

Mountain Pine Beetle Agreement
(the "Agreement")

Between:
Skeetchestn 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
(the "Government of British Columbia")

(collectively the "Parties")

Whereas:

- The Skeetchestn Indian Band signed a Interim Measures Agreement (IMA) with the Government of British Columbia on July 25th, 2006. This Agreement is a short-term additional forestry economic opportunity and does not supersede or alter the IMA.
- Mountain pine beetle allowable annual cut increases in the 100 Mile House Timber Supply Area have lead to increased harvesting activity and potential impacts on Skeetchestn Indian Band aboriginal rights and/or title.
- The Government of British Columbia wishes to support economic opportunities for the Skeetchestn Indian Band.

Purpose

1. The purposes of this Agreement are to:
 - a. increase the participation of the Skeetchestn Indian Band in the forest sector; and,
 - b. provide an economic opportunity by inviting the Skeetchestn Indian Band to apply for a non-replaceable forest licence to assist the province in the management of mountain pine beetle in the 100 Mile House Timber Supply Area, in a manner linked to the IMA 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 Skeetchestn 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 130 000 cubic meters of beetle infested timber over a 5 year term

MINISTRY OF FORESTS
November 21, 2006
LAND FOREST, B.C. 001

within the traditional territory of the Skeetchestn Indian Band as identified in black bold in Appendix A in the 100 Mile House Timber Supply Area.

3. The intended holder of the licence is a legal entity other than the Skeetchestn Indian Band, see Appendix B
4. The invitation will be subject to a condition that prior to making an application for the Licence, the Skeetchestn 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 Skeetchestn Indian Band.
5. 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 5 years as determined by the Minister;
 - b. contain other terms and conditions required by law, including the condition that the Skeetchestn Indian Band must comply with this Agreement and with the IMA;
 - c. include a term that Skeetchestn 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.
6. 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

7. 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 100 Mile House TSA, as set out in section 4.0 of the IMA.
8. 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 Skeetchestn 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 Skeetchestn 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 100 Mile House TSA, as an interim measure.

Dispute Resolution

9. If a dispute arises between the Government of British Columbia and the Skeetchestn Indian Band regarding the interpretation of a provision of this Agreement, the Parties will follow the dispute resolution process set out in the IMA.

Amendments

10. Any alteration or amendment to the terms and conditions of the Agreement must be in writing and duly executed by the Parties.
11. 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

12. This Agreement will take effect on the date on which the last Party has executed it.
13. This Agreement will terminate on the occurrence of the earliest of any of the following events:
 - a. 5 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.
14. If the IMA 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.
15. The Government of British Columbia will not terminate this Agreement on the grounds that the Skeetchestn Indian Band has challenged an Administrative or Operational Decision by way of legal proceedings.

Notice

16. All of the provisions set out in the Notice section of the IMA apply to this Agreement.

Miscellaneous

17. All of the provisions set out in the Miscellaneous section of the IMA apply to this Agreement.

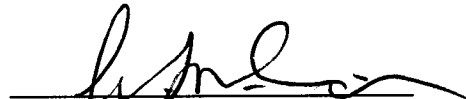
Signed on behalf of:

Skeetchestn Indian Band:

Date: Aug 20/07

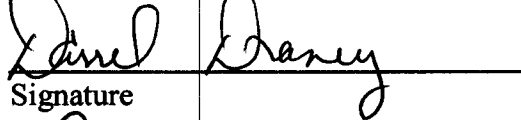


Chief Ron Ignace



Witness

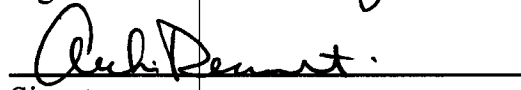
Councillor



Signature

Darrel Draney

Print name



Signature

Archie Deneault

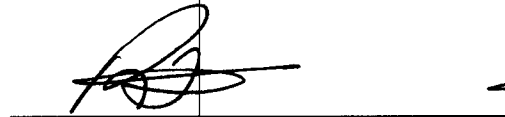
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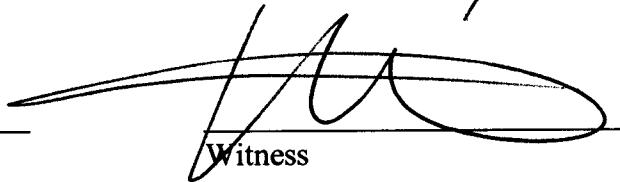
Print name

Signed on behalf of:
Government of British Columbia

Date: OCT 1/07



**Honourable Rich Coleman
Minister of Forests and Range**



Witness

APPENDIX A MAP OF SKEETCHESTN INDIAN BAND TRADITIONAL AREA

APPENDIX B:

Description and Documentation pertaining to the Intended Holder of the licence

Kenuc'entwec Development Corporation

- (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).