

Economic Opportunity Agreement¹

(the "Agreement")

Between:

Ulkatcho First Nation

As represented by
Chief and Council
Ulkatcho First Nation

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:

- On November 30, 2006, an opportunity was offered, by the Regional Executive Director, Southern Interior Forest Region, to Tsi Del Del, Ulkatcho and and Xenigwet First Nations for a direct award of one or more non-replaceable forest licences to harvest a total of 300 000 m³ over a five year term in the three western supply blocks of the Williams Lake Timber Supply Area. The offer was made subject to the First Nation signing an Interim Agreement on Forest and Range Opportunities (FRO) with the Government of British Columbia and accepting this offer prior to March 1, 2007. The Ulkatcho First Nation was the only First Nation to have signed an FRO and accepted this offer prior to March 1, 2007.
- This Agreement² is a short-term additional forestry economic opportunity and does not supersede the FRO.
- The Ulkatcho First Nation has aboriginal rights and/or aboriginal title within its traditional territory (see map in Appendix A to the FRO).
- The Ulkatcho First Nation asserts that it has a relationship to the land that is important to its culture and the maintenance of its community, governance and economy.
- This Agreement and any decisions and/or licences issued during the term of this Agreement do not change or affect the positions either Party has, or may have, regarding jurisdiction and authorities.
- Mountain pine beetle uplifts have led to increased harvesting activity and potential infringements on Ulkatcho First Nation aboriginal rights and/or title.

¹ This title is consistent with the correspondence from the RED dated March 28, 2007

² "Agreement" is defined as Economic Opportunity Agreement in the title.

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MINISTRY OF FORESTS
AND RANGE OPPORTUNITIES

JUL 17 2007

QUESNEL FOREST DISTRICT

- The Parties wish to enter into an interim measures agreement in relation to mountain pine beetle uplifts and harvesting.
- The Government of British Columbia wishes to support additional economic opportunities for the Ulkatcho First Nation.

Purpose

1. The purposes of this Agreement are to:
 - a. increase the participation of the Ulkatcho First Nation in the forest sector; and
 - b. provide an economic opportunity by inviting the Ulkatcho First Nation to apply for a non-replaceable forest licence to assist the province in the salvage of mountain pine beetle killed timber in the three western supply blocks, within 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 Ulkatcho First Nation, or such legal entity as the Ulkatcho First Nation has appointed as its representative to hold the licence, to apply for a non-replaceable forest licence under section 47.3 of the *Forest Act* to harvest a total of up to 300,000m³ over a five year term in the Williams Lake Timber Supply Area (specifically within the three western supply blocks) and within the traditional territory of the Ulkatcho First Nation as set out in Appendix A.
3. Any invitation will be subject to a condition that prior to making an application for the Licence, the Ulkatcho First Nation 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 Ulkatcho First Nation.
4. A Licence entered into as a result of the invitation to apply under this Agreement:
 - a. will be for a term of no longer than five years as determined by the Minister,
 - b. will contain other terms and conditions required by law, including the condition that the Ulkatcho First Nation must comply with this Agreement and with the Ulkatcho First Nation FRO;
 - c. will include a term that Ulkatcho First Nation may not dispose of the Licence except in accordance with the *Forest Act*; and
 - d. will include other terms and conditions as may be required by the Regional Manager.
5. An invitation to apply for a Licence and a Licence entered into as a result of the invitation to apply under this Agreement may be combined with a tenure opportunity included in any other agreement in accordance with the *Forest Act*.
6. If the intended holder of the Licence is a legal entity other than the Ulkatcho First Nation, this Agreement must include supporting documentation as specified in Appendix B stating

that the intended holder has been validly appointed by the Ulkatcho First Nation as its representative.

Consultation

7. The Government of British Columbia intends to consult with the Ulkatcho First Nation regarding forestry operational plans and administrative decisions pertaining to increased harvest levels to address the mountain pine beetle epidemic in the Williams Lake TSA, as set out in this agreement and section 4 of the Ulkatcho First Nation FRO.
8. The Ulkatcho First Nation agrees to participate in any consultation initiated by the Government of British Columbia regarding forestry operational plans and administrative decisions pertaining to increased harvest levels to address the mountain pine beetle epidemic in the Williams Lake TSA, as set out in this agreement and section 4 of the Ulkatcho First Nation FRO.
9. During the term of this Agreement, and subject to the terms and intent of this Agreement being met and adhered to by British Columbia, the Ulkatcho First Nation agrees that British Columbia will have provided an accommodation, with respect to the economic component of potential infringements of the Ulkatcho First Nation's 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 TSA as an interim measure.
10. The Ulkatcho First Nation is entitled to full consultation, and accommodation where required, with respect to all potential infringements of its aboriginal rights and/or title arising from operational plans or administrative decisions affecting Ulkatcho's rights and/or title, regardless of the economic opportunity afforded to the Band under this Agreement.

Dispute resolution

11. If a dispute arises between the Government of British Columbia and the Ulkatcho First Nation 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.
12. 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 Ulkatcho First Nation.
13. The Parties may choose other appropriate approaches to assist in reaching resolution of the interpretation issue.

Subsequent Agreement

14. Any subsequent agreement between the Government of British Columbia and the Ulkatcho First Nation may provide for an opportunity to acquire a renewable forest tenure, and/or other economic benefits.
15. This Agreement is intended to be a short-term economic agreement, and thus does not preclude the Ulkatcho First Nation from accessing other forestry economic opportunities and benefits, which may be available from time to time.

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QUESNEL FOREST DISTRICT

Amendments

16. Any alteration or amendment to the terms and conditions of the Agreement must be in writing and duly executed by the Parties.
17. 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

18. This Agreement will take effect on the date on which the last Party has executed it.
19. This Agreement will terminate on the occurrence of the earliest of any of the following events:
 - a. five years from the date this Agreement is executed; or,
 - b. the mutual agreement of the Parties.
20. If the Ulkatcho First Nation FRO is terminated, any consultation processes that were developed pursuant to section 4 of that agreement are incorporated by reference into this Agreement and will continue to be followed by the Parties for the term and purposes of this Agreement.
21. The Government of British Columbia shall not terminate this Agreement on the grounds that the Ulkatcho First Nation has challenged an administrative or operational decision by way of legal proceedings.

Notice

22. 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 as in this section of the Agreement.
23. 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.
24. 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 Forests and Range
P.O. Box 9525 STN PROV GOVT
Victoria, B.C. V8W 9C3
Telephone: (250) 387-3656
Facsimile: (250) 953-3687

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MINISTRY OF FORESTS
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QUATON FOREST DISTRICT

Ulkatcho First Nation

Chief and Council
Ulkatcho First Nation
Box 3430
Anahim Lake, BC
V0L 1C0
Telephone: (250) 742-3260
Facsimile: (250) 742-3211

Miscellaneous

25. This Agreement shall be interpreted in a manner consistent with provincial, federal and constitutional law.
26. This Agreement is not a treaty or a land 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.
27. This Agreement will not limit the positions that a Party may take in future negotiations or court actions.
28. Nothing in this Agreement, including the recitals, defines or confirms the specific nature, scope, location or geographic extent of aboriginal rights and/or title of the Ulkatcho First Nation.
29. This Agreement shall not be interpreted as addressing any potential infringements other than potential infringements associated with increased harvesting activity pursuant to temporary mountain pine beetle uplifts in Allowable Annual Cut in the Williams Lake Timber Supply Area that may result from decisions contemplated by this Agreement during the term of this Agreement. Nothing in this Agreement shall be interpreted to authorise any infringement that may occur following the termination of this Agreement, even if that infringement is caused by a decision that was made during the term of this Agreement.
30. This Agreement does not address or affect any claims by the Ulkatcho First Nation regarding infringements of aboriginal rights and/or title, arising from operational or administrative decisions made previous to the signing of this Agreement, nor any future settlement related to an aboriginal right or title claim.
31. 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.
32. There will be no presumption that any ambiguity in any of the terms of this Agreement should be interpreted in favour of either Party.

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MINISTRY OF FOREST
INDUSTRY

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THE FOREST DISTRICT

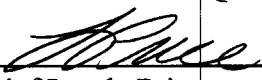
33. The applicable laws of British Columbia and Canada shall govern this Agreement.

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

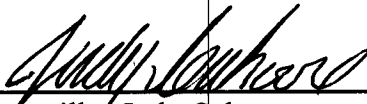
Signed on behalf of:

Ulkatcho First Nation

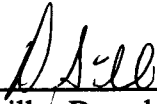
Date: JULY 10, 2007



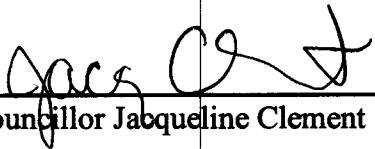
Chief Lynda Price



Councillor Judy Cahoose



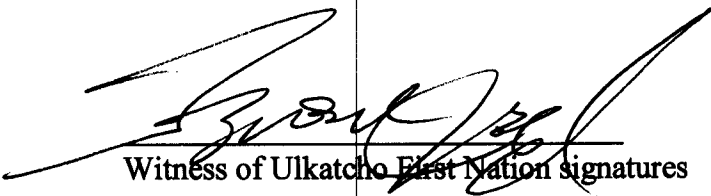
Councillor Dereck Sill



Councillor Jacqueline Clement

Councillor Daryl Sulin

Councillor Allan Louie




Witness of Ulkatcho First Nation signatures


Signed on behalf of:

Government of British Columbia

Date: Sept 30/07



Rich Coleman
Minister of Forests and Range



Witness of Minister's signature

MINISTRY OF FORESTL
RECEIVED
JUL 17 2007
QUESNEL FOREST DISTRICT



NRFL A82282 Licence Area



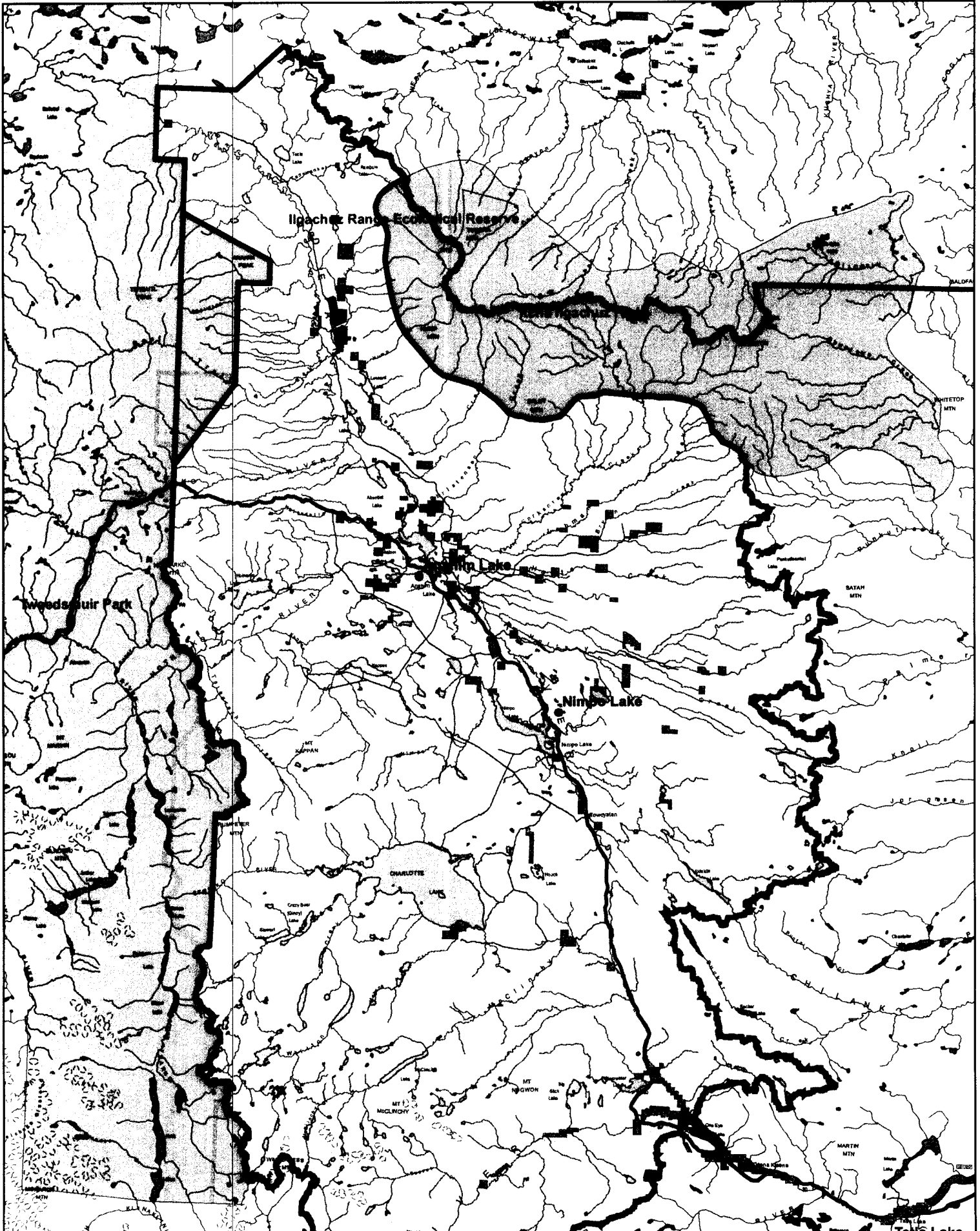
Parks

BCTS Operating Areas

Private Land

Woodlots

APPENDIX A



APPENDIX B

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 license (i.e. X First Nation)

OR

B) Full legal name, or name of legal entity, appointed by the First Nation, to hold the licence (i.e. Smith Logging Ltd. or John Joe Smith)

Yun Ka Whu'ten Development Limited Partnership, 690361 B.C. Ltd.

- Copy attached of the band council resolution appointing that legal entity or person to be their representative; and
- Copy of documentation verifying that the legal entity is validly registered to do business in the Province of British Columbia (copies of the corporate seal, shareholder listings, and listings of directors/ officers).

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MINISTRY OF FORESTRY
AND RANGE MANAGEMENT

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QUEENSLAND FOREST DISTRICT



Ulkatcho

BOX 3430, ANAHIM LAKE, B.C. CANADA V0L 1C0
PHONE (250) 742-3260
FAX (250) 742-3411

ULKATCHO FIRST NATION
Anahim Lake, British Columbia

The following is a Band Council Resolution presented and adopted at a duly called Meeting of the ULKATCHO FIRST NATION COUNCIL and is issued under the Authority of the Ulkatcho First nation through their duly-elected Council within the ULKATCHO CUSTOM CODE.

Date: July 10, 2007

WHEREAS, the Ulkatcho First Nation and the Province of British Columbia signed an Interim Agreement on Forest and Range Opportunities on December 19, 2007;

WHEREAS, the Ulkatcho First Nation has been offered, by the Regional Executive Director, Southern Interior Forest Region, a direct award of a non-replaceable forest licence to harvest a total of 300,000 m³ over a five (5) year term in the three (3) western supply blocks of the Williams Lake Timber Supply Area;

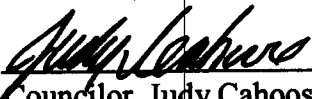
WHEREAS, the Economic Opportunity Agreement forms part of the Band Council Resolution; and,

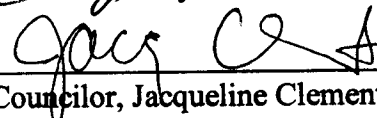
THEREFORE BE IT RESOLVED THAT, the Ulkatcho First Nation Chief and Council support the signing of the Economic Opportunity Agreement with Her Majesty the Queen in Right of the Province of British Columbia.


Chief Lynda Price


Councilor, Dereck Sill


Councilor, Daryl Sulin


Councilor, Judy Cahoose


Councilor, Jacqueline Clement

Councilor, Allen Louie

PROVINCE OF BRITISH COLUMBIA
MINISTRY OF FORESTRY

JUL 17 2007

SOUTHERN INTERIOR FOREST DISTRICT

A quorum of the Ulkatcho First Nation Council constitutes FOUR OF SIX (4/6) OF THE MEMBERS OF THE ULKATCHO FIRST NATION COUNCIL

420847-06

PARTNERSHIP ACT
(Section 51)

CERTIFICATE OF LIMITED PARTNERSHIP

YUN KA WHU'TEN DEVELOPMENT LIMITED PARTNERSHIP

1. The business name under which the Limited Partnership is to be conducted:

YUN KA WHU'TEN DEVELOPMENT LIMITED PARTNERSHIP

2. The general nature of the business carried on or intended to be carried on:

The general nature of the business intended to be carried on by the Limited Partnership is to invest in various joint ventures and otherwise for the purposes of carrying out the business of economic development and business activities for and on behalf of the partnership.

3. The full name and address in the Province of the General Partner: I CERTIFY THIS IS A COPY OF A DOCUMENT FILED ON

690361 B.C. Ltd.
Box 60 Hudson Road
Anahim Lake, BC V0L 1C0

MAR 31 2008

4. The Limited Partnership shall continue until the earlier of:

(a) the date on which it is dissolved in accordance with the terms of the Partnership Agreement; and

(b) March 31, 2031,

unless extended by the Limited Partners by Extraordinary Resolution.

5. (a) The aggregate amount of cash contributed by all of the Limited Partners at this date is \$10,000.00.

(b) The nature and fair value of property to be contributed by all the Limited Partners: not applicable

6. The aggregate amount of any additional contributions agreed to be made by Limited Partners and the times at which or events on the happening of which the additional contributions are made:


RON TOWNSHEND
REGISTRAR OF COMPANIES
PROVINCE OF BRITISH COLUMBIA

No Limited Partner shall be required to make any additional contribution to the capital.

7. The basis on which Limited Partners are to be entitled to share profits or receive other compensation by way of income on their contributions:

At the discretion of the General Partner in proportion to capital contributions made by the Limited Partners interest in the Limited Partnership.

9. The times when contributions of Limited Partners are to be returned:

(a) At the end of each calendar quarter of the Limited Partnership the General Partner may allocate the net income or net loss of the Limited Partnership to persons who are partners at the fiscal year end of the Limited Partnership in proportion to their interest in the Limited Partnership. On dissolution of the Limited Partnership the General Partner, or in the event the General Partner is bankrupt, a receiver, will wind-up the affairs of the Limited Partnership and distribute the proceeds of the liquidation of the Limited Partnership assets.

10. The right of a Limited Partner to substitute an assignee as contributor in his place, and the terms and conditions of the substitution and the right to admit additional Limited Partners:

(a) A Limited Partner may assign its interest in the Limited Partnership by delivering to the transfer agent an assignment in a form acceptable to the General Partner together with its unit certificate. To the extent permitted by law and subject to any liability which it may have to the Limited Partnership under any promissory note, on completion of such assignment the assignor shall be relieved of all liabilities under the Partnership Agreement and the assignee shall assume such liabilities.

11. The right to admit additional Limited Partners:

(a) The partners are authorized to admit additional Limited Partners to the Limited Partnership. The Limited Partnership will not terminate on the admission of any additional Limited Partner or the withdrawal of any Limited Partner.

12. The extent of which one or more of the Limited Partners has greater rights than the others:

None of the Limited Partners have greater rights than the others.

13. The right of a remaining General Partner to continue the business on the bankruptcy, death, retirement, mental incompetence on dissolution of a General Partner:

On the bankruptcy, dissolution or winding-up (except dissolution as a consequence of merger, amalgamation, consolidation or other corporate re-organization) of the General Partner or the occurrence of an event which would permit a trustee or receiver to acquire control of the affairs of the General Partner during the term of the Partnership Agreement, the Limited Partners have the right to continue the business of the Limited Partnership upon a resolution of Limited Partners holding not less than 75% of the Units in the Limited Partnership.

- 14. The right of a Limited Partner to demand and receive property other than cash in return for his contribution: not applicable.
- 15. The right of the Limited Partners or any of them to admit an additional General Partner to the partnership or to permit or require a General Partner to retire from the partnership:
 - (a) The Limited Partners have the right to admit an additional General Partner to the Partnership or to permit or require a General Partner to retire from the Partnership. Such changes require the consent of the General Partner(s).

CERTIFIED to be a true copy this 29 day of MARCH, 2006 by the General Partner.

690361 B.C. LTD.

Per:



Director