

Amending Agreement

Dated for reference the 2nd day of October, 2008

**HER MAJESTY THE QUEEN IN RIGHT OF
THE PROVINCE OF BRITISH COLUMBIA**

(As represented by the Minister of Aboriginal Relations and
Reconciliation)
hereinafter "British Columbia"

and

BLUEBERRY RIVER FIRST NATIONS

(As represented by the Chief of Blueberry River First Nations)
hereinafter "Blueberry River First Nations"

WHEREAS:

- A) The Parties named above entered into an Economic Benefits Agreement, signed June 2, 2006, which agreement was subsequently amended by the Parties on August 21, 2006, further amended on February 15, 2007 and again on December 5, 2007 (that agreement, as amended, is referred to below as the "Economic Benefits Agreement");
- B) The Parties agreed to negotiate an amendment to the Economic Benefits Agreement if during the term of the Blueberry River First Nations Negotiation Protocol Agreement, or any extension thereof, British Columbia entered into a Treaty 8 First Nations Economic Benefits Agreement with all of the Other Treaty 8 First Nations or any of them;
- C) British Columbia entered into a Treaty 8 First Nations Economic Benefits Agreement with four of the Other Treaty 8 First Nations on March 18, 2008 ("Treaty 8 First Nations Economic Benefits Agreement");
- D) On April 2, 2008, Blueberry River First Nations advised British Columbia that, pursuant to section 4(i)(ii) of the Economic Benefits Agreement, it wished to negotiate an amendment to the Economic Benefits Agreement so as to provide that it will receive a proportionate

share (based on the number of Other Treaty 8 First Nations party to the agreement) of the benefits payable under the Treaty 8 First Nations Economic Benefits Agreement; and

- E) The Parties wish to amend the Economic Benefits Agreement as set out herein.

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree that the Economic Benefits Agreement is amended as follows:

1. Unless otherwise specified in the amending agreement, all capitalized terms used in this amending agreement, have the meanings given to such terms in the Economic Benefits Agreement.

2. By adding a new section 4 (k) as follows:

“4(k) Prior to March 31, 2009, British Columbia will pay to Blueberry EBA Trust the sum of \$1,570,000 as an addition to the Equity Payments made or to be made under this Agreement.”

3. Effective commencing with the Economic Benefit Payment payable for the first full Quarter of Fiscal Year 2008/2009 following the date on which this amending agreement is signed by the Parties, by deleting the number “90” in section 4(e)(iii) and substituting the number “30”.

4. By renumbering section 4(h) as section 4(h)(i) and adding a new section 4(h)(ii) as follows:

“4(h)(ii) Subject to the condition set out in section 4(e), the Economic Benefit Payments payable by British Columbia for a Fiscal Year is subject to a minimum payment which is equal to the sum of the Quarter 1, 2 and 3 payments for each Fiscal Year as more particularly described in Appendix 3.”

5. By adding a new section 4(l) as follows:


“4(l) Either British Columbia or Blueberry River First Nations may request a review of the variable EB_{2t} contained in Appendix 3, on one occasion during the term of this Agreement, and only

after 7 years have elapsed from April 2, 2008. For greater certainty, this provision is not intended to represent an opportunity to re-calculate Economic Benefit Payments already made, but as an opportunity to examine the content of the variable for the purpose of future calculations.”

6. Appendix 3 of the Agreement is deleted and replaced with Appendix 3 attached hereto. For greater certainty, Appendix 3 as replaced does not apply to effect a re-calculation of Economic Benefit Payments made prior to the date on which this amending agreement is signed by the Parties.
7. The Blueberry River First Nations represents and warrants that it
 - a. has received or had the opportunity to receive independent legal and financial or other advice of its own professional advisors, so as to make its own comparison of the benefits payable under the Economic Benefits Agreement and the Treaty 8 First Nations Economic Benefits Agreement, as well as satisfying itself as to all matters relating to this amending agreement, and
 - b. is satisfied on its own assessment that this amending agreement effects the provision of a proportionate share (based on the number of Other Treaty 8 First Nations party to the Treaty 8 First Nations Economic Benefits Agreement) to the Blueberry River First Nations of the benefits payable under the Treaty 8 First Nations Economic Benefits Agreement.
8. Ratification of this amending agreement by the Blueberry River First Nations will take place according to its internal processes and will include at a minimum, a Band Council Resolution.
9. This amending agreement may be executed in counterparts and by facsimile by the Parties and such counterparts, when executed and delivered, will be deemed to constitute original documents and such counterparts together will constitute one and the same agreement.
10. Except as modified by this amending agreement, the Economic Benefits Agreement remains in full force and effect.
11. This Amending Agreement comes into effect upon signing by either the Chief or duly assigned Councillor(s), as so authorized

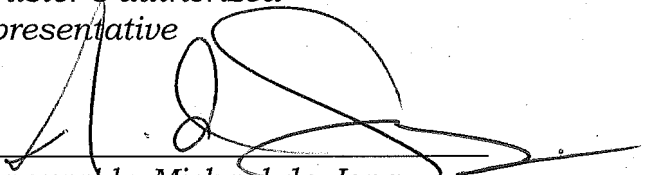
by and on behalf of Blueberry River First Nations, and British Columbia on the date on which the last Party has signed it.

SIGNED this 2nd day of Oct., 2008 in the presence of:



Witness

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, by the Minister of Aboriginal Relations and Reconciliation or the Minister's authorized representative

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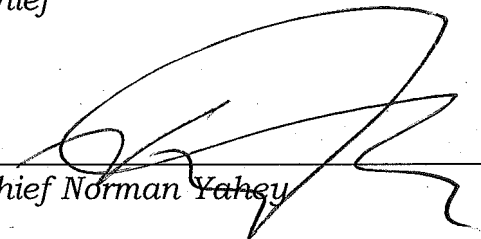
Honourable Michael de Jong

SIGNED this 2nd day of Oct., 2008 in the presence of:



Witness

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BLUEBERRY RIVER FIRST NATIONS as represented by the Chief



Chief Norman Yahay

Appendix 3

CALCULATION OF QUARTERLY ECONOMIC BENEFIT PAYMENTS

Quarter 1 Economic Benefit Payment = $Q1EBP_t = \$285,715$

Quarter 2 Economic Benefit Payment = $Q2EBP_t = \$285,715$

Quarter 3 Economic Benefit Payment = $Q3EBP_t = \$285,715$

For t = 1 through to 3 inclusive:

Quarter 4 Economic Benefit Payment = $Q4EBP_t = [1/7 \times (EB1_t + EB2_t)] - Q1EBP_t - Q2EBP_t - Q3EBP_t$

For t = 4 through to 15 inclusive:

Quarter 4 Economic Benefit Payment = $Q4EBP_t = [(1/7 \times EB1_t) + (1/6 \times EB2_t)] - Q1EBP_t - Q2EBP_t - Q3EBP_t$

Where:

t = Fiscal Year for which payment is being made

Specifically:

- t = 1 = April 1, 2005 to March 31, 2006
- t = 2 = April 1, 2006 to March 31, 2007
- t = 3 = April 1, 2007 to March 31, 2008
- t = 4 = April 1, 2008 to March 31, 2009
- t = 5 = April 1, 2009 to March 31, 2010
- t = 6 = April 1, 2010 to March 31, 2011
- t = 7 = April 1, 2011 to March 31, 2012
- t = 8 = April 1, 2012 to March 31, 2013
- t = 9 = April 1, 2013 to March 31, 2014
- t = 10 = April 1, 2014 to March 31, 2015
- t = 11 = April 1, 2015 to March 31, 2016
- t = 12 = April 1, 2016 to March 31, 2017
- t = 13 = April 1, 2017 to March 31, 2018
- t = 14 = April 1, 2018 to March 31, 2019
- t = 15 = April 1, 2019 to March 31, 2020

$EB1_t = 0.5\% \times (OGR_t)$

Where:

OGR_t = collected provincial royalties, calculated in accordance with the Petroleum and Natural Gas Royalty and Freehold Production Tax Regulation as amended from time to time, collected from oil and gas activities within the area set out in Appendix 5 that is bounded by the "British Columbia/Alberta Border", the "British Columbia Northern Border" and the "E.B.A. Royalty Line". This variable will be measured by estimates from the *Oil Ledger Report* and the *Gas Ledger Report* as extracted from the Ministry of Small Business and Revenue's Petroleum Royalty Management System (PRMS).

EB2_t = \$2,500,000 when t = 1

EB2_t = EB2_{t-1} x [1 + 0.70 x (ΔOil & Gas Activity_{t-1 to t}) + 0.25 x (ΔForestry Activity_{t-1 to t}) + 0.05 x (ΔMining Activity_{t-1 to t})] when t = 2 and t = 3

And thereafter, for t = 4 through to 15 inclusive

EB2_t = EB2_{t-1} x [1 + 0.25 x (ΔOil & Gas Activity_{t-1 to t}) + 0.15 x (ΔForestry Activity_{t-1 to t}) + 0.60 x (ΔMining Activity_{t-1 to t})]

Where:

t-1 = previous Fiscal Year

$$\Delta\text{Oil \& Gas Activity}_{t-1 \text{ to } t} = \left[\left(\frac{1}{3} \right) \times \frac{(\text{NW}_t - \text{NW}_{t-1})}{\text{NW}_{t-1}} + \left(\frac{1}{3} \right) \times \frac{(\text{SL}_t - \text{SL}_{t-1})}{\text{SL}_{t-1}} + \left(\frac{1}{3} \right) \times \frac{(\text{P}_t - \text{P}_{t-1})}{\text{P}_{t-1}} \right]$$

Where:

NW = number of new wells drilled on Crown land within the area set out in Appendix 5 that is bounded by the "British Columbia/Alberta Border", the "British Columbia Northern Border" and the "E.B.A. Oil and Gas and Coal Activity Line" that were authorized by the Oil and Gas Commission as measured by estimates of *Wells Drilled Based On Rig Release Date* as extracted from the Oil and Gas Commission Database.

SL = number of kilometres of new seismic lines constructed on Crown land within the area set out in Appendix 5 that is bounded by the "British Columbia/Alberta Border", the "British Columbia Northern Border" and the "E.B.A. Oil and Gas and Coal Activity Line" that were authorized by the Oil and Gas Commission as measured by estimates of *New Cut Geophysical Lines with Final Plan Cut Length* as extracted from the Oil and Gas Commission Database.

P = number of kilometres of new pipelines constructed on Crown land within the area set out in Appendix 5 that is bounded by the "British Columbia/Alberta Border", the "British Columbia Northern Border" and the "E.B.A. Oil and Gas and Coal Activity Line" that were authorized by the Oil and Gas Commission as measured by estimates of *Approved Pipeline Length on a "Leave to Open" Status* as extracted from the Oil and Gas Commission Database. See Technical Note below for determining estimates on Crown land.

$$\Delta\text{Forestry Activity}_{t-1 \text{ to } t} = \frac{(\text{F}_t - \text{F}_{t-1})}{\text{F}_{t-1}}$$

Where:

F = the volume of logs in cubic metres harvested on Crown land in the Fort Nelson forest district + the volume of logs in cubic

metres harvested on Crown land in the Peace forest district, as measured by estimates of "All" provincial timber (species, product and grade) harvested on Crown Land including waste/residue but excluding firmwood reject extracted from the Ministry of Forests and Range's Harvest Billing System (HBS).

Where:

The Fort Nelson forest district and the Peace forest district are as described in the Forest Regions and Districts Regulation as amended from time to time.

$$\Delta \text{Mining Activity}_{t-1 \text{ to } t} = (C_t - C_{t-1}) / C_{t-1}$$

Where:

C = metric tonnes of coal extracted on Crown land within the area set out in Appendix 5 that is bounded by the "British Columbia/Alberta Border", the "British Columbia Northern Border", and the "E.B.A. Oil and Gas and Coal Activity Line" as measured by estimates of *Marketed Coal Production* as produced by the Ministry of Energy, Mines and Petroleum Resources.

The Parties acknowledge and agree that the methods used to collect and record provincial royalty information and activity data, as set out in this Agreement, may change from time to time. In the event of changes to any of these methods, British Columbia will, as soon as practicable, provide the Blueberry River First Nations with a written statement describing the revised method for collecting and recording the data and the date the revised method comes into effect.

Technical Note:

The activity measure for pipelines (P) is available in the following sub-categories:

- Crown Land (CL),
- Private Land (PL), and
- Crown-Private Mix (CPM).

Therefore, in order to capture estimates of activity on all Crown land (ACL), estimates for this variable will be calculated on the following basis in each fiscal year:

$$\text{ACL} = \text{CL} + (\% \text{ CPM})$$

Where:

$$\% \text{ CPM} = (\text{CL} + \text{TL}) \times \text{CPM} \quad \text{and}$$

$$\text{TL} = \text{CL} + \text{PL} + \text{CPM}$$

Where:

TL = the sum of crown and private lands