

MEMORANDUM OF UNDERSTANDING 2

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA,
as represented by the Minister of Aboriginal Relations and Reconciliation ("BC")

AND:

LAKE BABINE NATION, as represented by the Chief of Lake Babine Nation ("LBN")

(Collectively referred to as the "Parties" and individually referred to as a "Party")

WHEREAS

- A. The Parties signed a Memorandum of Understanding ("MOU1") on October 8, 2014 to guide the negotiation of a Strategic Engagement Agreement SEA and other agreements between the Parties ("New Relationship Agreements");
- B. This Memorandum of Understanding 2 ("MOU2") expands on the MOU1 and is intended to further inform the negotiations under MOU1 and this MOU2;
- C. The Supreme Court of Canada in *Tsilhqot'in Nation v. British Columbia*, 2014 SCC 44, found that Tsilhqot'in Nation had established Aboriginal title in British Columbia;
- D. The Province recognizes that Lake Babine peoples' Aboriginal rights and title exist in Lake Babine territory ("Territory") and it is in the interests of both Parties to foster a stronger and more collaborative government-to-government relationship for the land, resources, and economic development opportunities within the Territory.
- E. The Parties are deeply committed to enhancing their government to government relationship by working together in a respectful, open and good faith manner.

Now therefore the Parties set out their mutual intentions to work together to achieve these objectives:

- 1. **RECONCILIATION AGREEMENT.** The Ministry of Aboriginal Relations and Reconciliation will seek a revised negotiation mandate by June 30, 2015 that will enable the Parties to expand the scope of the current New Relationship Agreement negotiations to a Reconciliation Agreement that addresses of the following topics:
 - a. additional forestry tenure opportunities, building on the commitments set out in section 2;
 - b. collaborative decision making on land and resource decisions building on the commitments set out in section 3; and

- c. land opportunities building on the commitments set out in section 4 in accordance with section 5.
2. **ADDITIONAL FORESTRY OPPORTUNITIES.** The Parties will work cooperatively to expand LBN opportunities to participate in the forest sector by initiating a joint project to facilitate creative tenure and business arrangements by September 2015 that:
 - a. supports LBN economic development objectives including a year round viable forest enterprise;
 - b. takes areas of high significance to LBN into consideration;
 - c. address long term fibre needs of local mills and enhance the long term viability of the forest sector; and
 - d. includes creative business to business partnerships with existing forest tenure holders including BC Timber Sales that may include joint planning and resource management opportunities.
3. **COLLABORATIVE DECISION-MAKING.** The Parties will develop a collaborative decision-making process (or processes) for land and resource decisions in LBN territory. The purpose of collaborative decision making is to increase the compatibility of the Parties' respective decision making processes in accordance with the following principles:
 - a. seeking agreement or consistency between decisions can avoid conflict, lead to durable outcomes, and facilitate economic development in the Territories;
 - b. collaborative processes should be designed based on the significance of potential impacts and the circumstances of the decisions, as well as the Parties' respective capacities;
 - c. the Parties will avoid taking positions and will attempt to resolve issues in an interest-based manner; and
 - d. major projects may require customized collaborative decision-making processes.
4. **COMMUNITY AND ECONOMIC DEVELOPMENT OPPORTUNITIES.** The Parties will work together to identify and implement community and economic development opportunities for LBN communities, including potential land acquisitions that support the process of reconciliation between the Parties.
5. **LAND OPPORTUNITIES.** The Parties will work together to identify a quantum of land that may be included in a Reconciliation Agreement with LBN in accordance with the mandate obtained in under section 1.
6. **FORESTRY REVENUE SHARING AGREEMENT.** The Parties have entered into a term sheet dated March 31, 2015 to guide the negotiation of an Interim Forestry Revenue Sharing Agreement which includes:
 - a. sharing forest revenues;

- b. an engagement process for forestry decisions; and
 - c. reporting process for revenues under that agreement.
7. **FORESTRY REVENUE SHARING APPROACH.** The Parties will establish a working group to address issues with respect to a longer-term approach to forestry revenue-sharing to take effect upon the expiration of the Interim Forestry Revenue Sharing Agreement.
8. **ENVIRONMENTAL STEWARDSHIP INITIATIVE.** The Parties are committed to working collaboratively with other First Nations to assess and address cumulative effects on environmental values important to LBN, including aquatic values such as salmon and terrestrial values such as moose or grizzly bear, under the Environmental Stewardship Initiative informed by, and informing the provincial Cumulative Effects Assessment and Management Framework.
9. **SKILLS AND TRAINING PLAN.** BC will provide a payment of \$50,000 to Lake Babine Nation, as soon practicable after signing this MOU², to develop a 3 year Skills and Training Plan that includes an appropriate analysis of all Lake Babine Nation communities in order to identify priorities for skill development and training needs, and help facilitates access to the BC skills training program funding.
10. **SKILLS AND TRAINING INITIATIVE.** Upon completion of the Skills and Training Plan by LBN and upon approval of the Skills and Training Plan by BC, BC will provide at least \$500,000 to Lake Babine Nation to support the implementation of the plan.
11. **PIPELINE COMPLIANCE AND MONITORING PROGRAM.** Building on the Oil and Gas Commission ("OGC") and Environmental Assessment Office's ("EAO") compliance programs and potential opportunities to work with other First Nations, the Parties will:
- a. establish mechanisms for sharing relevant information in relation to monitoring and compliance activities in a timely manner, subject to confidentiality and fairness considerations;
 - b. ensure that LBN non-compliance concerns are effectively investigated, followed up and responded to as appropriate;
 - c. identify supplemental processes and criteria and outline roles and responsibilities for responding to non-compliance events, including working collaboratively with other First Nations and third parties; and
 - d. where such activities are included in an agreement between Lake Babine and OGC or EAO, establish monitoring training programs to support Lake Babine members' participation in monitoring and inspections.
12. **IMMEDIATE WORK WITH OGC AND EAO.** The Parties will continue their current work on the B.C. Oil and Gas Commission permits with the OGC and the review of the management plans required by the Prince Rupert Gas Transmission Environmental Assessment Certificate with the EAO as follows:

- a. the Parties will make best efforts to complete the work on the OGC Permits by May 15, 2015; and
 - b. LBN will provide feedback to EAO on the revised management plans within 2 weeks of receipt.
13. **NILKITWA FOREST SERVICE ROAD.** BC will support the work of the Bulkley Road Use Committee ("Committee") to assess and respond to safety concerns on Nilkitwa Forest Service Road 5897-01 ("Nilkitwa FSR") by:
- a. recommending that prior to commencement of construction of Camp 118, the Prince Rupert Gas Transmission proponent provide the Committee with a plan of use for its project-related use of the Nilkitwa FSR that provides reasonable clarity as to expected types of vehicles, traffic volume, and timing of traffic ("Plan of Use");
 - b. participating in the Committee's review and assessment of whether the existing road infrastructure appropriately accommodates any Plan of Use;
 - c. participating in the review of any safety concerns relating to the Nilkitwa FSR including concerns raised by LBN; and
 - d. working with all parties to ensure the concerns are addressed where a safety concern on Nilkitwa FSR and the Nilkitwa FSR prime maintainer is unable to adequately respond to that concern.
14. **CARBON CREDITS.** The Province will provide LBN \$50,000 to contribute towards the costs of a feasibility study on carbon offset project opportunities in the Territory in accordance with the New Relationship Framework Agreement.
15. **IMPLEMENTATION TIMELINES.** In conducting the negotiations identified under MOU1 and MOU2, the Parties will target agreement on the following matters, in accordance with approved mandates, by these dates:
- a. Interim Forestry Agreement – June 30, 2015;
 - b. identify potential land acquisitions – September 30, 2015;
 - c. Commence Additional Forestry Tenure Project – September 30, 2015; and
 - d. Collaborative Decision-Making – March 31, 2016.
16. **IMPLEMENTATION PRINCIPLES.** The Parties will:
- a. devote the resources reasonably required to conduct negotiations;
 - b. promote efficient internal decision-making;
 - c. each provide their respective negotiators with appropriate technical support and direction to advance the negotiations at the pace required by the above timelines; and

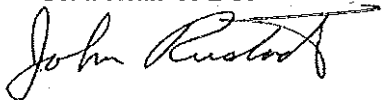
- d. negotiate with each other in good faith and respectfully and in a collaborative spirit, which will include seriously considering the other Party's interests and proposals and, where unable to accept these, providing clear and cogent reasons for not doing so.
17. **DISPUTE RESOLUTION.** Where the Parties have a disagreement over the interpretation or implementation of this MOU2 the Parties agree to follow the process set out below:
- a. **Notification.** Where the Parties are unable to resolve an issue, either Senior Officials Forum Co-Chair appointed under the New Relationship Framework Agreement may provide written notice to the other Party with a summary of the issue and efforts to resolve it.
 - b. **Collaborative Discussions.** Within 10 days of receipt of the notification under subsection a, the Senior Officials Forum Co-Chairs will make reasonable efforts to meet to discuss and attempt to resolve the issue(s).
 - c. **Summary.** The Senior Officials Forum Co-Chairs will document the resolution and any outstanding points of disagreement and provide this update to the Senior Officials Forum established under the New Relationship Framework Agreement and others as applicable.
 - d. **Further Assistance.** If an issue is not resolved by the Senior Officials Forum within 20 days the Parties will seriously consider and may agree to use other dispute resolution measures as appropriate, including meetings with senior members of each Party's executive, mediation, or arbitration.
18. **MOU 2 FUNDING.** BC will provide LBN with a payment of \$150,000 as soon practicable after signing this MOU to support LBN participation in implementing this MOU2.
19. **NEW RELATIONSHIP FRAMEWORK AGREEMENT FUNDING.** BC will provide LBN with \$300,000 under the New Relationship Framework Agreement, in addition to the \$200,000 already tabled in the New Relationship Agreement negotiations, for implementation of that agreement and to expand the current New Relationship Framework negotiations to accommodate a reconciliation mandate as set out in section 1 of this MOU 2.

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20. **GENERAL.** The Parties agree:

- a. this MOU² is not a treaty or land claims agreement within the meaning of section 25 and section 35 of the *Constitution Act*, 1982; and
- b. this MOU 2 does not establish, define, limit, amend, abrogate or derogate from any LBN rights recognized and affirmed under section 35(1) of the *Constitution Act*, 1982;
- c. nothing in this MOU 2 precludes either Party from bringing or defending a legal action; and
- d. any agreements reached or measures identified by the Parties in this MOU2 are subject to each Party obtaining all required approvals including any required Cabinet or Treasury Board approvals.

On behalf of BC:

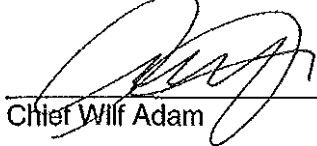


Minister John Rustad

MAY 12 2015

Date

On behalf of Lake Babine Nation



Chief Wilf Adam

Date

May 07. 2015