

Mountain Pine Beetle Agreement
(the “Agreement”)

Between:
Upper Nicola Band
(also known as the Upper Nicola 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 Upper Nicola Band signed a Forest and Range Agreement (FRA) with the Government of British Columbia on February 10, 2005. This Agreement is a short-term additional forestry economic opportunity as contemplated in the Upper Nicola Band FRA and does not supersede or alter the FRA.
- Mountain pine beetle uplifts in the Merritt and Okanagan Timber Supply Areas have lead to increased harvesting activity and potential impacts on Upper Nicola Band aboriginal rights and/or title.

Purpose

1. The purposes of this Agreement are to:
 - a. increase the participation of the Upper Nicola Band in the forest sector; and,
 - b. provide an economic opportunity by inviting the Upper Nicola Band to apply for non-replaceable forest licence(s) to assist the province in the management of mountain pine beetle in the Merritt and Okanagan Timber Supply Areas, in a manner linked to the Upper Nicola Band FRA 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 Upper Nicola Band to apply for non-replaceable forest licences under section 47.3 of the *Forest Act* to harvest a total of up to 150,050 cubic meters over a five year term of beetle infested timber in the Merritt Timber Supply Area and a total of up to 96,365 cubic meters over a five year term of beetle infested timber in the Okanagan Timber Supply Area within the traditional territory of the Upper Nicola Band, as identified in black bold in Appendix A.

3. If the intended holder of the licence(s) is a legal entity other than the Upper Nicola Band, this Agreement must include supporting documentation as specified in Appendix B stating that the intended holder has been validly appointed by the Upper Nicola Band as its representative.
4. If during the term of this Agreement a further Mountain Pine Beetle temporary volume uplift becomes available in the Merritt Timber Supply Area or the Okanagan Timber Supply Area, the Parties agree to explore further tenure opportunities in these Timber Supply Areas, in accordance with Section 47.3 of the *Forest Act*.
5. Any invitation will be subject to a condition that prior to making an application for the licence(s), the Upper Nicola 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 Upper Nicola Band.
6. Any licence(s) 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 Upper Nicola Band must comply with this Agreement and with the Upper Nicola Band FRA;
 - c. will include a term that Upper Nicola Band may not dispose of the Licence(s) except in accordance with the *Forest Act*; and
 - d. will include other terms and conditions as may be required by the Regional Manager.
7. An invitation to apply for non-replaceable forest licence(s) 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 Merritt and Okanagan Timber Supply Areas, as set out in sections 5 and 6 of the Upper Nicola Band FRA.
9. 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 Upper Nicola Band agrees that the Government of British Columbia will have provided an accommodation, with respect to the economic component of potential infringements of the Upper Nicola 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 Merritt and Okanagan Timber Supply Areas, as an interim measure.

Dispute Resolution

10. If a dispute arises between the Government of British Columbia and the Upper Nicola Band regarding the interpretation of a provision of this Agreement, the Parties will follow the dispute resolution process set out in section 8 of the Upper Nicola Band FRA.

Amendments

11. Any alteration or amendment to the terms and conditions of the Agreement must be in writing and duly executed by the Parties.
12. 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

13. This Agreement will take effect on the date on which the last Party has executed it.
14. 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, or
 - c. upon 90 days written notice by either of the Parties.
15. If the Upper Nicola Band FRA is terminated, the consultation processes that were set out in sections 5 and 6 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.
16. The Government of British Columbia will not terminate this Agreement on the grounds that the Upper Nicola Band has challenged an Administrative or Operational Decision by way of legal proceedings.

Notice

17. All of the provisions set out in the Notice section of the Upper Nicola Band FRA apply to this Agreement.

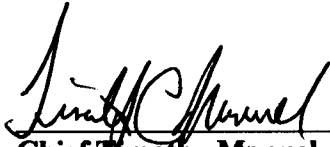
Miscellaneous

18. All of the provisions set out in the Miscellaneous section of the Upper Nicola Band FRA apply to this Agreement.

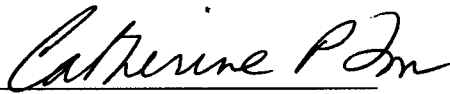
19. For matters not addressed in this Agreement, the Parties agree that provisions in the current Upper Nicola Band FRA apply, including section 4.0, Forest and Range Stewardship.

**Signed on behalf of:
Upper Nicola Band:**

Date: April 16/2007




Chief Timothy Manuel




Witness

**Signed on behalf of:
Government of British Columbia**

Date: May 3/07



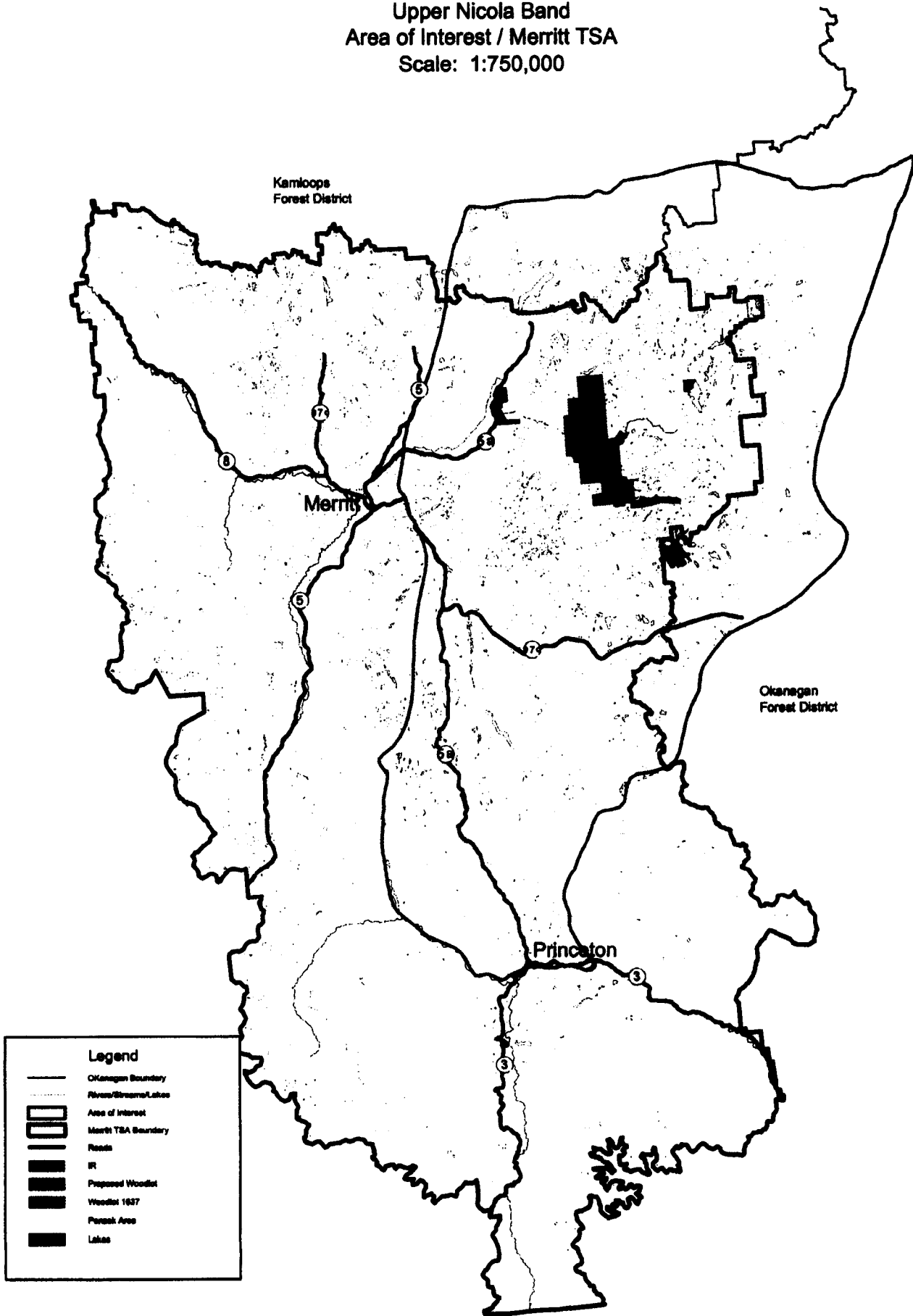
Honourable Rich Coleman
Minister of Forests and Range



Witness

APPENDIX A
MAP OF UPPER NICOLA BAND TRADITIONAL TERRITORY

Upper Nicola Band
Area of Interest / Merritt TSA
Scale: 1:750,000



APPENDIX B:

Description and Documentation pertaining to the Intended Holder of the licence(s)

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

A) Applicant for the license(s): _____

OR

B) Full legal name, or corporate description of the legal entity, authorized to represent the applicant of the licence(s)

- (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(s)).