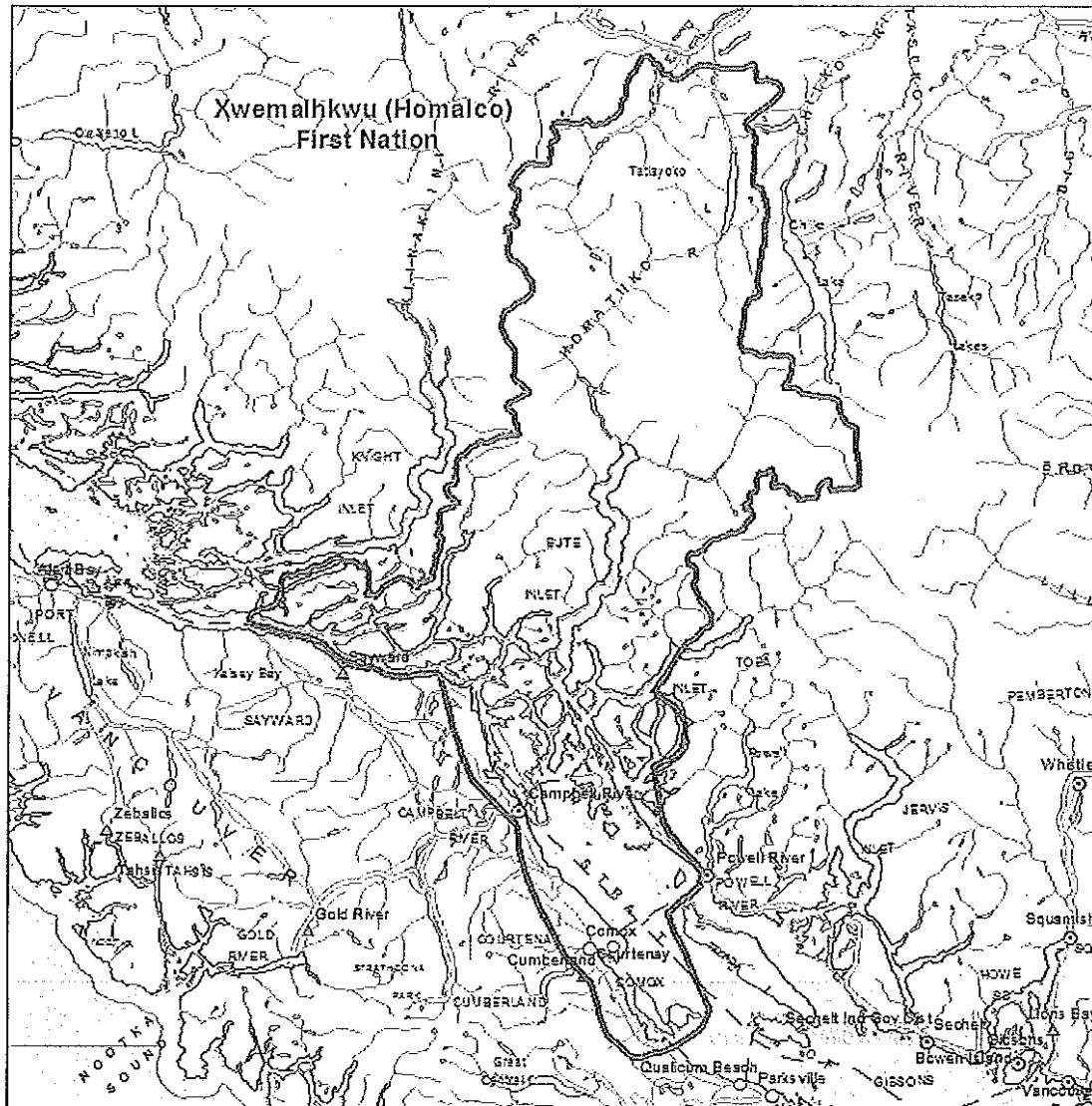

John Rustad
Minister of Aboriginal Relations and
Reconciliation

Feb. 24, 2014
Date



Witness of Minister signature

Map of Xwémalhkwu First Nation Traditional Territory

Map of the Xwemalhwu (Homalco) Traditional Territory



Legend

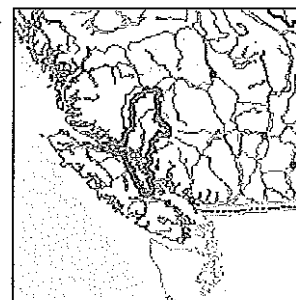
 Forest and Range Consultation and Revenue Sharing Agreement Boundary

0 15 30 60 Kilometers

Date: December 9, 2013

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

Consultation

On Operational and Administrative Decisions and Operational Plans.

In order to facilitate consultation with respect to Operational and Administrative Decisions and Operational Plans, the Parties have agreed to use the Matrix framework set out in section 1.10 of this Appendix ("section 1.10"), which allows the Parties to determine which Operational and Administrative Decisions and Operational Plans will require consultation, as well as the associated appropriate level of consultation for those decisions and plans.

- 1.1 British Columbia agrees to consult with Xwémalhkwi First Nation in accordance with the applicable consultation level agreed to by the Parties under section 1.10 on Operational Plans, Operational Decisions, and Administrative Decisions that may potentially adversely impact Xwémalhkwi First Nation's Aboriginal Interests within the Traditional Territory.
- 1.2 Xwémalhkwi First Nation agrees to fully participate with British Columbia and/or Licensees or licence proponents, as set out in this Agreement and in accordance with the applicable level of consultation to which the Parties have agreed under section 1.10, in information sharing and/or consultation regarding proposed Operational Decisions, Administrative Decisions, and Operational Plans dealing with forest and range development within the Traditional Territory.
- 1.3 In this Appendix, "First Annual List" means a list of Operational and Administrative Decisions and Operational Plans, which may require consultation during the First Fiscal Year of the Term or part thereof in which the Effective Date occurs, that is provided to the Xwémalhkwi First Nation by British Columbia in advance of the Parties entering into this Agreement.
- 1.4 Prior to entering into this Agreement, the Parties will agree on the applicable consultation levels for the decisions on the First Annual List, using the consultation levels described in section 1.10.
- 1.5 In this Appendix, "Annual List" means an annual list of Operational and Administrative Decisions and Operational Plans that may require consultation in a fiscal year of the Agreement in which those decisions are anticipated to be made, and that will be provided to the Xwémalhkwi First Nation by British Columbia before March 31st of each year after the First Fiscal Year of the Term.
- 1.6 For fiscal years subsequent to the First Fiscal Year of the term, the Parties will meet annually on or before March 31st, if required, to discuss the Annual List and, in the case of decisions and plans for which the Parties have not already agreed to a consultation level described in section 1.10 in a preceding fiscal year, the Parties will agree on the consultation levels that will be applicable to those Operational and Administrative Decisions and Operational Plans on the Annual List, in accordance with section 1.10.

- 1.7 When British Columbia becomes aware of proposed types of Operational or Administrative Decisions or Operational Plans not contained in the Annual List that will have effect within the Traditional Territory of Xwémalhkwu First Nation during the current fiscal year, British Columbia will notify the Xwémalhkwu First Nation of those new types of decisions or plans and the Parties will seek to agree on the consultation levels that will be applicable to those Operational and Administrative Decisions and Operational Plans, in accordance with section 1.10.
- 1.8 In reviewing and responding to an Operational Decision, Administrative Decision, or Operational Plan submitted to them, Xwémalhkwu First Nation will, unless otherwise agreed by the Parties, provide the party (i.e. British Columbia, a licensee or proponent) that supplied the proposed decision or plan to them, with all reasonably available information that will identify any potential impacts to their Aboriginal Interests that may occur as a result of proposed forest and/or range resource development activities pursuant to that Operational Decision, Administrative Decision or Operational Plan within the Traditional Territory.
- 1.9 If no response is received from Xwémalhkwu First Nation within the timeframe set out in section 1.10, then British Columbia may conclude that Xwémalhkwu First Nation does not intend to respond or participate in the consultation process in respect of the Operational or Administrative Decision or Operational Plan and that a decision may proceed.
- 1.10 The Parties agree to the following description and intent of the consultation levels:



Level	Description	Intent
1. Information Sharing	Proponent or tenure holder engages Xwémalhkwu First Nation during planning to provide opportunity to incorporate Aboriginal Interests prior to submitting plan/request to Decision Maker.	Proponent or tenure holder engages directly with Xwémalhkwu First Nation, and provides summary of communications to British Columbia.
2. Available on Request	Type of notification whereby British Columbia informs Xwémalhkwu First Nation they will not be sending out information.	Xwémalhkwu First Nation can request from British Columbia more detailed information about decisions made at this level.
3. Notification	Notify in writing Xwémalhkwu First Nation about an upcoming decision and provide overview information. Would be an opportunity for comment.	British Columbia provides Xwémalhkwu First Nation base level information and a short reasonable time (21-30 calendar day consultation period determined by the Parties) to comment. Limited follow-up...

Level	Description	Intent
4. Expedited Consultation Process	Where there is an imminent threat to a resource value (e.g. mountain pine beetle spread control) an expedited consultation process is undertaken.	Intense but short timeline (about 10 calendar days). A justification for shortening the period would be given by describing the imminent threat. May require a meeting.
5. Normal Consultation	Follow on “normal” track for consultation guided by up-to-date consultation policy. Meetings to resolve issues where possible and make decision in a timely manner.	Intent to follow this course in most circumstances. Usually a 30 – 60 calendar day consultation period. May involve meaningful discussion of accommodation options where appropriate. British Columbia will notify Xwémalhkwa First Nation of the final decision where requested by the Xwémalhkwa First Nation.
6. Deep Consultation	Use reasonable effort to inform in an accessible manner and to engage in full discussions around the proposed decision. Make reasonable efforts to accommodate where necessary. Preliminary assessments may indicate a significant aboriginal interest and a significant impact to that interest.	Would involve meaningful discussion of suitable accommodation options and interim solutions where appropriate. May require extended timelines. British Columbia will provide the Xwémalhkwa First Nation with the final decision and rationale in writing.

- 1.11 The Parties may agree to adjust the consultation levels for specific circumstances where detailed aboriginal interest information is shared that would suggest a different consultation level.
- 1.12 Xwémalhkwa First Nation agrees that the province is not obligated, unless requested by the Xwémalhkwa First Nation, to inform the Xwémalhkwa First Nation of the Delegated Decision Maker's decision for decisions on which the consultation level has been level three (3) or lower.
- 1.13 If the Parties cannot agree upon which consultation level in section 1.10 should apply to a particular or any Operational or Administrative Decision or Operational Plan, then British Columbia will consult with Xwémalhkwa First Nation on the basis of British Columbia's consultation procedures in effect at the time as well as the applicable case law respecting consultation obligations.

FCRSA Annual List of Decisions As per Section 1.3 - Homalco First Nation					
Decision	Decision Type	Delegated Decision Maker ¹	Consultation Level	Consultation Period	Comments
Allowable Annual Cut at the Timber Supply Area					
Timber supply reviews for AAC Cut (AAC) determination	Admin	Chief Forester	5	24 months total several 60-day consultations	Multiple 60 day processes at discreet intervals over 24 month period
AAC apportionment (disposition)	Admin	Minister FLNRO	5	60 days	
Innovative Forestry Practices AAC	Admin	Regional Executive Director	5	60 days	
Community Forest Agreements (CFA)					
Timber supply reviews for AAC determination	Admin	Regional Executive Director	5	60 days	
Issue CFA	Admin	RED/DM	5	60 days	
CFA management plan approvals	Admin	Regional Executive Director	5	60 days	
CFA management plan amendments	Admin	Regional Executive Director	3	30 days	
Probationary CFA transition into a CFA	Admin	Regional Executive Director	3	30 days	
Boundary/Area amendment	Admin	Regional Executive Director (legislation indicates DM or RED but currently it is the RED)	5	30 days	
CFA Replacement	Admin	RED/DM	3-5	30-60 days	
Cutting Permits and Road Permits (under various forest tenures other than Woodlots)					
Cutting permit (CP) issuance	Operational	District Manager	1-5	0-60 days	Supplemental consultation by FLNR (above level 1) may occur based on the outcome of licensee-led information sharing.
Road permit (RP) issuance	Operational	District Manager	1-5	0-60 days	Supplemental consultation by FLNR (above level 1) may occur based on the outcome of licensee lead information sharing.
CP/RP minor amendments	Operational	District Manager	1-2	0-30 days	Generally no consultation obligations with these minor amendments. Licensee led information sharing in exceptional situations according to the nature/significance of the amendment as per the consultation procedures.
Establishing or Amending Community Watersheds					
Community Watersheds	Admin	Regional Executive Director	5	60 days	
Forest Licence (FL)					
AAC Designation	Admin	Regional Executive Director	5-6	60 days	
Licence transfer	Admin	Minister FLNRO	3	30 days	
Section 18 transfers of AAC between TSA's	Admin	Regional Executive Director	5	60 days	
Innovative Forest Practises Agreements	Admin	Regional Executive Director	3-5	1-6 months	

Issuance of Forest Licence/ Non-replaceable FL (NRFL)	Admin	Regional Executive Director	5	60 days	
Extension of Forest licence/Non-replaceable forest licence (NRFL)	Admin	Regional Executive Director	3	30 days	
FL consolidation, and subdivision	Admin	Regional Executive Director	3	30 days	
FL replacement	Admin	Regional Executive Director	3	30 days	
Exemptions from cut control limits for forest health	Admin	Regional Executive Director	3	30 days	
Forestry Licence to Cut (FLTC)					
Forestry licence to cut issuance or extension	Operational	Regional Executive Director	3	30 days	
Licence transfer	Admin	Regional Executive Director	3	30 days	
Minor Forestry Licence to Cut issuance (minor cutting, small scale salvage, recreation sites and trails)	Operational	District Manager and Regional Executive Director	2	n/a	Less than 50 m ³
Small and intermediate scale Salvage permit (i.e. commercial operators seeking cedar), and FLTC Extensions	Operational	District Manager	3	21-30 days	50 m ³ to 2000 m ³ (the upper limit may increase to 5000 m ³ if the licence is awarded as a result of a competitive process.
Community wildfire protection. (FLTC) Non-emergency licence to cut for wildfire prevention	Operational	Regional Executive Director	3	21 days	
Forestry licence to cut issuance by BC Timber Sales	Operational	Timber Sales Manager	1-5	30-60 days	Consultation typically done at the operational plan stage (block and road planning).
First Nation Woodland Licence (FNWL)					
Issue FNWL through treaty or interim measures agreement	Admin	Regional Executive Director	3-5	30-60 days	
FNWL Replacement	Admin	RED/DM	3	30 days	
Approval of management plan and AAC	Admin	RED	5	60 days	
Area/boundary changes	Admin	RED/DM	5	60 days	
Management Plan amendments including AAC amendments	Admin	RED/DM	3	30 days	
Forest Investment Account (FIA) Stewardship					
Sustainable forest management planning; management unit and watershed level strategies/plans; resource inventories; monitoring; decision support; recreation, etc. Intended to improve the economic and ecological stability of the forest land base	Operational	District Manager	1-5	Variable	Consultation is proponent driven as per FIA program guidelines 2010.

Stand Treatments to meet timber objectives	Operational	District Manager	1-5	Variable	Consultation proponent driven as per FIA program guidelines
Free Use Permits					
Free Use Permits for First Nations' traditional and cultural activities	Operational	District Manager	1	n/a	Applicant driven information sharing with overlapping First Nations where required.
Government Actions Regulation Orders (GARS)					
Generally GARS serve to protect lands from development (i.e. Visual quality objectives, wildlife habitat areas/ measures, etc)	Admin	District Manager	3	30 days	Consultation level set at notification.
Higher Level Plan Orders					
Higher level plan orders	Admin	Regional Executive Director	5	60 days	
Land Act					
Issue new <i>Land Act</i> Tenure over previously un-impacted site/submerged land generally related to forestry activities. Examples may include dryland sort and foreshore lease tenures	Admin	Minister Forests, Lands and Natural Resource Operations or designate	5	60 days	The intent, wherever possible, is to consult at the (larger) "project" level.
<i>Land Act</i> tenure amendments, extensions and replacements related to forestry activities. Examples may include dryland sort and foreshore lease tenures	Admin	Minister Forests, Lands and Natural Resource Operations or designate	3	30 days	
Misc. Forest Tenure					
Authority to harvest timber by Crown agents. (<i>Forest Act</i> Sec 52) May be used FSR realignments, heli pad clearing for BCTS, research branch destructive sampling, and parks staff	Operational	District Manager and Timber Sales Manager	2	n/a	
Christmas Tree Management Plan approval	Operational	District Manager	1	0 days	Proponent information sharing subject to District Manager's discretion.
Christmas Tree Permit (CTP) to grow and/or harvest Christmas trees on Crown land, and CTP Re-Issuance Often in association with compatible land use such as BC Hydro power line right of ways	Operational	District Manager	2	n/a	Notify of decision. Consultation in rare cases, subject to District Manager's discretion.

Occupant Licence to Cut (OLTC) (Associated with Land Act Tenures)					
OLTC issuance. Tree removal required for new infrastructure/facilities/installations. Typically consulted on in association with the "project" and/or the Land Act tenures	Operational	District Manager	2 or 3	0 – 30 days	In cases where consultation has not occurred, consultation will occur subject to the District Manager's discretion.
Old Growth Management Areas (OGMA)					
Deletions, major amendment or establishment of OGMA. OGMA's serve to protect existing old growth stands from harvest or alternatively serve to recruit old growth from younger stands	Admin	District Manager	3	30 days	
Minor amendment of an OGMA	Admin	District Manager	2	n/a	Notify of decision.
Range					
New range tenure (re-issuance of relinquished tenure or no previous tenure)	Admin	District Manager	5	60 days	
Range tenure replacement	Admin	Minister FLNRO	3	60 days	
Range tenure major amendments, boundary change	Admin	District Manager	5	60 days	
Range tenure transfer	Admin	N/A	N/A		Advisory upon occurrence; tenure holder process
Grazing lease replacement	Admin	Minister	3	30 days	
1 Year grazing permit issuance	Admin	District Manager	5	60 days	
Animal Unit Month (AUM) adjustment	Admin	District Manager	3	30 days	Major adjustment to AUM only
Range use plan (RUP) or stewardship plan issuance	Operational	District Manager	5	60 days	
Range use plan or range stewardship plan extensions	Operational	District Manager	3	30 days	
RUP amendments (major)	Operational	District Manager	3	30 days	
Range developments not in RUP (large scale)	Operational	District Manager	5	60 days	
Range developments not in RUP (small scale)	Operational	District Manager	3	30 days	
Pest Management Plan	Operational	Regional Executive Director	1,5	60 days	Plan prepared at Branch/regional level
Road Use Permit (RUP) Issuance					
RUP over existing FSRs (Forest Service Roads) for industrial use or maintenance	Admin	District Manager	2	N/A	Permits set out maintenance agreement and costs sharing protocols.

Recreation Sites and Trails (RST)					
The establishment of new interpretive forest sites, recreation sites and recreation trails and their objectives. (Section 56 FRPA)	Admin	Sites and Trails BC Assistant Deputy Minister	3	30 days	
Dis-establish recreation sites and trails	Admin	Sites and Trails BC Assistant Deputy Minister	2	n/a	
Authorize trail construction (Section 57 FRPA)	Admin	Sites and Trails BC Regional Manager/ District Recreation Officer	3	30 days	
Protection of recreation resources on Crown land (Section 58 FRPA) - Protect a recreation resource or to manage public recreation use.	Admin	Sites and Trails BC Regional Manager	1-2	0-30 days	
Special Use Permits (SUP)					
Issue new permit over previously un-impacted site. Examples may include logging camps, log sorts, and log dumps	Operational	District Manager	5	60 days	The intent, wherever possible, is to consult at the (larger) "project" level, if applicable.
SUP amendment/ replacement/ issuance over previously developed site. Examples may include logging camps, log sorts, and log dumps	Admin	District Manager	3	30 days	
Tree Farm Licence (TFL)					
Timber supply reviews for AAC Cut determination	Admin	Chief Forester	5	24 months total several 60 day consultation	Multiple 60 day processes at discreet intervals over 24 month period
Management plan approval AAC determination	Admin	Deputy Chief Forester	5	60 days	
Deletion of Private land	Admin	Minister FLNRO	5	60 days	
Deletion of Crown land	Admin	Minister FLNRO	5	60 days	
TFL consolidation, and subdivision	Admin	Minister FLNRO	3	30 days	
TFL replacement	Admin	Minister FLNRO	3-5	30-60 days	
Licence transfer	Admin	Minister FLNRO	3	30 days	
Timber Licence (TL)					
Licence transfer	Admin	Minister	3	30 days	
TL consolidation	Admin	Minister	3	30 days	
Extension	Admin	Regional Executive Director	3	30 days	
Exemptions from cut control limits for forest health TL	Admin	Regional Executive Director	3	30 days	
Misc./other TL decisions	Admin	Various	3	30 days	e.g.; deletion of areas upon completion of harvest.
Woodlot Licence (WL)					
Establishment and advertising of WL area	Admin	District Manager	5	60 days	

Exemptions from cut control limits for forest health	Admin	Regional Executive Director	3	30 days	
Approve Management Plan and Issue WL	Admin	District Manager	5	60 days	
Timber supply reviews for AAC determination	Admin	District Manager	5	60 days	
WL Plan approvals	Admin	District Manager	5	60 days	
WL Plan amendments	Admin	District Manager	3	30 days	
Deletion of and Removal of Private land or WL boundary amendments	Admin	Minister, Regional Executive Director or DM	5	60 days	
WL boundary minor amendments	Admin	District Manager	3	30 days	
Consolidation of 2 woodlot licenses	Admin	Regional Executive Director	3	30 days	
Replacement of a woodlot license	Admin	Regional Executive Director	3	30 days	
Licence transfer	Admin	Regional Executive Director	3	30 days	
Cutting permit (CP) issuance	Operational	District Manager	1-5	0-60 days	Consultation is typically done at Woodlot Licence Plan scale. Block/Road specific consultation is generally not undertaken unless supplemental consultation by FLNR (above level 1) is required based on results of Licensee information sharing and/or MFLNRO Consultation.
Road permit (RP) issuance	Operational	District Manager	1-5	0-60 days	Consultation is typically done at Woodlot Licence Plan scale. Block/Road specific consultation is generally not undertaken unless supplemental consultation by FLNR (above level 1) is required based on results of Licensee information sharing and/or MFLNRO Consultation.
CP/RP minor amendments	Operational	District Manager	1-2	0-30 days	Generally no consultation obligations with these minor amendments. Licensee led information sharing in exceptional situations according to the nature/significance of the amendment as per the consultation procedures.
BC Timber Sales TSL/RP					
BC Timber Sales (BCTS) Timber Sales Licences and Road Permits	Operational	Timber Sales Manager	5	30-60 days	Consultation is done at the Operational Plan Review stage prior to Timber Sale Licence and Road Permit Issuance. Supplementary consultation is done when required as per the consultation procedures.
TFL/FL/CFA/WL/ FNWL/TL					
Forest Stewardship Plan (FSP) /Woodlot Licence Plan (WLP) review and approval, including major amendments to FSP	Operational	District Manager	5	60 days	
FSP and WLP extensions	Operational	District Manager	3	30 days	

APPENDIX C

Revenue Sharing Contribution Methodology

Traditional Territory Forest Revenue Sharing Component

- 1.0 In each BC Fiscal Year that this Agreement is in effect, and subsequent to the release by the Minister of Finance of the previous BC Fiscal Year's public accounts of British Columbia, a summary document will be prepared of the Sunshine Coast District, Campbell River District, Chilcotin District, and South Island District's forest revenue, defined as the total of stumpage, waste and annual rent payments received by the Crown for the previous 2 BC Fiscal Years. An average amount over 2 years will be calculated for Sunshine Coast District, Campbell River District, Chilcotin District, and South Island District.
- 1.1 For the purposes of the summary document in section 1.0 of this Appendix, the stumpage payments from Xwémalhkwu First Nation's Forest License (if applicable) will not be included in the calculations of forest revenue.
- 1.2 The amount of the forest revenue attributed to the Xwémalhkwu First Nation's Traditional Territory will be calculated by determining the percent of Xwémalhkwu First Nation's Traditional Territory that falls within the Timber Harvesting Land Base in the Sunshine Coast District, Campbell River District, Chilcotin District, and South Island 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 Traditional Territory Forest Revenue Sharing Component will be calculated by multiplying 3 percent of the forest revenue attributed to the Xwémalhkwu First Nation as described in section 1.2 of this Appendix.
- 1.4 Where the calculation in section 1.3 of this Appendix is less than \$35,000, Xwémalhkwu First Nation will receive a maximum of \$35,000 to provide capacity to participate in the consultation process in accordance with section 4.0 of this Agreement.
- 1.5 For each BC Fiscal Year that this Agreement is in effect, the calculations outlined in sections 1.0 to 1.4 of this Appendix will be performed.

Direct Award Tenure Forest Revenue Sharing Component

- 2.0 Subsequent to the release by the Minister of Finance of the previous BC Fiscal Year's public accounts of British Columbia, a summary document will be prepared of Xwémalhkwu First Nation's Forest License (if applicable) forest revenue, defined as the total of stumpage payments received by the Crown for the previous BC Fiscal Year.
- 2.1 The Direct Award Forest Tenure Revenue Sharing Component will be calculated by multiplying 35 percent of the forest revenue as described in section 2.0 of this Appendix.

APPENDIX C

Revenue Sharing Contribution Methodology

Traditional Territory Forest Revenue Sharing Component

- 1.0 In each BC Fiscal Year that this Agreement is in effect, and subsequent to the release by the Minister of Finance of the previous BC Fiscal Year's public accounts of British Columbia, a summary document will be prepared of the Sunshine Coast District, Campbell River District, Chilcotin District, and South Island District's forest revenue, defined as the total of stumpage, waste and annual rent payments received by the Crown for the previous 2 BC Fiscal Years. An average amount over 2 years will be calculated for Sunshine Coast District, Campbell River District, Chilcotin District, and South Island District.
- 1.1 For the purposes of the summary document in section 1.0 of this Appendix, the stumpage payments from Xwémalhkwu First Nation's Forest License (if applicable) will not be included in the calculations of forest revenue.
- 1.2 The amount of the forest revenue attributed to the Xwémalhkwu First Nation's Traditional Territory will be calculated by determining the percent of Xwémalhkwu First Nation's Traditional Territory that falls within the Timber Harvesting Land Base in the Sunshine Coast District, Campbell River District, Chilcotin District, and South Island 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 Traditional Territory Forest Revenue Sharing Component will be calculated by multiplying 3 percent of the forest revenue attributed to the Xwémalhkwu First Nation as described in section 1.2 of this Appendix.
- 1.4 Where the calculation in section 1.3 of this Appendix is less than \$35,000, Xwémalhkwu First Nation will receive a maximum of \$35,000 to provide capacity to participate in the consultation process in accordance with section 4.0 of this Agreement.
- 1.5 For each BC Fiscal Year that this Agreement is in effect, the calculations outlined in sections 1.0 to 1.4 of this Appendix will be performed.

Direct Award Tenure Forest Revenue Sharing Component

- 2.0 Subsequent to the release by the Minister of Finance of the previous BC Fiscal Year's public accounts of British Columbia, a summary document will be prepared of Xwémalhkwu First Nation's Forest License (if applicable) forest revenue, defined as the total of stumpage payments received by the Crown for the previous BC Fiscal Year.
- 2.1 The Direct Award Forest Tenure Revenue Sharing Component will be calculated by multiplying 35 percent of the forest revenue as described in section 2.0 of this Appendix.

- 2.2 For each BC Fiscal Year that this Agreement is in effect, the calculations outlined in sections 2.0 and 2.1 of this Appendix will be performed.

Forest Revenue Sharing Transition

- 3.0 The Parties agree that a transition to revenue sharing based entirely on Forest Revenue will be phased in over the term of the Agreement.
- 3.1 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.
- 3.2 For each BC Fiscal Year 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 Xwémalhkwu First Nation in any given full year under the *Xwémalhkwu First Nation Interim Forest Agreement* ("the Annual Amount") and applying the following percentages to that Annual Amount:
- 3.2.1 2013/14 BC Fiscal Year: 50 percent;
 - 3.2.2 2014/15 BC Fiscal Year: 45 percent;
 - 3.2.3 2015/16 BC Fiscal Year: 40 percent; and
 - 3.2.4 2016/17 BC Fiscal Year: 0 percent.
- 3.3 Notwithstanding section 3.2 of this Appendix, if the Revenue Sharing Transition Calculation for BC Fiscal years 2014/15 and 2015/16 under section 3.1 provides:
- 1. an amount calculated under sections 1.2 and 2.1 of this Appendix that is equal to or greater than the annual payments received under the *Xwémalhkwu First Nation Interim Forest Agreement*, then the Xwémalhkwu First Nation shall only receive the annual payments described by the Revenue Sharing Transition Calculation in section 3.1 for BC Fiscal Years 2014/15 and 2015/16;
 - 2. an amount calculated under the Revenue Sharing Transition Calculations in sections 3.1 and 3.2 of this Appendix that is greater than the annual payments received under the *Xwémalhkwu First Nation Interim Forest Agreement*, then the Xwémalhkwu First Nation shall only receive an annual payment for BC fiscal Years 2014/15 and 2015/16 that is equal to the annual payment received under the *Xwémalhkwu First Nation Interim Forest Agreement*.

APPENDIX D

Band Council Resolution Appointing the Recipient Entity for this Agreement ("Designate")

APPENDIX E

Xwémalhkwa First Nation Statement of Community Priorities

(Example only)

Community Priority	Annual Amount			Specific Outcomes	Measurement Criteria
	2013/2014	2014/2015	2015/2016		

APPENDIX F

Xwémalhkwa First Nation Statement of Community Priorities

Annual Report

(Example only)

Community Priority	2013/2014 Planned Expenditures	2013/2014 Actual Expenditures	Outcomes Achieved	Variance Explanation