Mountain Pine Beetle Agreement

(the "Agreement")

Between:

Canoe Creek Indian Band

As represented by Chief and Council

and

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

s represented by the Minister of Forests and Range (the "Government of British Columbia")

(collectively the "Parties")

Whereas:

- The Canoe Creek Indian Band signed a Forest and Range Agreement/Opportunity Agreement (FRO) with the Government of British Columbia on March 30, 2006. This Agreement is a short-term additional forestry economic opportunity and does not supersede or alter the FRO.
- Mountain pine beetle allowable annual cut increases in the Williams Lake Timber Supply Area have lead to increased harvesting activity and potential impacts on Canoe Creek Indian Band aboriginal rights and/or title.
- The Government of British Columbia wishes to support economic opportunities for the Canoe Creek Indian Band.

Purpose

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

Therefore the Parties agree as follows.

2. After execution of this Agreement by the Parties, the Minister of Forests and Range (the "Minister") will invite the Canoe Creek Indian Band to apply for a non-replaceable forest licence (the Licence) under Section 47.3 of the *Forest Act* to harvest a total of up to 390 000 cubic meters of beetle infested timber over a ten (10)

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- year term within the traditional territory of the Canoe Creek Indian Band as identified in black bold in Appendix A in the Williams Lake Timber Supply Area.
- 3. If the intended holder of the licence(s) is a legal entity other than the Canoe Creek Indian Band, this Agreement must include supporting documentation as specified in Appendix B stating that the intended holder has been validly appointed by the Canoe Creek Indian Band as its representative.
- 4. If during the term of this Agreement, a further mountain pine beetle temporary volume allowable annual cut increase becomes available in the Williams Lake Timber Supply Area, the Parties agree to explore further tenure opportunities in this Timber Supply Area, in accordance with Section 47.3 of the *Forest Act*.
- 5. The invitation will be subject to a condition that prior to making an application for the Licence, the Canoe Creek Indian Band will contact the Ministry of Forests and Range and the Parties will work co-operatively to identify an operating area within the traditional territory of the Canoe Creek Indian Band.
- 6. The Licence(s) entered into as a result of the invitation to apply under this Agreement will:
 - a. be for a term of no longer than ten (10) years as determined by the Minister;
 - b. contain other terms and conditions required by law, including the condition that the Canoe Creek Indian Band must comply with this Agreement and with the FRO;
 - c. include a term that Canoe Creek Indian Band may not dispose of the Licence except in accordance with the *Forest Act*; and
 - d. include other terms and conditions as may be required by the Regional Manager.
- 7. An invitation to apply for a non-replaceable forest licence entered into as a result of the invitation to apply under this Agreement may be consolidated with other non-replaceable forest licenses in accordance with Section 19(3)(a) of the *Forest Act*.

Consultation

- 8. The Parties agree to participate in consultation regarding forestry operational plans and administrative decisions pertaining to increases and/or potential increases in harvest levels to address the mountain pine beetle epidemic in the Williams Lake Timber Supply Area, as set out in Section 4.0 of the Canoe Creek Indian Band FRO.
- 9. Consultation will be on a 'Government to Government' basis between the Canoe Creek Indian Band and the Ministry of Forests and Range.
- 10. During the term of this Agreement, and subject to the terms and intent of this Agreement being met and adhered to by the Government of British Columbia, the Canoe Creek Indian Band agrees that the Government of British Columbia will have provided an accommodation, with respect to the economic component of potential infringements of the Canoe Creek Indian Band aboriginal title and/or rights resulting from operational plans and administrative decisions pertaining to increases in harvest levels to address the mountain pine beetle epidemic in the Williams Lake Timber Supply Area, as an interim measure.

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Dispute Resolution

11. If a dispute arises between the Government of British Columbia and the Canoe Creek Indian Band regarding the interpretation of a provision of this Agreement, the Parties will follow the dispute resolution process set out in section 5.0 of the Canoe Creek Indian Band FRO.

Amendments

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

Term

- 14. This Agreement will take effect on the date on which the last Party has executed it.
- 15. This Agreement will terminate on the occurrence of the earliest of any of the following events:
 - a. ten (10) years from the date this Agreement is executed; or
 - b. the mutual agreement of the Parties, or
 - c. upon 90 days written notice by either of the Parties.
- 16. If the FRO is terminated, the consultation processes that were set out in Section 4.0 of that agreement are incorporated by reference into this Agreement and will continue to be followed by the Parties for the term and for the purposes of this Agreement.
- 17. The Government of British Columbia will not terminate this Agreement on the grounds that the Canoe Creek Indian Band has challenged an Administrative or Operational Decision by way of legal proceedings.

Notice

18. All of the provisions set out in the Notice Section of the FRO apply to this Agreement.

Miscellaneous

- 19. All of the provisions set out in the Miscellaneous Section of the FRO apply to this Agreement.
- 20. This agreement is not treaty or land claims agreement with the meaning of section 25 or 35 of the Constitution Act, 1982 and does not define or amend aboriginal rights,

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Canoe Creek Indian Band: Chef Hittary (Hank) Adams Councillor Sandra Archie Councillor Michael (Ike) Boston Witness Date: MAY 1 3 2008

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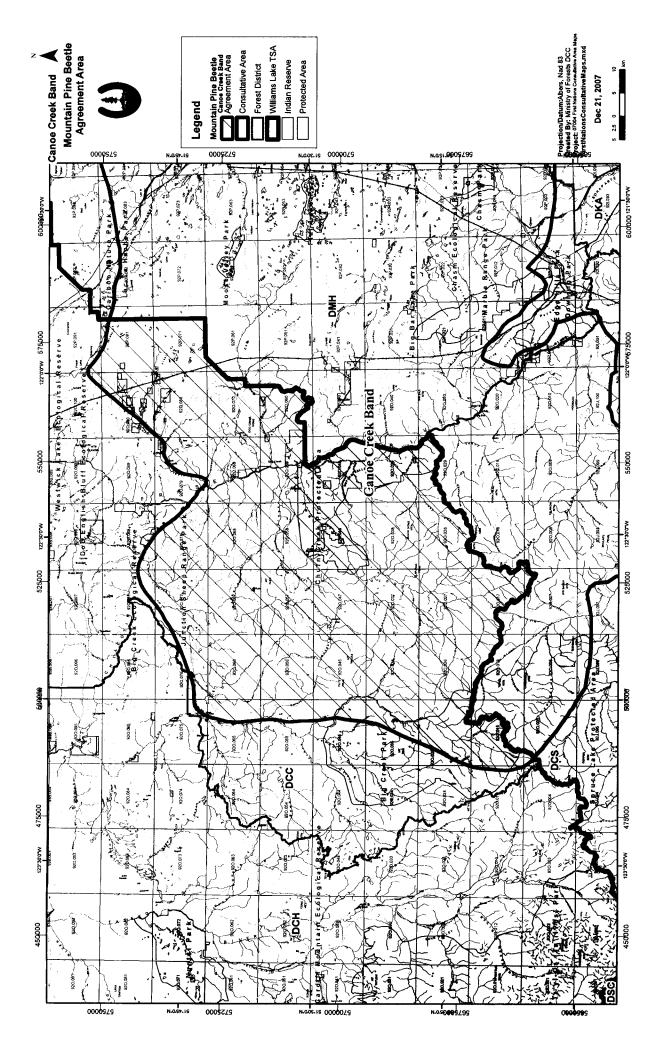
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Honourable Rich Coleman Minister of Forests and Range

APPENDIX A - MAP OF CANOE CREEK FIRST NATION TRADITIONAL AREA

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APPENDIX B: (optional)

Description and Documentation pertaining to the Intended Holder of the Licence

Please complete Part A or B, whichever is appropriate, and attach appropriate documentation:

A) Applicant for the licence:

<u>OR</u>

B) Stswecem'c Xgat'tem Development Limited Partnership

- (i) Copy attached of legal instrument (letter) authorizing that legal entity to be their representative;
- (ii) Copy attached of the ownership structure of the legal entity (the intended holder of the licence).

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