

**Moricetown Band Forest Range Agreement
(the "Agreement")**

**Between:
The Moricetown Band**

As represented by
Chief Warner William
("Moricetown Band")

And

**Her Majesty the Queen in Right of the Province of British Columbia
As represented by the Minister of Forests
(the "Government of British Columbia")**

(collectively the "Parties")

Whereas:

- Moricetown Band has Aboriginal Interests within its asserted Geographic Area.
- The Parties wish to enter into an interim measures agreement in relation to forest development and related economic benefits arising from this development within the asserted Geographic Area.
- The Government of British Columbia intends to fulfil any responsibility it has to consult and to seek workable accommodation with Moricetown Band on forest and range resource development activities proposed within the Moricetown Band asserted Geographic Area that may lead to the infringement of Moricetown Band Aboriginal Interests.
- Moricetown Band has a responsibility to participate in any consultation initiated by the Government of British Columbia or a Licensee, in relation to forest and range resource development activities proposed within the Moricetown Band asserted Geographic Area that may lead to an infringement of Moricetown Band Aboriginal Interests.
- The Parties have an interest in seeking workable interim accommodation of Moricetown Band Aboriginal Interests where forest and range development activities are proposed within the Moricetown Band asserted Geographic Area that may lead to the infringement of Moricetown Band Aboriginal Interests.

- The Government of British Columbia and Moricetown Band wish to resolve issues relating to forest and range resource development where possible through negotiation as opposed to litigation.

Therefore the Parties agree as follows:

1.0 Definitions

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

"Aboriginal Interests" means asserted and /or proven aboriginal rights or aboriginal title. Proven aboriginal rights are those aboriginal rights and/or title the nature, scope and geographic application of which have been finally determined by a court.

"Administrative Decision" means one or more of the following decisions made by a person under the *Forest Act*.

- decisions that set or vary Allowable Annual Cut (AAC) for a Timber Supply Area or a Forest Tenure;
- the issuance, subdivision or amendment of a Forest Tenure;
- the replacement of Forest Tenures;
- the transfer or change of control of Forest Tenures, including any associated reductions in AAC with respect to Forest Tenures, and exchange of rights between or among tenure holders;
- the disposition of timber volumes arising from undercut decisions on a Forest Tenure;
- AAC apportionment and reallocation decisions;
- Timber Sale Licence and Timber Licence conversion to other forms of tenure and Timber Licence term extensions; and,
- the reallocation of harvesting rights as a result of the implementation of the *Forestry Revitalization Act*.

"Allowable Annual Cut": The allowable rate of timber harvest from a specified area of land. The chief forester sets the AAC's for timber supply areas and tree farm licences in accordance with section 8 of the *Forest Act*.

"Forest Development Plan" means an operational plan guided by the principles of integrated resource management (the consideration of timber and non timber values), which details the logistics of timber development over a period of usually five years. Methods, schedules, and responsibilities for accessing, harvesting, renewing, and protecting the resource are set out to enable site-specific operations to proceed.

"Forest Stewardship Plan" means the forest stewardship plan as defined under the *Forest and Range Practices Act*.

"Forest Tenure" means an agreement entered into under the *Forest Act*.

"Geographic Area" of the Moricetown Band means the area outlined in bold black in Appendix "A"

"Licensee" means a holder of a Forest Tenure.

"Moricetown Band Forest Range Agreement" means an interim measures agreement under section 47 of the *Forest Act*.

"Operational Decision" means a decision that is made by a person with respect to the statutory approval of a Forest Development Plan, a Forest Stewardship Plan, or a Woodlot License Plan that has an effect in Moricetown Band asserted Geographic Area.

"Operational Plan" means a Forest Development Plan, Forest Stewardship Plan, Woodlot License Plan, a Range Use Plan or a Range Stewardship Plan that has an effect in Moricetown Band asserted Geographic Area.

"Response Period" means a period of 60 days from initiation of the processes set out in Sections 4 and 5 of this Agreement, where the initiation date is the date on which Moricetown Band is notified of an Administrative Decision or Timber Supply Review process, or in the case of Operation Plan reviews, the date on which Moricetown Band receives the plan to be reviewed. Where an emergency operation arises and/or expedited salvage has to occur, the Response Period will be shortened accordingly, but will not be less than the time period for advertising Operational Plans for those operations.

"Timber Supply Review" means a timber supply review undertaken under provision of Section 8 of the *Forest Act*.

2.0 Purpose

The purpose of this Agreement is to:

- 2.1 Provide Moricetown Band opportunity for participation in the forest sector.
- 2.2 Provide economic benefits to Moricetown Band through a Forest Tenure opportunity and/or the sharing of revenues received by the Government of British Columbia from forest resource development.
- 2.3 Address consultation and to provide an interim workable accommodation, as set out in this Agreement, with regard to any infringements of Moricetown Band Aboriginal Interests that result from Administrative Decisions and/or Operational Decisions relating

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to forest resource development within the Moricetown Band Geographic Area, during the term of this Agreement.

- 2.4 Provide a period of stability to forest resource development on Crown lands within the Moricetown Band Geographic Area during the term of this Agreement, while longer term interests are addressed through other agreements or processes.

3.0 Economic Benefits to Moricetown Band

During the term of this Agreement, the Government of British Columbia will adopt the consultation processes set out in sections 4 and 5 of this Agreement. The Government of British Columbia will provide one or more of the following economic benefits to Moricetown Band to address consultation and to provide an interim workable accommodation, as set out in this Agreement, in respect of any infringements of Moricetown Band Aboriginal Interests that result from Administrative Decisions and/or Operational Decisions relating to forest and range resource development within Moricetown Band Geographic Area.

3.1 Forest Tenure

- 3.1.1 After execution of this Agreement by the Parties, the Minister of Forests will invite the Moricetown Band to apply for a non-replaceable licence in accordance with Section 47.3 of the *Forest Act* for available volume of 41 126 cubic meters annually in the Lakes, Morice and/or Bulkley Timber Supply Area.
- 3.1.2 After the execution of this agreement by the Parties and after the Minister has determined that sufficient volume of timber is available for disposition to Moricetown Band as a result of the implementation of the *Forestry Revitalization Act*, as well as considering whether there exists any additional economic opportunities, the Minister will invite Moricetown Band to apply under section 47.3 of the *Forest Act* for a non-replaceable licence(s) (the "licence") for 51 407 cubic meters annually in the Lakes, Morice and/or Bulkley Timber Supply Area.
- 3.1.3 For greater certainty, the maximum volume that may be available under the licences referred to in Section 3.1 and 3.2 will be 92 533 cubic meters annually over 5 years.
- 3.1.4 An invitation to apply for a license (an invitation) and any license entered into as a result of an invitation will be subject to the policies, regulations and statutes of British Columbia as

amended from time to time.

3.1.5 An invitation:

3.1.5.1 will be subject to a condition that prior to Moricetown Band making an application for the licence, the Moricetown Band must contact and work together with Ministry of Forests personnel to assist the Ministry to identify the location of an operating area for the licence, which to the extent that it is operationally feasible will be within the Geographic Area; and

3.1.5.2 will contain terms and conditions required by the Minister as part of its application for the licence.

3.1.6 A licence entered into as a result of an invitation:

3.1.6.1 will be for a term of no longer than 5 years, as determined by the Ministry of Forests;

3.1.6.2 will contain other terms and conditions required by law, including the condition that Moricetown Band must comply with this Agreement; and,

3.1.6.3 will include other terms and conditions as may be required by the Regional Executive Director including a term that Moricetown Band may not divide, subdivide, transfer, or otherwise dispose of the licence or an interest in the licence.

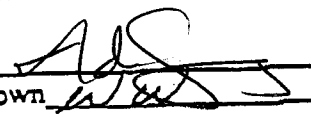
3.1.7 If the term of the licence entered into as a result of an invitation to apply under this Agreement exceeds the term of this Agreement, then that licence may be referenced in and considered to be an economic benefit that addresses consultation and provides an interim workable accommodation in respect of any infringement of Moricetown Band Aboriginal Interests, in any subsequent Forest Agreement between Moricetown Band and the Government of British Columbia, for the purposes described in Section 3.0.

3.1.8 Subject to:

3.1.8.1 the Government of British Columbia and Moricetown Band entering into another interim measures

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agreement providing for an invitation to apply for a licence; and,

3.1.8.2 the Minister determining that there is sufficient volume of timber available for disposition to Moricetown Band,

the Minister may invite Moricetown Band to apply for a subsequent licence under the *Forest Act* for a term that would commence after the expiry of this Agreement.

3.1.9 The Government of British Columbia and the Moricetown Band will meet from time to time to review other potential forestry business opportunities that may be available to the Moricetown Band.

3.2 Revenue Sharing

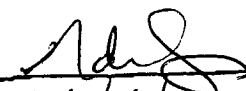

3.2.1 During the term of this Agreement, the Government of British Columbia will pay to Moricetown Band \$856,786.00 annually for purposes described in Section 3.0 on a quarterly basis.

3.2.2 The funding commitment set out in section 3.2.1 is subject to the availability of annual appropriations for that purpose by the Government of British Columbia. The Government of British Columbia acknowledges it has an appropriation for \$15 million for fiscal 2003/2004, \$30 million in 2004/2005, \$40 million in 2005/2006 and \$50 million in 2006/2007 to fund revenue sharing commitments through Forest and Range Agreements with eligible First Nations throughout the Province.

3.2.3 For the purposes of determining amounts for partial years, one-fourth (i.e. $\frac{1}{4}$ or \$ 214 196.50) of the annual amount will be used for each fiscal quarter or part thereof that the Agreement is in effect. Payments will be made quarterly.

3.2.4 Upon signing of this Agreement, the Moricetown Band will be paid the full revenues for the quarter in which the Agreement is signed, with subsequent payments being made at the end of each quarter.

3.2.5 Moricetown Band will maintain financial records and prepare financial statements in accordance with generally accepted accounting principles for each year of this Agreement.

3.2.6 Upon request, Moricetown Band will provide to the Government of British Columbia an audited statement of the revenues it receives through this Agreement.

4.0 Consultation and Accommodation Regarding Operational Plans

- 4.1 The Government of British Columbia agrees to consult with Moricetown Band on Operational Plans that may potentially infringe Moricetown Band Aboriginal Interests within the Geographic Area, except for any economic component of those Interests or rights that the Parties agree are addressed by the economic benefits provided for under Section 3.0 of this Agreement.
- 4.2 During the term of this Agreement, Moricetown Band agrees that the Government of British Columbia has fulfilled its duties to consult and to seek interim workable accommodation with respect to the economic component of potential infringements of Moricetown Band Aboriginal Interests in the context of Operational Decisions that the Government of British Columbia will make and any forest or range practices development activities that may be carried out under an Operational Plan in Moricetown Band Geographic Area.
- 4.3 Moricetown Band agrees to fully participate, as set out in this section, in the review of all Operational Plans dealing with forest or range development within the Geographic Area provided to them by the Government of British Columbia, and by Licensees.
- 4.4 In reviewing and responding to an Operational Plan submitted to them, Moricetown Band will, within the Response Period, provide the Party that supplied the plan to them with all reasonably available information that will identify any potential impacts to their Aboriginal Interests that may result from the forestry or range development activities within the Geographic Area, other than the economic component of those Interests or rights that the Parties agree are addressed by the economic benefits provided for under Section 3.0.
- 4.5 Upon receiving the response from Moricetown Band as specified in Section 4.4, the Government of British Columbia and/or the Licensee will discuss and attempt to resolve with Moricetown Band any site specific operational impacts on Moricetown Band Aboriginal Interests that may occur as a result of proposed forest or range development activities within the Geographic Area, other than the economic component of those Aboriginal Interests that the Parties agree are addressed by the economic benefits provided for under Section 3.0.
- 4.6 If no response is received from Moricetown Band within the Response Period, then the Government of British Columbia may assume that Moricetown Band does not intend to respond or

participate in the consultation process in respect of the Operational Plan and that a decision on the Operational Plan may proceed.

4.7 In making a final decision on an Operational Plan, the Government of British Columbia will fully consider information it receives from Moricetown Band, whether received directly or through a Licensee, and will consider whether concerns identified by Moricetown Band have been addressed.

5.0 Consultation and Accommodation Respecting Administrative Decisions

5.1 The Government of British Columbia will provide to Moricetown Band on an annual basis a list of all proposed Administrative Decisions anticipated within the year that will have an effect in the Geographic Area, and either upon the request of Moricetown Band or when the Government of British Columbia becomes aware of other proposed Administrative Decisions, will provide to Moricetown Band an updated list.

5.2 The Government of British Columbia will meet with Moricetown Band at mutually agreed times throughout the year to provide an opportunity for Moricetown Band to make known to representatives of the Government of British Columbia their concerns and comments relative to the effect of the Administrative Decision(s) on their Aboriginal Interests within the Geographic Area.

5.3 The Government of British Columbia will include Moricetown Band in public Timber Supply Review processes that will lead to AAC determinations made pursuant to Section 8 of the Forest Act for the Lakes, Morice and Bulkeley Timber Supply Areas.

5.4 Moricetown Band agrees to fully participate, within the Response Period, in public Timber Supply Review processes by providing all reasonably available information about their Aboriginal Interests within the Geographic Area potentially affected by AAC determinations to be made pursuant to Section 8 of the Forest Act.

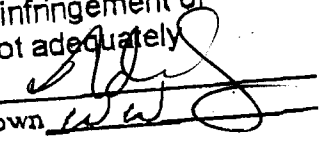
5.5 The Parties acknowledge that the public Timber Supply Review processes will be consistent with approved land use plans when higher-level objectives have been established.

5.6 If after considering the concerns and comments of Moricetown Band, the statutory decision maker is of the opinion that an Administrative Decision creates a potential infringement of Moricetown Band Aboriginal Interests that is not adequately

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addressed by the economic benefits provided by the Government of British Columbia in Section 3.0, the statutory decision maker will seek to address the concerns and comments in the Administrative Decision or through the process in Section 4.0 of this Agreement.

5.7 The Government of British Columbia will provide a response in a timely manner to Moricetown Band as to how their concerns raised in Section 5.2 have been sought to be addressed.

5.8 Moricetown Band agrees that in consideration of the economic benefits provided by the Government of British Columbia in Section 3.0 and adherence to the consultation processes in Sections 4.0 and 5.0 of this Agreement, the Government of British Columbia has fulfilled its duties to consult and to seek an interim workable accommodation with respect to the economic component of potential infringements of Moricetown Band Aboriginal Interests resulting from Administrative Decisions made by statutory decision makers from time to time during the term of this Agreement.

5.9 Moricetown Band further agrees that, in consideration of Sections 5.1 to 5.7 of this Agreement, the Government of British Columbia has, for the purposes of this Agreement, developed an adequate consultation and interim workable accommodation process with respect to potential infringements of their Aboriginal Interests resulting from Administrative Decisions made by statutory decision makers from time to time during the term of this Agreement that may go beyond the economic component of Moricetown Band Aboriginal Interests.

6.0 Stability for Land and Resource Use

6.1 Moricetown Band will respond immediately to any discussions initiated by the Government of British Columbia and will work co-operatively to assist in resolving any issues that may arise where acts of intentional interference by Moricetown Band members with provincially authorized activities related to forestry and range resource development including timber harvesting or other forestry economic activities occur.

7.0 Dispute Resolution

7.1 If a dispute arises between the Government of British Columbia and Moricetown Band regarding the interpretation of a provision of this Agreement, the Parties or their duly appointed representatives will meet as soon as is practicable to attempt to resolve the dispute.

7.2 If the Parties are unable to resolve differences at the appropriate level, the interpretation issue will be raised to more senior levels of the Government of British Columbia and Moricetown Band.

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7.3 The Parties may choose other appropriate approaches to assist in reaching resolution of the interpretation issue.

8.0 Term

8.1 This Agreement will take effect on the date on which the last Party has executed it.

8.2 This Agreement will terminate on the occurrence of the earliest of any of the following events:

8.2.1 five years from the date this Agreement is executed; or

8.2.2 the coming into effect of a treaty between the Parties; or,

8.2.3 the mutual agreement of the Parties;

8.2.4 the date on which the Government of British Columbia cancels the economic benefit(s) under this Agreement pursuant to Section 9.0; or

8.2.5 written notice of withdraw to the Agreement by either Party which will take effect 90 days following receipt of the notice by the other Party.

8.3 If this agreement is terminated by Moricetown Band in accordance with Section 8.2.5, the Minister may terminate the economic benefits under this Agreement.

9.0 Suspension or Cancellation of Economic Benefits by the Minister

9.1 Without limiting the actions that may be taken by the Minister of Forests or by the Government of British Columbia, the Minister or a person authorized by the Minister may suspend or cancel revenue sharing payments and the licence(s) entered into as a result of the invitation under this Agreement, if the Minister or a person authorized by the Minister determines that Moricetown Band is not in compliance with this Agreement.

9.2 Prior to taking any action referred to in Section 9.1, the Government of British Columbia will provide notice to Moricetown Band of any alleged contravention of this Agreement that may lead Moricetown Band being determined to not be in compliance with this Agreement.

9.3 If, during the term of this Agreement, Moricetown Band challenges or supports a challenge to, an Administrative Decision and/or Operational Decision or an Operational Plan or activities carried out

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pursuant to those decisions/plans, by way of legal proceedings or otherwise, on the basis that the economic benefits set out in Section 3.0, and the consultation processes set out in Sections 4.0 and 5.0 of this Agreement are not adequate or sufficient to:

9.3.1 provide adequate consultation, to substantially address Moricetown Band concerns and to provide an interim workable accommodation in respect of any potential infringements of Moricetown Band Aboriginal Interests with regard to Administrative Decisions relating to forest and range resource development within Geographic Area, or

9.3.2 substantially address the economic component of Moricetown Band Aboriginal Interests with regard to Operational Decisions relating to forest and range resource development within the Geographic Area,

then, without limiting any other remedies that may be available to the Government of British Columbia, the Government of British Columbia may suspend or cancel the economic benefits set out in Section 3.0.

9.4 If the Minister or a person authorized by the Minister cancels any economic benefits as a result of this Agreement, then this Agreement may be terminated.

10.0 Renewal of the Agreement

10.1 Prior to this Agreement terminating in accordance with Section 8.2, and subject to Section 10.3, if the terms and conditions of this Agreement are being met, the Government of British Columbia and Moricetown Band will seek the necessary authorities and approvals to renew this Agreement.

10.2 Any subsequent forestry agreement between the Government of British Columbia and Moricetown Band may provide for an opportunity to acquire a licence, and/or other economic benefits, as well as other terms and conditions that are agreed to by the Parties.

10.3 The revenue sharing set out in this Agreement reflects an amount that the Government of British Columbia is willing to pay, subject to available appropriations, as an interim measure and Moricetown Band has agreed to accept as an interim measure for the term of this Agreement.



11.0 Amendment of Agreement

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

11.2 Either Party may request the participation of the other Party to review the effectiveness of this Agreement annually and consider amendments to this Agreement.

12.0 Entire Agreement

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

13.0 Notice

13.1 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.

13.2 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.

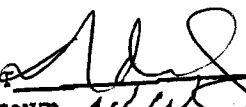

13.3 The address of either Party may be changed by notice in the manner set out in this section of the Agreement.

British Columbia

Deputy Minister
Minister of Forests
P.O. Box 9525 STN PROV GOVT
Victoria B.C. V8W 9C3
Facsimile (250) 953-3687

Moricetown Band
Chief Warner William
#205 Beaver Road, Suite 3
Smithers, B.C. V0J 2N1
Facsimile (250) 847-9291

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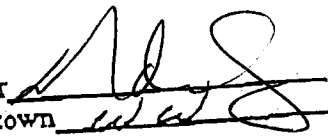
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14.0 Miscellaneous

- 14.1 Nothing in this Agreement shall be interpreted in a manner that requires the Government of British Columbia to act in a manner inconsistent with provincial or federal law, or that fetters the statutory discretion of any government decision-maker.
- 14.2 This Agreement is not a treaty or a lands claims agreement within the meaning of section 25 and 35 of the *Constitution Act, 1982* and does not recognize, define, amend, affirm, deny or limit any priorities afforded to aboriginal rights, including aboriginal title, or treaty rights, other than as provided in this Agreement.
- 14.3 Nothing in this Agreement shall be construed so as to abrogate or derogate any aboriginal right or treaty right of the Moricetown Band.
- 14.4 Subject to Section 9.3, this Agreement will not limit the positions that a Party may take in future negotiations or court actions.
- 14.5 This Agreement shall not be interpreted as addressing any potential infringements other than potential infringements that may result from decisions contemplated by this Agreement during the term of this Agreement. Nothing in this Agreement shall be interpreted to authorize any infringement that may occur following the termination of this Agreement.
- 14.6 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.
- 14.7 There will be no presumption that any ambiguity in any of the terms of this Agreement should be interpreted in favour of either Party.
- 14.8 The applicable laws of British Columbia and Canada shall govern this Agreement.

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03/31/04 12:08 FAX 250 847 9291

14.9 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 Her Majesty
the Queen in right of
the Province of British Columbia

Date: April 27, 2004.
Witness [Signature]

[Signature]
Honourable Michael de Jong
Minister of Forests

Signed on behalf of
Moricetown Band

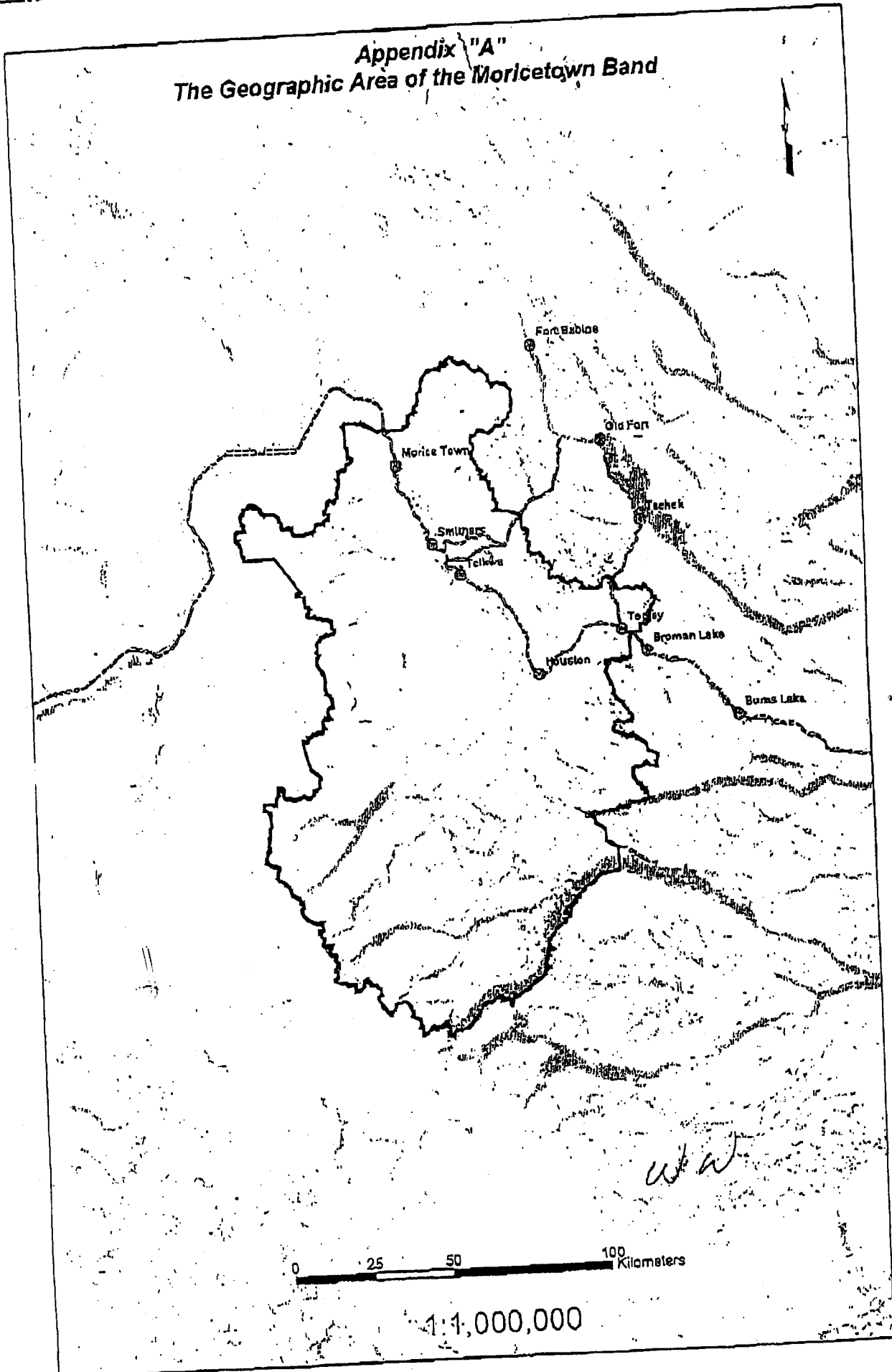
Date: March 31, 2004
Witness Lucy Dagnon

[Signature]
Chief Warner William

Date: March 31, 2004
Witness Lucy Dagnon

[Signature]
Victor Jim Councillor

Appendix "A" The Geographic Area of the Moricetown Band



W.A.

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