

Mountain Pine Beetle Agreement
(the "Agreement")

Between:
Westbank First Nation

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 Westbank First Nation signed an Interim Measures Agreement Extension (IMAE) with the Government of British Columbia on September 14, 2005. This Agreement is a short-term additional forestry economic opportunity and does not supersede or alter the IMAE.
- Mountain pine beetle allowable annual cut increases in the Merritt Timber Supply Area have lead to increased harvesting activity and potential impacts on Westbank First Nation aboriginal rights and/or title.
- The Government of British Columbia wishes to support economic opportunities for the Westbank First Nation.

Purpose

1. The purposes of this Agreement are to:
 - a. increase the participation of the Westbank First Nation in the forest sector; and,
 - b. provide an economic opportunity by inviting the Westbank First Nation to apply for a non-replaceable forest licence to assist the province in the management of mountain pine beetle in the Merritt Timber Supply Area, in a manner linked to the IMAE 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 Westbank First Nation 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 15,000 cubic meters of beetle infested timber annually over a 5 year term. The licence will be composed of conventional MPB uplift within the traditional territory

of the Westbank First Nation as identified in black bold in Appendix A in the Merritt Timber Supply Area.

3. If the intended holder of the licence(s) is a legal entity other than the Westbank First Nation, this Agreement must include supporting documentation as specified in Appendix B stating that the intended holder has been validly appointed by the Westbank First Nation as its representative.
4. The invitation will be subject to a condition that prior to making an application for the Licence, the Westbank 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 Westbank First Nation.
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 Westbank First Nation must comply with this Agreement and with the IMAE;
 - c. include a term that Westbank First Nation 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 Merritt TSA, as set out in sections 7 & 8 of the IMAE.
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 Westbank First Nation agrees that the Government of British Columbia will have provided an accommodation, with respect to the economic component of potential infringements of the Westbank First Nation 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 TSA, as an interim measure.

Dispute Resolution

9. If a dispute arises between the Government of British Columbia and the Westbank First Nation regarding the interpretation of a provision of this Agreement, the Parties will follow the dispute resolution process set out in the IMAE.

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 IMAE is terminated, the consultation processes that were set out in sections 7 & 8 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 Westbank First Nation 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 IMAE apply to this Agreement.

Miscellaneous

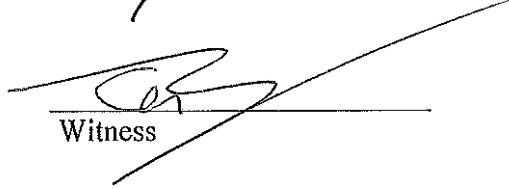
17. Prior to their issuance, all public communications or releases related to this Agreement shall be jointly reviewed and approved by the Joint Forest Council established pursuant to the Interim Measures Agreement and defined in the IMAE.

Signed on behalf of:

Westbank First Nation:

Date: June 14/2010


Chief Robert Louie

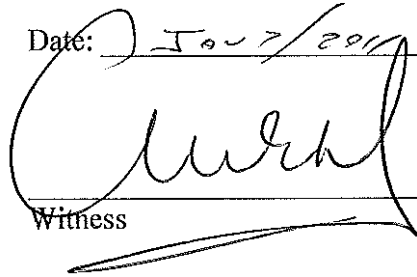

Witness

Signed on behalf of:

Government of British Columbia

Date: June 7/2010


Honourable Pat Bell
Minister of Forests and Range


Witness

APPENDIX A MAP OF WESTBANK FIRST NATION TRADITIONAL AREA

Appendix "A"
Westbank First Nation
Statement of Intent Area "Subject Lands"

