

A Reconciliation Agreement
12 of March, 2025 (the "Effective Date")

Between:

Hupacasath First Nation
as represented by its Chief and Council

("Hupacasath")

And:

His Majesty the King in Right of the Province of British Columbia
as represented by the Minister of Indigenous Relations and Reconciliation

(the "Province")

(individually a "Party" and collectively the "Parties")

Whereas:

- A. Hupacasath and the Province are committed to advancing reconciliation of Hupacasath Aboriginal rights, recognized and affirmed under section 35 of the *Constitution Act, 1982*, and to upholding the standards for the survival, dignity, and well-being of Indigenous peoples in accordance with the United Nations Declaration on the Rights of Indigenous Peoples ("UNDRIP"), the Calls to Action of the Truth and Reconciliation Commission of Canada, and the *Declaration on the Rights of Indigenous Peoples Act* (the "Declaration Act");
- B. Hupacasath and the Province wish to advance their work together in a respectful, open, principled, pragmatic, and collaborative way; and
- C. The Parties acknowledge that this Reconciliation Agreement represents one step towards the mutual objective of reconciliation and that the Parties will continue to discuss, identify, and reach agreement on topics for future negotiation.

NOW THEREFORE, the Parties agree as follows:

1. Purpose

1.1 The purpose of this Reconciliation Agreement is to:

- (a) provide Hupacasath with funding to support its social, cultural, and economic interests as set out in sections 2 and 2 of this Reconciliation Agreement (the "Funding"); and
- (b) affirm the Parties' commitment to work together to develop a long-term government-to-government relationship and advance reconciliation through future

negotiations and agreements in a manner consistent with UNDRIP and the *Declaration Act*.

2. Property Acquisition Funding

- 2.1 Hupacasath will negotiate a purchase and sale agreement (the “Purchase and Sale Agreement”) with the Board of School Trustees of School District #70 to acquire, on or before March 31, 2025, the former Gill School legally described as:
- LOT 1, DISTRICT LOT 21, ALBERNI DISTRICT, PLAN 10139
with parcel identifier 005-192-439
(the “Property”).
- 2.2 Hupacasath will deliver a copy of the accepted Purchase and Sale Agreement to the Province on or before March 13, 2025.
- 2.3 The Province will provide Hupacasath with funding up to \$1,250,000 to acquire the Property (the “Property Acquisition Funds”) as follows:
- (a) The solicitor for Hupacasath will deliver notice to the Province that all of the conditions precedent (other than receipt of the Property Acquisition Funds by the solicitor for Hupacasath, as provided in (b), below) in the Purchase and Sale Agreement have been satisfied or waived and the transaction is proceeding on the closing date of the Purchase and Sale Agreement on or before March 21 2025.
 - (b) No later than 7 days after receipt of the notice in (a), the Province will deliver the Property Acquisition Funds to Woodward & Co. Lawyers LLP, in trust on the following undertakings:
 - (i) Not to make use of the Property Acquisition Funds except to acquire the Property in accordance with the Purchase and Sale Agreement; and
 - (ii) If, on or before March 31, 2025, the transaction contemplated by the Purchase and Sale Agreement does not complete as evidenced by a pending registration of the transfer shown on title of the Property, to immediately return the Property Acquisition Funds to the Province.
- 2.4 Without the prior written consent of the Province, Hupacasath will not transfer by any method its fee simple interest or any interest in the Property to Canada for the purpose of adding the Property to a reserve as defined in the *Indian Act* (RSC 1984 c.I-5),

3. Economic Development Funding

- 3.1 The Province will provide Hupacasath with funding in the amount of \$2,500,000 upon signing this Reconciliation Agreement for economic development purposes (the “Economic Development Funds”), such purposes to include, but not be limited to:

- (a) purchase of an interest in Tree Farm Licence 44 or other forestry assets or interests;
- (b) commercial fishing and harvesting;
- (c) construction;
- (d) other resource development activities, including clean energy projects;
- (e) such other economic development purposes which benefit Hupacasath and its members.

4. Priority Topics for Reconciliation Discussions

- 4.1 The Parties commit to work together through future negotiations and agreements to explore incremental and transformative steps to reconcile Hupacasath title, rights, jurisdiction, and authority of Hupacasath people under section 35 of the *Constitution Act, 1982* with title, rights, jurisdiction, and authority of the Crown.
- 4.2 The Parties agree that future negotiations may require the participation of the federal government and will seek to engage in future trilateral reconciliation negotiations with Canada.

5. Environmental Condition and Use of the Property

- 5.1 In accepting the Property Acquisition Funds in accordance with this Reconciliation Agreement, Hupacasath acknowledges and agrees that:
 - (a) the Province has not provided any representation or warranty concerning:
 - (i) physical access to the Property;
 - (ii) the economic feasibility of the development of the Property;
 - (iii) the fitness of the Property for any particular use, including the intended use of the Property by Hupacasath;
 - (iv) the provisions of any enactments or bylaws of any governmental body which relate to the development, use and occupation of the Property;
 - (v) the condition of the Property (including surface water and groundwater), environmental or otherwise, including the presence or absence of any toxic, hazardous, dangerous or potentially dangerous substances on or under the Properties and on or under any surrounding or neighbouring land; and
 - (vi) the current and past uses of the Property or any surrounding or neighbouring land; and
 - (b) the provision of the Funds does not constitute an admission or acknowledgement of any responsibility on the part of the Province for any liabilities relating to the Property including, but not limited to, any liability for the clean-up of any contamination or any other toxic, hazardous, dangerous or potentially dangerous substances or conditions on or under the Property or migrating from the Property (including surface water and groundwater) and any other costs of remediation of

the Property, whether disclosed or undisclosed, known or unknown, created or existing, that arose before the Closing Date or arose before and continues after the Closing Date; and

(c) Hupacasath has obtained independent legal advice regarding this transaction.

6. Records and Reports

6.1 Hupacasath will:

- (a) establish and maintain accounting and administrative records in accordance with generally accepted accounting principles in relation to the receipt and use of the Funding received under this Reconciliation Agreement; and
- (b) provide the Province with a report identifying progress related to the activities or projects supported by the Economic Development Funding with the content of reporting to be agreed between the Province and Hupacasath and the report delivered no later than March 31, 2026.

7. Return of Funds

- 7.1 Any portion of the Funding provided under this Reconciliation Agreement that cannot be used or are not used according to the terms of this Reconciliation Agreement are repayable to the Province.

8. Reconciliation Agreement Term

- 8.1 This Reconciliation Agreement will take effect on the Effective Date and continue unless terminated by either Party in accordance with section 9.3.
- 8.2 Either Party may terminate this Reconciliation Agreement by providing 60 days advance written notice to the other Party setting out the reasons for the termination and the date on which termination takes effect. Upon termination of this Reconciliation Agreement,
- (a) all unpaid funding obligations under this Reconciliation Agreement will be terminated;
 - (b) section 8.1 will apply; and
 - (c) The acknowledgement at section 11.3 will survive to the extent of any amount of the Funding used by Hupacasath prior to termination.

9. Dispute Resolution

- 9.1 If a Party serves written notice of a dispute regarding the interpretation or implementation of this Reconciliation Agreement or written notice to terminate this Reconciliation Agreement, the Parties will meet to discuss and attempt to resolve the dispute with direction from their duly appointed representatives and will utilize any dispute resolution mechanism agreed to by the Parties. If the parties have not resolved the dispute and cannot agree on a dispute resolution mechanism within 60 days of the notice of a dispute then the parties agree to arbitration in accordance with the *Arbitration Act* SBC 2020 c.2 with arbitration to be held in Victoria, BC and costs shared equally.

10. Aboriginal and Treaty Rights Matters

10.1 This Reconciliation Agreement does not constitute a treaty or land claim agreement within the meaning of section 25 and section 35 of the *Constitution Act, 1982*.

10.2 Nothing in this Reconciliation Agreement will be construed as:

- (a) establishing, defining, limiting, denying, abrogating or derogating any Aboriginal or treaty right of the Hupacasath recognized and affirmed under section 35 of the *Constitution Act, 1982*;
- (b) an admission by the Province that it has an obligation to provide financial or economic accommodation or compensation for any infringement of any of Hupacasath's Aboriginal rights recognized and affirmed under section 35 of the *Constitution Act, 1982*; or
- (c) in any way limiting the position that the Province or Hupacasath may take in any proceeding or in any discussion or negotiation between them, except as expressly set out in this Reconciliation Agreement.

11. General

11.1 The Parties acknowledge future negotiations and agreements in respect of topics outlined in this Reconciliation Agreement are dependent on each Party obtaining required mandates and approvals, including, in the case of the Province, required Treasury Board and Cabinet approvals, and in some instances tripartite agreements with Canada.

11.2 Notwithstanding any other provision of this Reconciliation Agreement, the payment of the Funding by the Province to Hupacasath pursuant to this Reconciliation Agreement is subject to:

- (a) There being sufficient monies available in an appropriation, as defined in the *Financial Administration Act*, to enable the Province, in any fiscal year or part thereof when any payment of money by the Province to Hupacasath falls due pursuant to this Reconciliation Agreement, to make that payment; and
- (b) Treasury Board not having controlled or limited expenditures under any appropriation referred to in the preceding section pursuant to the *Financial Administration Act*.

11.3 The Property Acquisition Funds and Economic Development Funds will be considered an advance section 35 rights settlement payment and will be offset against any amount that the Province agrees to pay under a future negotiated reconciliation agreement or agreement protected by section 35 of the *Constitution Act, 1982*, or must contribute under a court award.

11.4 Nothing in this Reconciliation Agreement or the execution thereof by Hupacasath precludes or prevents Hupacasath from participating in any government funding, program, or initiative for which Hupacasath or its members may be eligible, or impacts

in any way any amounts to which Hupacasath may be eligible under said government funding, program or initiative.

- 11.5 Each Party to this Reconciliation Agreement represents and warrants, with the intent and understanding that they will be relied on by the other Party in entering into this Reconciliation Agreement, that:
- (a) it has the legal power, capacity and authority to enter into this Reconciliation Agreement;
 - (b) it has taken all necessary actions and has obtained all necessary approvals to enter into this; and
 - (c) this Reconciliation Agreement forms a valid and binding obligation on them.
- 11.6 Any waiver of a provision of this Reconciliation Agreement must be made in writing by the Party who benefits from the obligation waived and will not be a waiver of any other provision, obligation, or subsequent default of that provision.
- 11.7 This Reconciliation Agreement may be amended by written agreement signed by authorized representatives of the Parties.
- 11.8 Nothing in this Reconciliation Agreement operates as a consent, permit, approval or authorization by the Province of British Columbia or any Ministry or Branch thereof to or for anything related to Hupacasath's activities associated with the Property that, by statute, Hupacasath is required to obtain.
- 11.9 Hupacasath is solely responsible for engaging and reaching any agreements that may be necessary with the vendor for the purposes of undertaking and completing the purchase of the Property.
- 11.10 Any notice, document or communication required or permitted to be given under this Reconciliation Agreement must be in writing and delivered by hand or electronic transmission as follows, or such other addresses as the Party may advise in writing:

(a) To Hupacasath:

Brandy Lauder, Chief
Hupacasath First Nation
5500 Ahahswinis Dr.
Port Alberni, BC, V9Y 8J9
Email address: brandy@hupacasath.ca

Phone: 250-724-4041 ext. 29

(b) To the Province:

Tom McCarthy, Deputy Minister
Ministry of Indigenous Relations and Reconciliation
P.O. Box Stn. Prov. Govt.
Victoria, B.C., V8W 9B1

Email address: tom.mccarthy@gov.bc.ca

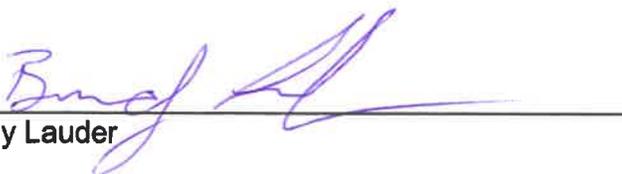
Phone: 778-974-6142

Fax: 250-387-6073

11.11 There will be no presumption that any ambiguity in any of the terms of this Reconciliation Agreement should be interpreted in favour of any Party.

11.12 This Reconciliation Agreement may be entered into by each Party signing a separate copy of this Reconciliation Agreement and delivering it to the other by electronic transmission. All extended counterparts taken together will constitute one agreement.

SIGNED ON BEHALF OF HUPACASATH FIRST NATION, as represented by the Chief of Hupacasath First Nation



Brandy Lauder

SIGNED ON BEHALF OF HIS MAJESTY THE KING IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister of Indigenous Relations and Reconciliation



Honourable Christine Boyle