

PERFORMANCE AND ACCOUNTABILITY FUNDING AGREEMENT

THIS AGREEMENT made the 30th day of March, 2007.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, represented by the Minister of Agriculture and Lands

(the "Province")

OF THE FIRST PART

AND:

COAST ECONOMIC DEVELOPMENT SOCIETY, a society incorporated under the laws of British Columbia and having an office at 3000 Royal Centre, 1055 West Georgia Street, Vancouver, British Columbia

(the "Society")

OF THE SECOND PART

WHEREAS:

- A. In recognition of the need to promote economic development in a sustainable, ecologically integrated manner, in support of First Nations in the Project Area, the Province, Canada and the Private Funders have engaged in the Conservation Investments and Incentives Initiative;
- B. The Province wishes to provide the Contribution to the Society to assist the Society in planning and implementing Regional Economic Development Projects with Participating First Nations throughout the Project Area;
- C. Canada intends to provide Canada's Funding to the Society through the Province further to, and in accordance with, a separate agreement with the Province;
- D. In accordance with a funding agreement with the Coast Conservation Endowment Fund Foundation and the Society, the Private Funders intend to provide funding in an amount equivalent to the total of the Contribution and Canada's Funding to the Coast Conservation Endowment Fund Foundation for the purposes of the Coast Conservation Endowment Fund Foundation administering an endowment fund that supports the planning and implementation of Ecosystem Based Management conservation projects in the Project Area; and

- E. The Society has agreed to accept the Contribution from the Province in accordance with the terms of this Agreement.

NOW THEREFORE in consideration of the premises and covenants and agreements set out in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the parties), the parties agree as follows:

DEFINITIONS

- 1.01 In this Agreement and the Recitals to this Agreement, unless the context requires otherwise:
- (a) "Agency Agreement" means a written agreement consistent with the terms of this Agreement between the Society and another entity, including a First Nation, whether or not such First Nation is a "qualified donee" as such term is defined in the Income Tax Act (Canada), or not;
 - (b) "Board of Directors" means the board of directors of the Society;
 - (c) "Business Day" means any day other than Saturday, Sunday or a day on which the Province's central banker is not open for business in Vancouver, British Columbia;
 - (d) "Bylaws" means the proposed bylaws of the Society attached as Schedule "B" to this Agreement, as may be amended in accordance with this Agreement and from time to time;
 - (e) "Canada" means Her Majesty the Queen as represented by the Minister of Environment;
 - (f) "Canada's Funding" means \$30,000,000 to be paid by Canada to the Province under an agreement, separate from this Agreement, between Canada and the Province, whereby the Province will provide Canada's Funding to the Society;
 - (g) "Contribution" means a \$30,000,000 one-time grant to be paid by the Province to the Society, including any income earned on the \$30,000,000;
 - (h) "Constitution" means the proposed constitution of the Society attached as Schedule "A" to this Agreement, as may be amended in accordance with this Agreement and from time to time;

- (i) "Current Bylaws" means the bylaws of the Society in effect on March 31, 2007;
- (j) "Current Constitution" means the constitution of the Society in effect on March 31, 2007;
- (k) "Ecosystem Based Management" means an adaptive, systematic approach to managing human activities that seeks to ensure the co-existence of healthy, fully functioning ecosystems and human communities;
- (l) "Event of Default" means any event of default described in section 9.01 of this Agreement;
- (m) "FAA" means the *Financial Administration Act*, R.S.B.C. 1996, c.138;
- (n) "First Nation" means a First Nation of the Province of British Columbia whose Traditional Territory, or a portion of that territory, is within the Project Area;
- (o) "Land Use Planning Agreement" means an agreement entered into by the Province and at least one Participating First Nation, that identifies land use zones, commits to Ecosystem Based Management, and defines objectives, strategies and practices for the management of cultural and natural resources throughout that portion of the Participating First Nation's Traditional Territory that lies within the Project Area, other than the portion of the Haisla Traditional Territory and the Gitga'at Traditional Territory that is in the Project Area and is included in the South Kalum Land and Resource Management Plan;
- (p) "Participating First Nation" means a First Nation that enters into a Land Use Planning Agreement covering a part of the Project Area;
- (q) "Private Funders" means The Nature Conservancy, The William and Flora Hewlett Foundation, The Gordon and Betty Moore Foundation, David and Lucile Packard Foundation, The Rockefeller Brothers Fund, and Tides Canada Foundation, an agent or agents of any or all of them, as the case may be;
- (r) "Project Area" means the Central Coast and North Coast Land and Resource Management Plan areas, and the Traditional Territory of Haida Gwaii, and the portions of the Traditional Territory of the Haisla territory and the Gitga'at territory that are included in the South Kalum Land and Resource Management Plan, all as outlined on the map attached as Schedule "C" to this Agreement;

- (s) "Regional Economic Development Planning Projects" means regionally focused economic development planning projects to take place in the Project Area that are jointly proposed by a minimum of two Participating First Nations, are aimed at addressing the First Nations' planning needs, are consistent with the economic development outcomes set out in Schedule "E", are intended to support applications to the Society by Participating First Nations for funding by the Society of Regional Economic Development Projects as contemplated under section 4.01(e) of this Agreement, and otherwise meet the Society's requirements for funding under this Agreement;
- (t) "Regional Economic Development Projects" means regionally focused economic development projects to take place in the Project Area that are jointly proposed by a minimum of two Participating First Nations, are consistent with the economic development outcomes set out in Schedule "E", are supported by Regional Economic Development Planning Projects, and otherwise meet the Society's requirements for funding under this Agreement;
- (u) "Schedules" means the schedules to this Agreement;
- (v) "Society" means the Coast Economic Development Society described on page 1 of this Agreement who will carry out the Conservation Investments and Incentives Initiative further to the Constitution, Bylaws and this Agreement;
- (w) "Term" means the term of this Agreement described in section 2.01; and
- (z) "Traditional Territory" means an area where a Participating First Nation has claimed or proven aboriginal or treaty rights that are recognized and affirmed under section 35(1) of the *Constitution Act, 1982*.

TERM

- 2.01 The term of this Agreement will commence on execution and delivery and will end 7 years and 3 months from the commencement of the Term, unless terminated earlier in accordance with section 9.02.

CONTRIBUTION

- 3.01 The Province will make the Contribution to Society within 30 Business Days of the commencement of the Term.

3.02 Notwithstanding any other provision of this Agreement, in no event will the Province be or become obligated to pay to the Society pursuant to this Agreement an amount exceeding \$30,000,000.

COVENANTS OF THE SOCIETY

4.01 In recognition and consideration of the Contribution by the Province to the Society under this Agreement, the Society covenants and agrees that it will:

- (a) comply with the provisions of this Agreement, including the Schedules;
- (b) Within 90 Business Days of the commencement of the Term, cause the Current Constitution and Current Bylaws to be amended so as to substantially reflect the Constitution and the Bylaws.
 - (b.1) simultaneously with the amendments to the Current Bylaws under section 4.01(b), amend the Bylaws to provide that a Director, as defined in the Bylaws, must not be:
 - (i) an elected or appointed official, or an employee, of a Participating First Nation;
 - (ii) a Member of the Legislative Assembly; or
 - (iii) an employee of the Province;
 - (b.2) simultaneously with the amendments contemplated under sections 4.01(b) and 4.01(b.2), amend the Bylaws to provide that the unanimous approval of all the Members given at a general meeting or by consent in writing is required to amend
 - (i) the definition of "Nominating Entity" in the Bylaws,
 - (ii) Part 2 of the Bylaws,
 - (iii) Bylaws 5.5 to 5.12 and Bylaw 5.14,
 - (iv) the Bylaw implementing the amendment to the Bylaws contemplated under section 4.01(b.1), or
 - (iv) any alterable provision of the Constitution;
- (c) following the amendments to the Current Bylaws and Bylaws as contemplated by sections 4.01(b), (b.1) and (b.2), the Society will

- (i) provide the Province with a copy of its amended Bylaws within 10 Business Days of such amendments, and
 - (ii) make public the amended Bylaws within 10 Business Days of such amendment;
- (d) allocate no more than \$2,000,000 from the Contribution for
 - (i) start up costs of the Society, including the development of its initial strategic plan as contemplated by Schedule "D", and
 - (ii) assisting Participating First Nations in developing proposals for Regional Economic Development Planning Projects;
- (e) apply the remainder of the Contribution not allocated as contemplated by section 4.01(d) to funding of Regional Economic Development Projects;
- (f) make reasonable commercial efforts to purchase and maintain throughout the Term policies of insurance with insurers licensed to do business in Canada that will permit the Society to support the indemnity provided to the Province under section 4.01(n);
- (g) ensure that throughout the Term, a director of the Society is not permitted to accept remuneration from the Society other than
 - (i) remuneration for reasonable travelling and out of pocket expenses necessarily incurred by the director in discharging his or her duties, and
 - (ii) a daily amount, established in accordance with section 4.01(j), for each day on which the director performs directorial duties for the Society;
- (h) invest property, including money and securities, in its hands in accordance with the *Trustee Act* as if the Society was a trustee investing trust property;
- (i) meet the operational commitments set out in Schedule "D" and be guided by the principles set out in Schedule "F";
- (j) in establishing the daily amount referred to in section 4.01(g)(ii) be guided by rates of daily remuneration that public bodies in British Columbia, of a size and scope similar to the Society, provide to their directors;
- (k) the Society must ensure that operational and administrative costs are minimized to the greatest extent possible, while also ensuring that there is adequate funding to permit the Society to meet its operational objectives;

- (l) once a grant or other funding application has been approved and the funding provided, ensure that the performance of the recipient of such funding is monitored to the extent necessary to satisfy the Society that the terms and conditions outlined in the grant to, or other funding agreement with, such recipient are being followed and reported on to the Society so as to allow the Society to meet its operational commitments set out in Schedule "D";
- (m) make its best efforts to expend the Contribution in its entirety for the purposes of this Agreement within 7 years from the commencement of the Term, but failing such expenditure or on the earlier winding-up of the Society, through resolution of the Board of Directors, articulate a process, consistent with the purposes of this Agreement, for distribution of any part of the Contribution that has not been expended, and make such resolution public;
- (n) indemnify and hold the Province harmless from any and all claims, losses, damages, costs and expenses, including legal fees through the appellate levels, made against or incurred by the Province arising out of work performed by the Society or their respective employees or agents in connection with this Agreement, or arising out of the Society, or their respective employees or agents;
- (o) expend the Contribution for the purposes of this Agreement prior to expending any other funds in its hands, including Canada's Funding;
- (p) when required to make a document, report or any other matter, public under this Agreement, do so in a manner that can reasonably be expected to bring the document, report or matter to the attention of the public;
- (q) establish and maintain accurate books of account and records (including supporting documents) in relation to the disbursement of the Contribution as contemplated by this Agreement, following generally accepted accounting principles; and
- (r) prepare and make public such written reports as the Province may, from time to time, request in connection with this Agreement.

APPROPRIATION

- 5.01 Notwithstanding any other provision of this Agreement, the payment of money by the Province to the Society pursuant to this Agreement is subject to:

- (a) there being sufficient monies available in an appropriation, as defined in the FAA, to enable the Province in any fiscal year or part thereof when any such payment may be required, to make that payment; and
- (b) Treasury Board, as defined in the FAA, not having controlled or limited, pursuant to the FAA, expenditure under any appropriation referred to in section 5.01(a).

ASSIGNMENT AND SUBCONTRACTING

- 6.01 Other than as may be contemplated by this Agreement, the Society will not, without the prior written consent of the Province assign, either directly or indirectly, this Agreement or any right of the Society under this Agreement.

RELATIONSHIP

- 7.01 No partnership, joint venture, agency or other legal entity will be created by or will be deemed to be created by this Agreement or any actions of the parties pursuant to this Agreement.
- 7.02 The Society will not be a dependant contractor, the servant, employee or agent of the Province under this Agreement.
- 7.03 The Society will not, in any manner whatsoever, commit or purport to commit the Province to the payment of money to any person, firm or corporation under this Agreement.

REPRESENTATIONS AND WARRANTIES

- 8.01 The Society represents and warrants to the Province, with the intent that the Province will rely thereon in entering into this Agreement, that:
 - (a) there are no actions or proceedings pending (including appeals or applications for review) or to its knowledge threatened, before any court, arbitrator, administrative agency or governmental body which, if determined against it, would result in a change occurring in its properties, assets, condition (financial or otherwise), business or operations which would materially adversely affect its ability to fulfil its obligations under this Agreement;
 - (b) it has the power and capacity to accept, execute and deliver this Agreement; and

- (c) this Agreement is binding upon, and enforceable against, the Society in accordance with its terms.
- 8.02 All representations, warranties, covenants and agreements made in this Agreement and all certificates and other documents delivered by or on behalf of the Society are material and will conclusively be deemed to have been relied upon by the Province, notwithstanding any prior or subsequent investigation by the Province.
- 8.03 The provisions of sections 8.01 and 8.02 will continue in full force and effect notwithstanding the fulfillment by the Society of any or all of its obligations under this Agreement or the grant by the Province to the Society of any or all of the monies that the Province becomes liable to pay to the Society pursuant to this Agreement.
- 8.04 All statements contained in any certificate or other document delivered by or on behalf of the Society to the Province under, or in connection with, this Agreement will be deemed to be representations and warranties by the Society under this Agreement.

DEFAULT

- 9.01 Any of the following will constitute an event of default under this Agreement:
- (a) the Society fails to comply with a material provision of this Agreement and the Society does not cure the failure to comply within 10 Business Days of receipt of notice from the Province to comply;
 - (b) any representation or warranty made by the Society in entering into this Agreement, or in accepting the Contribution made further to this Agreement, is untrue or incorrect;
 - (c) any information, statement, certificate, report or other document furnished or submitted by or on behalf of the Society pursuant to or as a result of this Agreement is untrue or incorrect;
 - (d) a change occurs with respect to any one or more, including all, of the properties, assets, condition (financial or otherwise), business or operations of the Society which, in the opinion of the Province, materially adversely affects the ability of the Society to fulfil its obligations under this Agreement;
 - (e) an order is made or a resolution is passed or a petition is filed for the liquidation or winding up of the Society;

- (f) the Society becomes insolvent or commits an act of bankruptcy or makes an assignment for the benefit of its creditors or otherwise acknowledges its insolvency; and
- (g) the Society substantially ceases to operate prior to the expiry of this Agreement.

9.02 If an Event of Default occurs then the Province may, in addition to any other remedy it may have at law or equity, by written notice to the Society, require the Society to make public the fact that an Event of Default has occurred and any action it proposes to take, or does take, to remedy the Event of Default.

NOTICES

10.01 Any notice, document, statement, report, demand or grant desired or required to be given or made pursuant to this Agreement will be in writing and may be given or made if delivered personally to the party to whom it is to be given or made, or if mailed in Canada with postage prepaid addressed to:

if to the Province:

Ministry of Agriculture and Lands
780 Blanshard Street
PO Box 9352, Stn Prov Govt
Victoria, British Columbia
Canada, V8W 2M1

Attention: Associate Deputy Minister, Integrated Land Management
Bureau

and if to the Society:

Coast Economic Development Society
3000 Royal Centre, (PO Box 11130)
1055 West Georgia Street
Vancouver, British Columbia
Canada, V6E 3R3

Attention: Chair, Board of Directors

10.02 Any notice, document, statement, report or demand desired or required to be given or made pursuant to this Agreement may be transmitted by facsimile transmission from either party or the Province and will be conclusively deemed

validly given to and received by the intended recipient when so transmitted if transmitted to the following numbers:

If to the Province: (250) 387-3291; and

If to the Society: (604) 646-2662

- 10.03 Either party may, from time to time, give written notice to the other party of any change of address or facsimile number of the party giving such notice and after the giving of such notice, the address or facsimile number therein specified will, for purposes of this Agreement be conclusively deemed to be the address or facsimile number of the party giving such notice.

NON-WAIVER

- 11.01 No term or condition of this Agreement and no breach by one party of any such term or condition will be deemed to have been waived unless such waiver is in writing signed by the other party.
- 11.02 The written waiver by one party of any breach by the other party of any term or condition of this Agreement will not be deemed a waiver of such term or condition or of any subsequent breach by the other party of the same or any other term or condition of this Agreement.

ENTIRE AGREEMENT

- 12.01 This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement.

FURTHER ACTS AND ASSURANCES

- 13.01 Each of the parties will, upon the reasonable request of the other, make, do, execute or cause to be made, done or executed all further and other lawful acts, deeds, things, devices, documents, instruments and assurances whatever for the better and absolute performance of the terms and conditions of this Agreement.

TIME OF ESSENCE

- 14.01 Time will be of the essence of this Agreement.

SURVIVAL OF PROVISIONS

- 15.01 All of the provisions of this Agreement in favour of the Province and all of the rights and remedies of the Province, either at law or in equity, will survive any expiration or sooner termination of this Agreement.

INTERPRETATION AND MISCELLANEOUS

- 16.01 This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia.
- 16.02 The headings appearing in this Agreement have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope of any provision of this Agreement.
- 16.03 Any reference to a statute in this Agreement, whether or not that statute has been defined, includes all regulations at any time made under or pursuant to that statute and amendments to that statute.
- 16.04 This Agreement will be interpreted and construed with such changes in number and gender as the context so requires.
- 16.05 The Schedules to this Agreement are an integral part of this Agreement as if set out at length in the body of this Agreement.
- 16.06 Any discretion or obligation of the Province under this Agreement may be exercised or performed by the Minister of Agriculture and Lands, the Deputy Minister of Agriculture and Lands, or any person authorized to act for, or on behalf of, either of them.
- 16.07 This Agreement does not operate as an approval, consent, registration, license, permit or other statutory authority which the Society or the recipient of a grant or Agency Agreement may be required to obtain from the Province (or any of its officials or agencies) in order to conduct their operations or comply with this Agreement.
- 16.08 Nothing in this Agreement is to be construed as interfering with the exercise by the Province (or its officials or agencies) of any statutory power or duty.

SUCCESSORS AND ASSIGNS

- 17.01 This Agreement will enure to the benefit of and be binding upon the Society and its successors and permitted assigns and the Province and its assigns.

PUBLIC ANNOUNCEMENTS

- 18.01 The parties will consult with one another and coordinate any public announcements in respect of the transactions contemplated in this Agreement and the Society will give notice in writing to the Province, at least 14 days in advance of any official ceremony to be held in connection with its activities.

SEVERABILITY

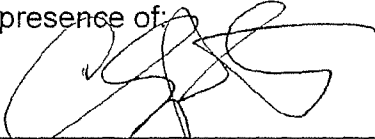
- 19.01 The invalidity of any paragraph, section or part of this Agreement will not affect any other paragraph, section or part of this Agreement, but this Agreement will be construed as if such invalid paragraph, section or part were omitted.

EXECUTION BY COUNTERPARTS

20.01 This Agreement may be entered into by each party signing a separate copy of this Agreement (including a photocopy or facsimile copy) and delivering it to the other party by facsimile transmission.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as set out below.

SIGNED on behalf of Her Majesty the)
Queen in Right of the Province of)
British Columbia by a duly authorized)
representative of the)
Minister of Agriculture and Lands)
this 3rd of March, 2007)
in the presence of:)

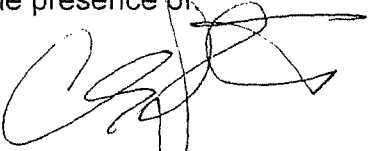


(Witness)



For the Minister of Agriculture and
Lands

SIGNED on behalf of the Coast)
Economic Development Society)
by a duly authorized representative)
this 3rd of March, 2007)
in the presence of:)



(Witness)



For the Coast Economic Development
Society

Schedule "A"

(Proposed Constitution of Coast Economic Development Society)

CONSTITUTION

1. The name of the society is the COAST ECONOMIC DEVELOPMENT SOCIETY.
2. The purposes of the Society are:
 - (a) to support and create environmentally sound and sustainable economic development for First Nations within the Central Coast and North Coast of British Columbia, and Haida Gwaii informed by coastal land and resource management plans;
 - (b) to provide financial and other support for the economic development activities of First Nations within the Central Coast and North Coast of British Columbia and Haida Gwaii consistent with the principles of Ecosystem-Based Management;
 - (c) to receive bequests, legacies, donations, gifts, funds and property from all sources and to hold and invest such funds and property and to administer and distribute such funds and property for the purposes of the Society;
 - (d) to develop sources of income as may from time to time be appropriate, including without limiting the foregoing, carrying on such business or other activities as are incidental to the foregoing purposes and to further the purposes of the Society;
 - (e) to do all such other things as are incidental and ancillary to the attainment of the foregoing purposes and the exercise of the powers of the Society.
3. The activities of the Society will be carried on without purpose of gain for its members and any income, profits or other accretions to the Society will be used in promoting the purposes of the Society.
4. Upon winding-up or dissolution of the Society, the funds and property remaining after the payment of all costs, charges and expenses properly incurred in the winding-up or dissolution, including the remuneration of the liquidator, and after payment to employees of the Society of any arrears of salaries or wages, and after payment of any debts of the Society, will be distributed to such "qualified donees", as defined by the Income Tax Act, as are designated by the Board. Any of such funds or property remaining

which had originally been received for specific purposes will, wherever possible, be distributed to "qualified donees" carrying on work of a similar nature to such specific purposes.

5. Paragraphs 3, 4, and 5 are unalterable.
6. The Society is prohibited from conducting or funding any political activities and from conducting or funding any activities that conflict with the foregoing purposes.
7. Subject to the Board's fiduciary obligations and obligations pursuant to the Society Act, the governance and operation of the Society must be transparent and accountable.
8. Paragraphs 6, 7 and 8 are unalterable.

Schedule "B"

PROPOSED BYLAWS
of
COAST ECONOMIC DEVELOPMENT SOCIETY

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SOCIETY ACT

BYLAWS

of

COAST ECONOMIC DEVELOPMENT SOCIETY

PART 1. - INTERPRETATION

1.1 Definitions

In these Bylaws and the Constitution of the Society, unless the context otherwise requires:

- (a) "**Address of the Society**" means the address of the Society as filed from time to time with the Registrar in the Notice of Address;
- (b) "**Board**" means the Directors acting as authorized by the Constitution and these Bylaws in managing or supervising the management of the affairs of the Society and exercising the powers of the Society;
- (c) "**Board Resolution**" means:
 - (i) a resolution passed at a duly constituted meeting of the Board by a simple majority of the votes cast by those Directors who are present and entitled to vote at such meeting; or
 - (ii) a resolution that has been submitted to all of the Directors and consented to in writing by 75% of the Directors who would have been entitled to vote on it in person at a meeting of the Board;
- (d) "**British Columbia**" means Her Majesty the Queen in Right of the Province of British Columbia;
- (e) "**Bylaws**" means the bylaws of the Society as filed in the Office of the Registrar;
- (f) "**Canada**" means Her Majesty the Queen in Right of Canada;
- (g) "**Chair**" means a person elected to the office of Chair in accordance with these Bylaws;
- (h) "**Constitution**" means the constitution of the Society as filed in the Office of the Registrar;

- (i) “**Directors**” means those persons who have become directors in accordance with these Bylaws and have not ceased to be directors, and a “Director” means any one of them;
- (j) “**Founders**” means British Columbia and the donors to the Society that have been recognized by the Board, such recognition being confirmed by Board Resolution and which confirmation once given, cannot be withdrawn;
- (k) “**Foundation**” means the “Coast Conservation Endowment Fund Foundation”;
- (l) “**Income Tax Act**” means the *Income Tax Act*, R.S.C. 1985 (5th Supp.), c. 1 as amended from time to time;
- (m) “**Members**” means the applicants for incorporation of the Society and those Persons who have subsequently become members in accordance with these Bylaws and, in either case, have not ceased to be members, and a “Member” means any one of them;
- (n) “**Nominating Entity**” means each of British Columbia, the Founders exclusive of British Columbia and, collectively, the Participating First Nations;
- (o) “**Ordinary Resolution**” means
 - (i) a resolution passed in a general meeting by the Members of the Society by a simple majority of the votes cast in person, or
 - (ii) a resolution that has been submitted to the Members of the Society and consented to in writing by 75% of the Members who would have been entitled to vote on it in person at a general meeting of the Society, and a resolution so consented to is deemed to be an Ordinary Resolution passed at a general meeting of the Society;
- (p) “**Participating First Nations**” means those First Nations who have executed Land Use Plan Agreements with the Province of British Columbia that include a conservation commitment, the execution of such Land Use Plan Agreement by a respective participating First Nation having been confirmed by Board Resolution and which confirmation once given, cannot be withdrawn, and “Participating First Nation” means any one of them;
- (q) “**Person**” means a natural person;
- (r) “**Registered Address**” of a Member or Director means the address of that person as recorded in the register of Members or the register of Directors;

- (s) “**Registrar**” means the Registrar of Companies of the Province of British Columbia;
- (t) “**Society**” means the “Coast Economic Development Society”;
- (u) “**Society Act**” means the *Society Act* R.S.B.C. 1996, c. 433, as amended from time to time; and
- (v) “**Special Resolution**” means:
 - (i) a resolution passed in a general meeting by a majority of not less than 75% of the votes of those Members of the Society who, being entitled to do so, vote in person,
 - (1) of which the notice that the Bylaws provide, and not being less than 14 days’ notice, specifying the intention to propose the resolution as a Special Resolution has been given, or
 - (2) if every Member entitled to attend and vote at the meeting agrees, at a meeting of which less than 14 days’ notice has been given, or
 - (ii) a resolution that has been submitted to the Members of the Society and consented to in writing by every Member of the Society who would have been entitled to vote on it in person at a general meeting of the Society, and a resolution so consented to is deemed to be a Special Resolution passed at a general meeting of the Society.

1.2 **Society Act Definitions**

The definitions in the *Society Act* on the date these Bylaws become effective apply to these Bylaws and the Constitution.

PART 2. - MEMBERSHIP

2.1 Transitional

The subscribing Members of the Foundation are Ross McMillan, Margaret Mason, Brian Taylor, Judith Smith and Marla Dittrick. Judith Smith and Marla Dittrick resigned subsequent to the incorporation of the Society. Ross McMillan, Margaret Mason and Brian Taylor will serve until at least three (3) of the Nominating Entities appoint members in accordance with Bylaw 2.2 hereof whereupon each of them will immediately resign.

2.2 Composition of Membership

By no later than June 30, 2007, each of the following Nominating Entities will nominate a Person or Persons to be a voting Member or Members of the Society by nomination in writing and delivered to the Secretary as follows:

- (a) two (2) Persons nominated by British Columbia;
- (b) two (2) Persons nominated by the Founders, exclusive of Canada and British Columbia;
- (c) two (2) Persons nominated by the Participating First Nations.

Each Person so nominated will be accepted as a Member by the Members. Employees of the Society are not eligible to become Members.

2.3 Non-Voting Members

The Participating First Nations will additionally nominate two (2) Persons who will be non-voting Members. Each such non-voting Member is eligible to attend all meetings of Members but not eligible to vote. Non-voting Members will not be included in the determination of quorum pursuant to Bylaw 4.4.

2.4 Nomination of Members

Each Nominating Entity will nominate a Member to serve until such nomination is revoked by the Nominating Entity. All such nominations must be made in writing and delivered to the Secretary; any such revocation must be in writing and delivered to the Member and to the Secretary. Immediately upon the revocation of any nomination, the Nominating Entity must nominate a successor Member. Each Person so nominated will be accepted as a Member by the Members.

2.5 Neglect or Refusal to Nominate

In the event that a Nominating Entity neglects or refuses to nominate a Member in accordance with Bylaws 2.2 or 2.3, then the Board will appoint a replacement Member. Each Person so appointed will become a Member upon acceptance of his or her application by the Board. The term of any replacement Member so appointed will begin at the close of the meeting of the Directors at which the appointment is made or at such other time as is specified in the resolution making the appointment and will end upon the date upon which a Person nominated by the Nominating Entity nominates a Member.

2.6 Number of Members

Subsequent to the first annual general meeting of the Society, the number of members must always be six.

2.7 Expulsion of Member

A Member may be expelled by a Special Resolution.

2.8 Cessation of Membership

A person will immediately cease to be a Member:

- (a) if nominated by a Nominating Entity, upon the date such Member's nomination is revoked by the Member's Nominating Entity;
- (b) if nominated in accordance with Bylaw 2.4 hereof, upon the date such Member's nomination is revoked by the appropriate Nominating Entity;
- (c) upon the date which is the later of the date of delivering his or her resignation in writing to the Secretary of the Society or to the Address of the Society and the effective date of the resignation stated thereon; or
- (d) upon his or her expulsion; or
- (e) upon his or her death.

2.9 Dues

There will be no annual membership dues.

2.10 Standing of Members

All Members are deemed to be in good standing.

2.11 Compliance with Bylaws

Every Member will uphold the Constitution and comply with these Bylaws.

PART 3. - MEETINGS OF MEMBERS

3.1 Time and Place of General Meetings

The general meetings of the Society will be held at such time and place, in accordance with the *Society Act*, as the Board decides.

3.2 Extraordinary General Meeting

Every general meeting other than an annual general meeting is an extraordinary general meeting.

3.3 Calling of Extraordinary General Meeting

The Board may, whenever it thinks fit, convene an extraordinary general meeting.

3.4 Notice of General Meeting

The Society will give not less than 14 days' written notice of a general meeting to those Members entitled to receive notice; but those Members may waive or reduce the period for a particular meeting by unanimous consent in writing.

3.5 Contents of Notice

Notice of a general meeting will specify the place, the day and the hour of the meeting.

3.6 Omission of Notice

The accidental omission to give notice of a general meeting to, or the non-receipt of notice by, any of the Members entitled to receive notice does not invalidate proceedings at that meeting.

3.7 Annual General Meetings

The first annual general meeting of the Society will be held as soon as practicable, but in any event, not more than 15 months after the date of incorporation, and thereafter an annual general meeting will be held at least once in every calendar year and not more than 15 months after the holding of the last preceding annual general meeting, provided however that the 2006 annual general meeting must be held no later than June 30, 2006.

PART 4. - PROCEEDINGS AT GENERAL MEETINGS

4.1 Special Business

Special business is:

- (a) all business at an extraordinary general meeting except the adoption of rules of order; and
- (b) all business that is transacted at an annual general meeting, except:
 - (i) the adoption of rules of order;
 - (ii) consideration of the financial statements;

- (iii) consideration of the report of the Board;
- (iv) consideration of the report of the auditor;
- (v) the election of Directors;
- (vi) the appointment of the auditor; and
- (vii) such other business that, under these Bylaws or any governing statutes, ought to be transacted at an annual general meeting, or business which is brought under consideration by the report of the Directors if the report was issued with the notice of the meeting.

4.2 Requirement of Quorum

No business, other than the election of a Person to chair the meeting and the adjournment or termination of the meeting, will be conducted at a general meeting at a time when a quorum is not present.

4.3 Loss of Quorum

If at any time during a general meeting there ceases to be a quorum present, business then in progress will be suspended until there is a quorum present or until the meeting is adjourned or terminated.

4.4 Quorum

A quorum at a general meeting is four Members.

4.5 Lack of Quorum

If within 30 minutes from the time appointed for a general meeting a quorum is not present, the meeting, if convened on the requisition of Members, will be terminated; but in any other case, it will stand adjourned to the next day, at the same time and place, and if, at the adjourned meeting, a quorum is not present within 30 minutes from the time appointed for the meeting, the Members present will constitute a quorum, provided always that at least three (3) Members are present.

4.6 Chair

The Chair of the Society will, subject to a Board Resolution appointing another person, chair all general meetings; but if at any general meeting the Chair, or such alternate person appointed by a Board Resolution, is not present within 15 minutes after the time appointed for the meeting

or requests that he or she not chair that meeting, the Members present may choose one of their numbers to chair that meeting.

4.7 Alternate Chair

If a Person presiding as chair of a general meeting wants to step down as chair for all or part of that meeting, he or she may designate an alternate to chair such meeting or portion thereof, and upon such designated alternate receiving the consent of a majority of the Members present at such meeting, he or she may preside as chair.

4.8 Adjournment

A general meeting may be adjourned from time to time and from place to place, but no business will be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

4.9 Notice of Adjournment

It is not necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting except where a meeting is adjourned for more than 14 days, in which case notice of the adjourned meeting will be given as in the case of the original meeting.

4.10 Motions need not be Seconded

No resolutions proposed at a general meeting need be seconded.

4.11 Ordinary Resolution Sufficient

Any issue at a general meeting which is not required by these Bylaws or the *Society Act* to be decided by a Special Resolution will be decided by an Ordinary Resolution.

4.12 Entitlement to Vote

Each Member is entitled to one vote.

4.13 No Casting Vote

In case of an equality of votes, the Person presiding as chair of a general meeting will not have a casting or second vote in addition to the vote the Person presiding as chair may be entitled to as a Member and the proposed resolution will not pass.

4.14 Decisions by Show of Hands, Voice Vote or Secret Ballot

Voting will be by show of hands or voice vote recorded by the secretary of the meeting; except that, at the request of any two Members present at the meeting, a secret vote by written ballot will be required.

4.15 Voting by Proxy

Voting by proxy is not permitted.

4.16 Ordinary Resolution in Writing

A resolution in writing which is identified as an Ordinary Resolution and signed by a minimum of 75% of the Members who would have been entitled to vote on it at a general meeting of the Society is as valid and effectual as an Ordinary Resolution as if it had been passed at a meeting of Members duly called and constituted and will be deemed to be an Ordinary Resolution. Such a resolution may be in two or more counterparts which together will be deemed to constitute one Ordinary Resolution in writing. Such Ordinary Resolution will be filed with minutes of the proceedings of the Members and will be deemed to be passed on the date stated therein or, in the absence of such a date being stated, on the latest date stated on any counterpart.

4.17 Special Resolution in Writing

A resolution in writing which is identified as a Special Resolution and has been signed by all the Members who would have been entitled to vote on it at a general meeting of the Society is as valid and effectual as a Special Resolution as if it had been passed at a meeting of Members duly called and constituted and will be deemed to be a Special Resolution. Such a resolution may be in two or more counterparts which together will be deemed to constitute one Special Resolution in writing. Such Special Resolution will be filed with minutes of the proceedings of the members and will be deemed to be passed on the date stated therein or, in the absence of such a date being stated, on the latest date stated on any counterpart.

4.18 Copy of Special Resolution to be filed with the Registrar

A copy of any Special Resolution passed in accordance with the Bylaws will be filed with the Registrar in the appropriate form and will not take effect until such copy is accepted by the Registrar.

4.19 Special Resolution Items

The following matters will only be undertaken by Special Resolution of the Members:

- (a) any change to the Constitution or Bylaws (except that paragraphs 3, 4, 5, 6, 7 and 8 of the Constitution are unalterable) in accordance with Bylaw 15.2;

- (b) any sale, lease, transfer, mortgage, pledge, or other disposition of all or substantially all of the assets of the Society;
- (c) any increase or reduction in the number of Members and/or Directors of the Society;
- (d) the consolidation, reorganization, merger or amalgamation of the Society with any other Society, association, partnership or legal entity;
- (e) the expulsion of a Member in accordance with Bylaw 2.6;
- (f) the election or appointment of a Director in accordance with Bylaw 5.6;
- (g) the removal of a Director;
- (h) the issuance of a debenture in accordance with Bylaw 10.2;
- (i) termination of the Society; and
- (j) causing the Society to initiate a proceeding under which the Society would become a debtor in bankruptcy.

PART 5. - DIRECTORS

5.1 Powers of Directors

The Board may exercise all such powers and do all such acts and things as the Society may exercise and do, and which are not by these Bylaws or by statute or otherwise lawfully directed or required to be exercised or done by the Members in general meeting, but subject, nevertheless, to the provisions of:

- (a) all laws affecting the Society; and
- (b) these Bylaws and the Constitution.

5.2 Management of Property and Affairs

The property and the affairs of the Society will be managed by the Board.

5.3 Board Responsibilities

The Board is responsible for establishing the strategic vision for the Society and for assessing, compensating, retaining and, if necessary, replacing, senior management staff with the commensurate skills to assist the Board in implementing its strategic vision. The Board is also

responsible for the creation of policies and procedures which identify and manage risk, both financial and otherwise, which govern funding relationships, which establish performance expectations for the Society and its employees, and which, subject to the Board's fiduciary obligations and obligations pursuant to the *Society Act*, communicate its performance to Members, Founders and Participating First Nations.

The Board must have governance policies and procedures that establish expectations for the Board and appropriate codes of conduct. The Board must also have audit policies and procedures that require the review of financial information, systems and controls. The Board must review the governance and audit policies and procedures annually and ensure the Society's compliance with same.

The Board must also create a director competency matrix with which the Board will assess potential candidates for election to the Board.

5.4 Appointment of Directors

At the 2007 annual general meeting of the Society, the voting Members will appoint seven (7) Persons as Directors and such persons must be the same Persons appointed as directors of the Foundation.

5.5 Election of Directors

Thereafter, the Board will consist of seven (7) Directors elected by the voting Members in accordance with this Part.

5.6 Election and Appointment of Directors

Subsequent to the appointment of the Directors at the first annual general meeting, Directors elected pursuant to Bylaw 5.5 hereof will be elected by the voting Members at a general meeting and will take office commencing at the close of such meeting. The number of candidates proposed by the Board for election will be at least equal to the number of vacant positions. Each candidate proposed must be elected by a Special Resolution. If the voting Members elect fewer Directors than the number of vacant Director positions, the Board must, within 90 days of the date of the meeting at which such elections were conducted, propose additional candidates at least equal to the number of vacant positions to the voting Members and a meeting must be called within 120 days of the date of the meeting at which such elections were conducted to hold elections for the vacant positions.

5.7 Term of Office

Elections for Directors will be held at the annual general meeting and the term of office of Directors will normally be four (4) years. However, the Directors may by Board Resolution determine that some or all vacant Directors' positions will have a term of no less than three (3) years and no greater than five (5) years, the length of such term to be determined by the

Directors in their discretion. For purposes of calculating the duration of a Director's term of office, the term will be deemed to commence at the close of the annual general meeting at which such Director was elected.

5.8 Consecutive Terms

Directors may be elected for consecutive terms.

5.9 Term Limit

A Director may serve for no more than three (3) consecutive terms.

5.10 Directors Need Not be Members and May Not Be Employees

Other than the applicants for incorporation, a Member is not eligible to be a Director. An employee of the Society may not be a Director.

5.11 Directors Subscribe to and Support Purposes

Every Director will unreservedly subscribe to and support the purposes of the Society.

5.12 Replacement of Directors

Notwithstanding the foregoing Bylaws, if a Director ceases to hold office and the number of Directors is then less than seven (7), the Board may appoint a person as a replacement Director to take the place of such Director until the next annual general meeting.

5.13 Invalidation of Acts

No act or proceeding of the Board is invalid by reason only of there being less than the prescribed number of Directors in office.

5.14 Ceasing to be a Director

A Person will automatically cease to be a Director:

- (a) upon the date which is the later of the date of delivering his or her resignation in writing to the Secretary of the Society or to the Address of the Society and the effective date of the resignation stated therein; or
- (b) upon his or her removal;
- (c) upon his or her death; or
- (d) upon the expiry of his or her term.

5.15 Reimbursement of Directors' Expenses

A Director may be reimbursed for all expenses necessarily and reasonably incurred by him or her while engaged in the affairs of the Society.

5.16 Powers of the Board

The Board will have the power to make expenditures, including grants and gifts, and loans, whether or not secured or interest-bearing, in furtherance of the purposes of the Society. The Board will also have the power to enter into trust arrangements or contracts on behalf of the Society in furtherance of the purposes of the Society, provided however that the Board may not enter into any form of contract with a Member or Director, other than in furtherance of the obligations or duties of such Member or Director, including such matters as indemnity agreements and non-disclosure or confidentiality agreements.

5.17 Board May Receive Donations

The Board will take such steps as it deems necessary to enable the Society to receive donations, bequests, gifts, legacies, funds, property, trusts, contracts, agreements and benefits in furtherance of the purposes of the Society. The Board in its sole and absolute discretion may refuse to accept any donation, bequest, gift, legacy, trust, loan, contract or property.

5.18 Investment of Property and Standard of Care

If the Board is required to invest funds on behalf of the Society, the Board may invest the property of the Society in any form of property or security in which a prudent investor might invest. The standard of care required of the Directors is that they will exercise the care, skill, diligence and judgment that a prudent investor would exercise in making investments in light of the purposes and distribution requirements of the Society.

When investing in securities, the Directors must give consideration to whether the underlying entity is committed to operating in an economically and environmentally sustainable manner while recognizing the interests of its stakeholders (which would include investors, customers, employees, business partners, local communities, the environment and society at large).

5.19 Investment Policy and Financial Risk Management Guidelines

The Board will establish an investment policy and financial risk management guidelines and will review such policy and guidelines on an annual basis. The policy and guidelines will specify permitted transactions, risk limitations for market and credit risks and authorized signatories. The Board will no less than semi-annually monitor the Society's compliance with the investment policy and financial risk management guidelines.

5.20 Investment Advice

The Board must retain an external independent professional investment advisor or portfolio manager to provide it with investment advice. The Board may rely on such advice if a prudent investor would rely upon the advice under comparable circumstances.

5.21 Investment in Mutual or Pooled Funds

The property of the Society may be invested by the Board, or by any agent or delegate of theirs, in any mutual fund, common trust fund, pooled fund or similar investment.

5.22 Delegation of Investment Authority to Agent

The Directors may delegate to a stockbroker, investment dealer, or investment counsel the degree of authority with respect to the investment of the Society's property that a prudent investor might delegate in accordance with ordinary business practice.

PART 6. - PROCEEDINGS OF THE BOARD

6.1 Procedure of Meetings

After issue of the certificate of incorporation, a meeting of the Board will be held at which the Directors may:

- (a) appoint officers;
- (b) make banking arrangements;
- (c) appoint an auditor to hold office until the first annual general meeting; and
- (d) transact any other business.

Subsequent meetings of the Board may be held at any time and place determined by the Board, provided that two days' notice of such meeting will be sent to each Director. However, no formal notice will be necessary if all Directors were present at the preceding meeting when the time and place of the meeting were determined or are present at the meeting or waive notice thereof in writing or give a prior verbal waiver to the Secretary of the Society.

6.2 Quorum

The Board may from time to time fix the quorum necessary to transact business, provided that the quorum may be no less than five (5) Directors.

6.3 Chair of Meetings

The Chair of the Society will, subject to a Board Resolution appointing another Person, chair all meetings of the Board; but if at any Board meeting the Chair or such alternate Person appointed by a Board Resolution, is not present within 15 minutes after the time appointed for the meeting, or requests that he or she not chair that meeting, the Directors present may choose one of their number to chair that meeting.

6.4 Alternate Chair

If the Person presiding as chair of a meeting of the Board wants to step down as chair for all or part of that meeting, he or she may designate an alternate to chair such meeting or portion thereof, and upon such designated alternate receiving the consent of a majority of the Directors present at such meeting, he or she may preside as chair.

6.5 Calling of Meetings

A Director may at any time, and the Secretary at the request of a Director will, convene a meeting of the Board.

6.6 Notice

For the purposes of the first meeting of the Board held immediately following the appointment or election of a Director or Directors at an annual or other general meeting, or for the purposes of a meeting of the Board at which a Director is appointed to fill a vacancy in the Board, it is not necessary to give notice of the meeting to the newly elected or appointed Director or Directors for the meeting to be properly constituted.

6.7 Motions need not be Seconded

No resolutions proposed at a meeting of the Board need be seconded.

6.8 Passing Resolutions

At any meeting of the Board at which only five Directors attend, any issue which is to be decided requires the unanimity of all Directors at the meeting. At any meeting of the Board at which more than five (5) Directors attend, any issue which is to be decided which is not required by these Bylaws or the *Society Act* to be decided by a resolution requiring more than a simple majority will be decided by Board Resolution.

6.9 No Casting Vote

The Person chairing a meeting may vote but, if he or she does so and the result is a tie, he or she will not be permitted to vote again to break the tie and the resolution being voted on will be deemed to have failed.

6.10 Procedure for Voting

Voting will be by show of hands or voice vote recorded by the secretary of the meeting except that, at the request of any one Director, a secret vote by written ballot will be required.

6.11 Resolution in Writing

A Board Resolution in writing which has been deposited with the Secretary is as valid and effectual as if it had been passed at a meeting of the Board duly called and constituted. Such Board Resolution may be in two or more counterparts which together will be deemed to constitute one resolution in writing. Such resolution will be filed with minutes of the proceedings of the Board and will be deemed to be passed on the date stated therein or, in the absence of such a date being stated, on the latest date stated on any counterpart.

6.12 Waiver of Notice by Absent Director

A Director who contemplates being or is absent from British Columbia may, by letter, facsimile, or electronic mail, send or deliver to the Address of the Society a waiver of notice of any meeting of the Board for a period not longer than one year and may, at any time, withdraw the waiver in like manner. Until the waiver is withdrawn:

- (a) no notice of meetings of the Board need be sent to that Director; and
- (b) any and all meetings of the Board, notice of which has not been given to that Director shall, if a quorum is present, be valid and effective.

PART 7. - COMMITTEES

7.1 Delegation to Committees

The Board may delegate any, but not all, of its powers to committees which must be composed only of Directors, as it thinks fit. In considering any such delegation, the Board must consider its fiduciary obligations and obligations pursuant to the *Society Act* in assessing whether the powers or duties proposed to be delegated to, or undertaken by, a committee, might best be performed by the Board as a committee of the whole.

7.2 Terms of Reference and Rules

In the event the Board decides to create a committee, it must establish a Terms of Reference for such committee. A committee, in the exercise of the powers delegated to it, will conform to any rules that may from time to time be imposed by the Board in the Terms of Reference or otherwise, and will report every act or thing done in exercise of those powers at the next meeting of the Board held after it has been done, or at such other time or times as the Board may determine.

7.3 Meetings

The members of a committee may meet and adjourn as they think proper and meetings of the committees will be governed *mutatis mutandis* by the rules set out in these Bylaws governing proceedings of the Board.

7.4 Executive Committee

There may be an Executive Committee consisting of Directors of which there must be at least two.

7.5 Power to Transact Business

Subject to the control of the Board, the Executive Committee will have power to transact all business of the Society in the interim between meetings of the Board. The Executive Committee will meet at the call of the chair of the Executive Committee.

7.6 Standing and Special Committees

The Board may create such standing and special committees as may from time to time be required, provided that an Investment Committee and a Project Review Committee must be created. Any such committee will limit its activities to the purpose or purposes for which it is appointed, and will have no powers except those specifically conferred by a Board Resolution. Unless specifically designated as a standing committee, any special committee so created must be created for a specified time period only. Upon completion of the earlier of the specified time period or the task for which it was appointed, a special committee will automatically be dissolved.

PART 8. - DUTIES OF OFFICERS

8.1 Election of Officers

At the first meeting of the Board, the Board will elect from among the Directors a Chair together with such other officers as are required in accordance with these Bylaws who will hold office until the first meeting of the Board held after the next following annual general meeting.

8.2 Secretary and Treasurer Required

The Board will appoint a Secretary and Treasurer and may appoint and remove such other officers of the Society as it deems necessary and determine the duties, responsibilities and term, if any, of all officers.

8.3 Removal of Officers

A person may be removed as an officer by a resolution passed at a meeting of the Board by a majority of not less than two-thirds of the Directors present.

8.4 Replacement

Should the Chair or any other officer for any reason not be able to complete his or her term, the Board will remove such officer from his or her office and will elect a replacement without delay.

8.5 Duties of Chair

The Chair will supervise the other officers in the execution of their duties and will preside at all meetings of the Society and of the Board.

8.6 Duties of Secretary

The Secretary will be responsible for making the necessary arrangements for:

- (a) the issuance of notices of meetings of the Society and the Board;
- (b) the keeping of minutes of all meetings of the Society and the Board;
- (c) the custody of all records and documents of the Society except those required to be kept by the Treasurer;
- (d) the maintenance of the register of Members; and
- (e) the conduct of the correspondence of the Society.

8.7 Duties of Treasurer

The Treasurer will be responsible for making the necessary arrangements for:

- (a) the keeping of such financial records, reports and returns including books of account, as are necessary to comply with the *Society Act* and the *Income Tax Act*; and
- (b) the rendering of financial statements to the Directors, Members and others when required.

8.8 Absence of Secretary at Meeting

If the Secretary is absent from any meeting of the Society or the Board, the Directors present will appoint another person to act as secretary at that meeting.

8.9 Combination of Offices of Secretary and Treasurer

The offices of Secretary and Treasurer may be held by one person who will be known as the Secretary-Treasurer.

PART 9. – SEAL AND EXECUTION OF DOCUMENTS

9.1 No Seal

The Society will not have a seal.

9.2 Execution of Instruments

Contracts, documents or instruments in writing requiring the signature of the Society may be signed by:

- (a) the Chair together with the Secretary or the Treasurer, or
- (b) any two (2) Directors

and all contracts, documents and instruments in writing so signed will be binding upon the Society without any further authorization or formality. The Board will have power from time to time by Board Resolution to appoint any officer or officers, or any Person or Persons, on behalf of the Society either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

PART 10. - BORROWING

10.1 Powers of Directors

In order to carry out the purposes of the Society, the Board may, on behalf of and in the name of the Society, raise or secure the payment or repayment of money in any manner it decides including the granting of guarantees, and in particular, but without limiting the foregoing, by the issue of debentures.

10.2 Issuance of Debentures

No debenture will be issued without the authorization of a Special Resolution.

10.3 Restrictions of Borrowing Powers

The Members may by Ordinary Resolution restrict the borrowing powers of the Board.

PART 11. - AUDITOR

11.1 Requirement

The Society is required to be audited and is required to appoint an external independent auditor with the qualifications described in section 42 of the *Society Act*.

11.2 First Auditor

The first auditor will be appointed by the Board which will also fill any vacancy occurring in the office of auditor.

11.3 Appointment of Auditor at Annual General Meeting

At each annual general meeting, the Society will appoint an auditor to hold office until he, she or it is reappointed or his, her or its successor is appointed at the next following annual general meeting in accordance with the procedures set out in the *Society Act*.

11.4 Removal of Auditor

An auditor may be removed by Ordinary Resolution in accordance with the procedures set out in the *Society Act*.

11.5 Notice of Appointment

An auditor will be promptly informed in writing of his, her or its appointment or removal.

11.6 Restrictions on Appointment

No Director or employee of the Society will be auditor.

11.7 Attendance at Annual General Meetings

The auditor may attend general meetings.

PART 12. - NOTICES

12.1 Entitlement to Notice

Notices of a general meeting will be given to:

- (a) every person shown on the register of Members as a Member on the day the notice is given; and
- (b) the auditor.

No other person is entitled to be given notice of a general meeting.

12.2 Method of Giving Notice

A notice may be given to a Member or a Director either personally, by delivery, facsimile, or electronic mail, or by first class mail posted to such Person's Registered Address.

12.3 When Notice Deemed to Have Been Received

A notice sent by mail will be deemed to have been given on the second day following that on which the notice was posted. In proving that notice has been given it is sufficient to prove the notice was properly addressed and put in a Canadian Government post office receptacle with adequate postage affixed, provided that if there shall be, between the time of posting and the deemed giving of the notice, a mail strike or other labour dispute which might reasonably be expected to delay the delivery of such notice by the mails, then such notice will only be effective when actually received. Any notice delivered either personally, by delivery, facsimile, or electronic mail, or by first class mail, will be deemed to have been given on the day it was so delivered or sent, if sent or received on or before 4:00 p.m. local time on a day other than Saturday or Sunday or some other day upon which banks are not open for business in Vancouver, British Columbia.

12.4 Days to be Counted in Notice

If a number of days notice or a notice extending over any other period is required to be given, the day the notice is given or deemed to have been given will not, but the day on which the event for which notice is given will, be counted in the number of days required.

PART 13. - MISCELLANEOUS

13.1 Inspection of Records

The documents, including the books of account, of the Society and minutes of meetings of the Board will be open to the inspection of Members upon reasonable notice to the keeper of such documents.

13.2 Reporting Obligation

The Board will provide to each of the Founders a copy of the audited financial statements of the Society upon their acceptance by the Members. On a calendar quarterly basis, the Board will, subject to compliance with all applicable privacy legislation and the *Society Act*, provide a timely report to the Founders of all approved grant or other funding applications together with a short summary of the purpose of each grant or other funding application.

13.3 Participation in Meetings

Any meeting of the Society, the Board or any committee may also be held, or any Member, Director or committee member may participate in any meeting of the Society, the Board or any committee, by telephone or video conference call or similar communication equipment so long as all the Members, Directors, or Persons participating in the meeting can hear and respond to one another. All such Members, Directors, or Persons so participating in any such meeting will be deemed to be present in person at the stated location of such meeting and, notwithstanding the foregoing Bylaws, will be entitled to vote by a voice vote recorded by the Secretary of such meeting. This method of voting will from time to time be used for passing resolutions.

13.4 Rules Governing Notice, Board Resolutions and Ordinary Resolutions

The rules governing when notice is deemed to have been given set out in these Bylaws will apply *mutatis mutandis* to determine when a Board Resolution will be deemed to have been submitted to all of the Directors and when an Ordinary Resolution will be deemed to have been submitted to all of the Members.

13.5 Right to Become Member of other Society

The Society will have the right to subscribe to, become a member of and cooperate with any other Society, corporation or association whose purposes or objectives are in whole or in part similar to the Society's purposes.

13.6 Not a Reporting Society

Subject to an order of the Registrar pursuant to the *Society Act* stating that the Society is a "reporting society" as defined under the *Society Act*, the Society is not a "reporting society".

PART 14. - INDEMNIFICATION

14.1 Indemnification of Directors and Officers

Subject to the provisions of the *Society Act*, each Director and each officer of the Society will be indemnified by the Society against all costs, charges and expenses reasonable incurred in connection with any claim, action, suit or proceeding to which that Person may be made a party by reason of being or having been a Director or officer of the Society.

14.2 Indemnification of Past Directors and Officers

To the extent permitted by the *Society Act*, the Society will indemnify and hold harmless every Person heretofore, now or hereafter serving as a Director or officer of the Society and that Person's heirs and personal representative.

14.3 Advancement of Expenses

To the extent permitted by the *Society Act*, all costs, charges and expenses incurred by a Director or officer with respect to any claim, action, suit or proceeding may be advanced by the Society prior to the final disposition thereof, in the discretion of the Board, and upon receipt of an undertaking satisfactory in form and amount to the Board by or on behalf of the recipient to repay such amount unless it is ultimately determined that the recipient is entitled to indemnification hereunder.

14.4 Approval of Court and Term of Indemnification

The Society will apply to the court for any approval of the court which may be required to make the indemnities herein effective and enforceable. Each Director and each officer of the Society on being elected or appointed will be deemed to have contracted with the Society upon the terms of the foregoing indemnities.

14.5 Indemnification not Invalidated by Non-Compliance

The failure of a Director or officer of the Society to comply with the provisions of the *Society Act*, or of the Constitution or these Bylaws will not invalidate any indemnity to which he or she is entitled under this part.

14.6 Purchase of Insurance

The Society may purchase and maintain insurance for the benefit of any or all Directors, officers, employees or agents against personal liability incurred by any such Person as a Director, officer, employee or agent.

PART 15. - BYLAWS

15.1 Entitlement of Members to copy of Constitution and Bylaws

On being admitted to membership, each Member is entitled to and upon request the Board will provide him or her with a copy of the Constitution and Bylaws.

15.2 Special Resolution required to Alter or Add to Bylaws

These Bylaws will not be altered or added to except by Special Resolution.

Schedule "D"

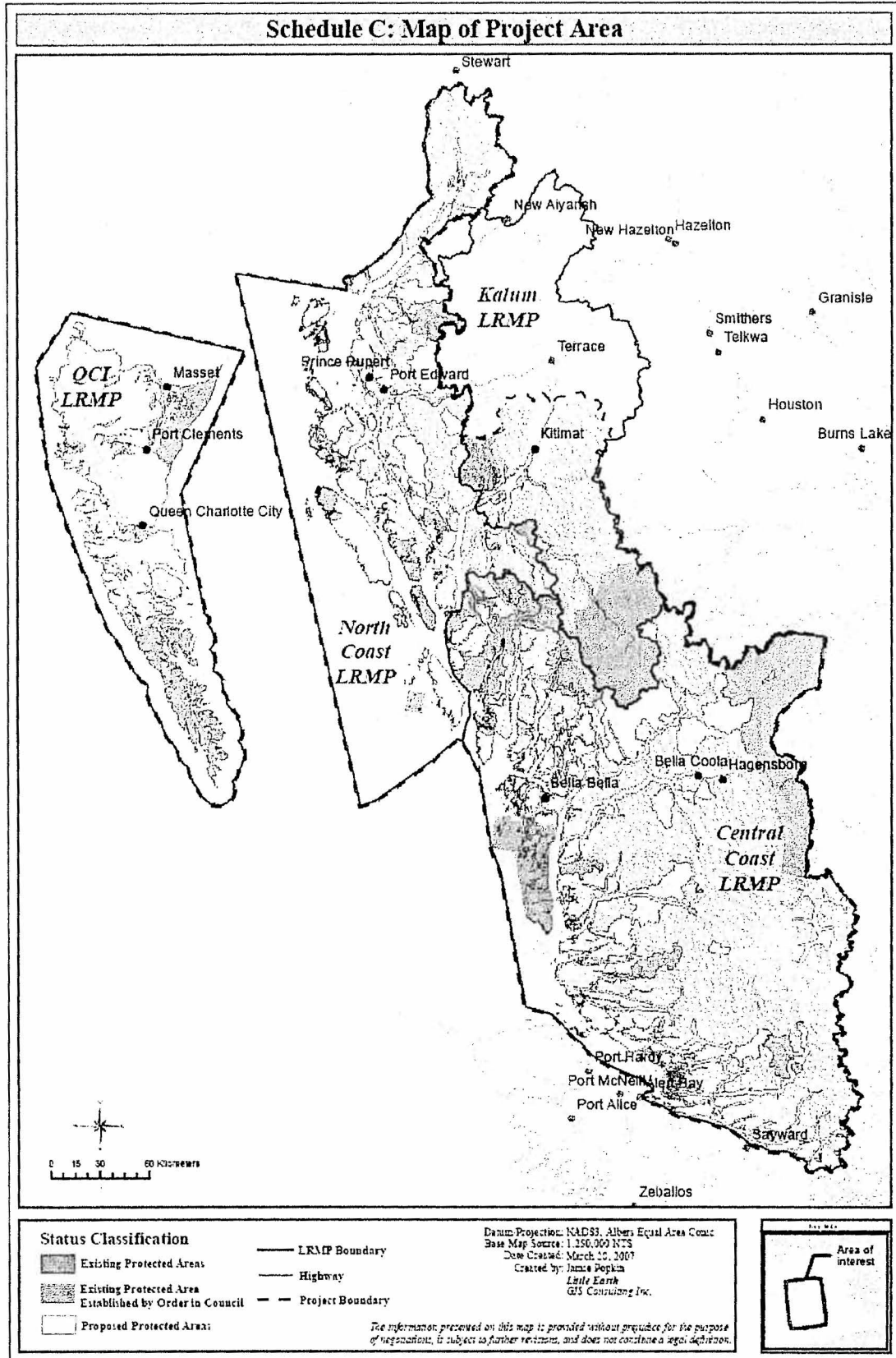
Operational Commitments

Staffing

- 1.01 The Society will ensure that it has adequate staff to conduct its operations to comply with its obligations under this Agreement.
- 1.02 The Society will ensure that no employee of the Society is:
- (a) an elected or appointed official, or an employee, of a Participating First Nation;
 - (b) a Member of the Legislative Assembly;
 - (c) an employee of the Province;
 - (d) a member of the Board of Directors of the Society; or
 - (e) a person who is
 - (i) the spouse, parent or child of any individual referred to in section 1.02(d), or
 - (ii) any other relative residing with that individual.
- 1.03 In appointing its chief executive officer and its chief financial officer, the Society is to be guided by the guidelines set out in the following as amended or replaced from time to time the Governance and Disclosure Guidelines for Governing Boards of British Columbia Public Sector Organizations, published by the British Columbia Board Resourcing and Development Office.

Consents and Approvals

- 2.01 The Society will obtain all necessary approvals, consents, registrations, licences and other permits necessary to conduct its operations and to comply with this Agreement, and will ensure that all activities for which funding is provided are also conducted in accordance with all necessary approvals, consents, registrations, licences and other permits.



Strategic Plans

- 3.01 For the purposes of public accountability, the Society will require that its Board of Directors prepare strategic plans in accordance with this section and consistent with the economic development outcomes set out in Schedule "E".
- 3.02 The Society will:
- (a) every year, establish a 3 year strategic plan for the Society, that is not inconsistent with recommendations of the Land Use Planning Agreements, considers and makes use of and/or leverages other existing economic development funding available in the Project Area that has purposes similar to this Agreement, includes a process to receive and consider public interest, and includes goals and outcomes and specific measurable performance indicators for each year of the strategic plan relating to the fulfillment of the purposes of the Society, as appropriate;
 - (b) publish each strategic plan prepared under this section in a manner that can reasonably be expected to bring the plan to the attention of the public; and
 - (c) provide a copy of each strategic plan to British Columbia and the Private Funders.
- 3.03 The Society will require its Board of Directors to prepare and make the first strategic plan available publicly within 8 months of the commencement of the Term or before the date on which the Society makes any of the payments contemplated by this Agreement, whichever date comes first.
- 3.04 The Society will require its Board of Directors to prepare and make the second and each subsequent strategic plan available publicly before the first day of each fiscal year the Society.

Reporting Requirements

- 4.01 Within 4 months following the end of each fiscal year of the Society, the Society will:
- (a) prepare an annual report for that fiscal year just ended; and

- (b) include audited financial statements for that fiscal year just ended, that are prepared in accordance with generally accepted accounting principles.

4.02 In its annual report, the Society will:

- (a) report on the goals, outcomes and performance measures set by the Board of Directors for the fiscal year to which the report applies, indicate the extent to which those goals, outcomes and performance measures have been achieved, and describe how those achievements fulfilled the stated purposes of the Society;
- (b) compare the actual results for the fiscal year to which the report referred to in section 4.02(a) applies with the projected results identified in the strategic plan for that fiscal year;
- (c) include the audited financial statements for the fiscal year to which the report applies; and
- (d) subject to compliance with all applicable privacy legislation and the *Society Act*, include a report for the Society, on its operational expenses and on all approved grant and other funding applications, together with a short summary of the purpose of each approved grant, the status of the project against the grant or Agency Agreement terms, and actual expenses incurred and distributed during the fiscal year to which the annual report applies;

4.03 The Society will

- (a) publish each annual report in a manner that can reasonably be expected to bring the annual report to the attention of the public; and
- (b) provide a copy of each annual report to British Columbia and the Private Funders.

Requirements Prior to Distributions

5.01 Unless otherwise permitted under this Agreement, the Society may only distribute funds to Participating First Nations.

Audit

- 6.01 The Society must, at each general meeting, appoint an auditor who is an individual authorized to be an auditor under sections 42 and 43 of the *Society Act*, to audit the accounts, transactions and financial statements of the Society for the forthcoming fiscal year.
- 6.02 The accounts, transactions and financial statements of the Society must, at least once in every year, be audited and reported on by the auditor and the costs of the audit must be paid by the Society.

Record Keeping

- 7.01 The Society will maintain its books, documents and other records with respect to this Agreement and the use of the Contribution in full compliance with the *Income Tax Act* and *Society Act*, including but not limited to, records pertaining to all costs and expenses incurred and revenues received related to this Agreement, the investment of the Contribution.
- 7.02 The Province and the Private Funders shall have the right at all reasonable times, upon reasonable prior written notice, subject to compliance with all applicable privacy legislation and the *Society Act*, to inspect, audit and copy for its records copies of the books, documents and records referred to in section 7.01 in order to verify compliance with the terms of this Agreement.

Compliance with Laws and Regulations

- 8.01 The Society will take reasonable steps to ensure compliance with all laws, permits, regulations, orders and established policies in connection with any transaction contemplated by this Agreement.

Review of Agreement

- 9.01 On or before the 3rd anniversary of the commencement of the Term, and on or before every 3rd anniversary after that until the Contribution is expended, the Society will appoint a review committee made up of persons who would qualify to be an employee of the Society as set out in section 1.02, but who are not employees of the Society, to review the operation of this Agreement and the funding of Regional Economic Development Planning Projects and Regional Economic Development Projects by the Society to evaluate and report on the efficiency and

effectiveness of same in achieving the economic development outcomes set out in Schedule "E".

- 9.02 The Society will make public any report of a review committee appointed under section 9.01.

Schedule "E"

Economic Development Outcomes

The purpose of the Society and the Contribution is to promote a more diversified and sustainable economy in the Project Area by:

- Growing Participating First Nations' economic share of commercial activities, such as shellfish aquaculture, tourism, and cultural products;
- Increasing the number of businesses owned by First Nations communities or individuals living in the Project Area;
- Increasing investment in First Nations sustainable business partnerships (i.e., leverage);
- Contributing towards a stable or increasing population in the Project Area and its communities;
- Increasing participation in, and contributions towards, the provincial economy;
- Improving employment levels and decreasing unemployment rates;
- Increasing average annual incomes;
- Increasing the capacity of Aboriginal communities to realize sustainable economic development or diversification opportunities (including increased access to skills development/ training) ; and
- Enhancing the economic infrastructure of the North and Central Coast to support Aboriginal businesses within the Project Area.

Schedule "F"

Guiding Principles

- 1.01 In providing any funding as contemplated under this Agreement, the Society is to be guided by the following principles:
- (a) the funding should be appropriate to needs and priorities of Participating First Nations;
 - (b) the funding should lead to the achievement of the economic development outcomes set out in Schedule "E";
 - (c) the funding should encourage leveraging of that funding with funds from other sources, to enhance opportunities to undertake or participate in activities consistent with the purposes of this Agreement;
 - (d) the process for considering Regional Economic Development Planning Projects and Regional Economic Development Projects and the payment of any funding should be developed in a way that recognizes equitable interests and participation among all Participating First Nations; and
 - (e) the Society should operate in a simple, efficient and flexible manner with openness, transparency and accountability.

Overview of Letter Amendments to the Performance and Accountability Funding Agreement

Amendment 1

Date	June 15, 2007
Relevant Section	4.01 (b.2)
Outcome	Amendment to delete paragraph 4.01 (b.2) of PAFA, regarding unanimous approval of all Members to amend certain aspects of the Bylaws and the Constitution.

Amendment 2

Date	August 27, 2007
Relevant Section	4.01 (b.1) (i)
Outcome	Amendment to allow elected or appointed officials of Participating First Nations to be Directors.

Amendment 3

Date	March 31, 2010
Relevant Section	1.01 (r)
Outcome	Amendment to allow projects outside of the Project Area on the condition that they are directly and immediately linked to a business/economic outcome that benefits members in the traditional territory.

Amendment 4

Date	June 11, 2010
Relevant Section	1.01 (t)
Outcome	Amendment to allow projects that are not jointly proposed by two or more First Nations on the condition that the Directors take into account any negative effects that the funding could have on another First Nation because of geography or economic interest. The Directors recognize and expect that in circumstances where another First Nation could be negatively affected mitigating conditions/options will be established.

Amendment 5

Date	March 1, 2012
Relevant Section	1.01 (f), 1.01 (p), 4.01 (e), 4.01 (o), 4.01 (r)
Outcome	Amendment to i) permit distribution from Canada's funding to 5 First Nations without a Land Use Planning Agreement (LUPA); ii) delete requirement to expend BC's contribution first for the 5 First Nations without a LUPA and for operational and administrative costs; and iii) define source of funding for operational and administrative costs and use of Canada's funding.

Amendment 6

Date	March 20, 2014
Relevant Section	2.01, 4.01 (m)
Outcome	Extension of term of PAFA to June 30, 2017.

Amendment 7

Date	March 9, 2017
Relevant Section	2.01, 4.01 (m)
Outcome	Extension of term of PAFA to June 30, 2026.

Amendment 8

Date	March 15, 2019
Relevant Section	4.01 (b.1)(iii),
Outcome	Amendments to allow employees of the Province to be nominated as Directors with the Province's consent and employee status disclosed in writing to the Society's Members.

COAST ECONOMIC DEVELOPMENT SOCIETY

c/o 3000 – 1055 West Georgia Street
Vancouver, BC V6E 3R3

May 31, 2007

Integrated Land Management Bureau
Ministry of Agriculture and Lands
780 Blanshard Street
PO Box 9352, Stn Prov Govt
Victoria, BC V8W 2M1

Attention: Mr. Mike Lambert
Associate Deputy Minister

Dear Sirs/Mesdames:

**Re: Amendment to Performance and Accountability Funding Agreement
(the "Agreement")**

Further to the writer's discussions with Bill Pike of the Legal Services Branch, Ministry of the Attorney General, regarding the above-noted, we confirm that the Constitution and Bylaws of the Coast Economic Development Society (the "Society") were amended on May 1, 2007. We enclose a Registry stamped copy of the Consent Special Resolution. As discussed, with Mr. Pike, we confirm that this filing meets the Society's obligation in paragraph 4.01(c) of the Agreement to "publish" these changes; however, it is anticipated that the Society will, in the event it creates a website, ensure that its Constitution and Bylaws are posted for easy access by the general public.

As Mr. Pike is aware, in the final version of the Society's Bylaws proposed paragraph 4.20, which required a unanimous vote of the members on certain issues, was deleted and changes were made to the quorum and voting provisions. This letter is intended to serve as an amendment to the Agreement whereby paragraph 4.01(b.2) of the Agreement is deleted. Would you kindly confirm the Province's agreement to this amendment by signing and returning the enclosed copy of this letter.

COPY

Should you have any questions regarding the foregoing, kindly contact the writer.

Yours truly,

COAST ECONOMIC DEVELOPMENT SOCIETY

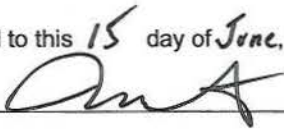
Margaret H. Mason

MHM/1521445.02

Enc

Copy to Mr. William D. Pike
Mr. Paul Richardson
Mr. Ross McMillan

Agreed to this *15* day of *June*, 2007

A handwritten signature in black ink, appearing to be 'M. Mason', is written over a horizontal line.



RECEIVED AUG 29 2007

August 27, 2007

File: 0280-30
Ref: 152770

COPY

Ms. Margaret Mason
Coast Economic Development Society
c/o 3000 – 1055 West Georgia St
Vancouver BC V6E 3R3

Dear Ms. Mason:

**Re: Coast Economic Development Society (“CEDS”)
Second Amendment to Performance and Accountability Funding Agreement
(the “Agreement”)**

As Minister responsible for the Agreement, I confirm that it is acceptable to the Province for the CEDS to amend its Bylaws to alter the definition of “Elected Official”. The revised definition will read as follows:

- (a) “Elected Official” or “Elected Officials” means a member of Parliament, a member of the British Columbia Legislative Assembly, an employee of British Columbia or a Participating First Nation, and a councillor or alderman of a municipal government;

We understand that the reference to elected or appointed officials of Participating First Nations has been removed.

This amendment to the Bylaws requires an amendment to the Agreement, specifically paragraph 4.01 (b.1) (i).

We note that the First Amendment to the Agreement was made by way of a letter; we suggest that consideration be given to the preparation of a formal Amending Agreement to document both such amendments.

Should you have any questions regarding the foregoing, kindly contact me.

Sincerely,

Pat Bell
Minister

pc: See page 2



The Best Place on Earth

- 2 -

pc: Mike Lambert, Associate Deputy Minister
Integrated Land Management Bureau
Ministry of Agriculture and Lands

Kathy Chopik, Assistant Deputy Minister, Strategic Policy
Deputy Minister's Office
Office of the Premier

Doug Foster, Director, Strategic Initiatives
Ministry of Finance

Bill Pike, Solicitor
Finance, Commercial and Transportation
Ministry of Attorney General



The Best Place on Earth

File: 280-20
123314

MAR 31 2010

Margaret H. Mason
Bull, Housser & Tupper
3000 Royal Centre
1065 West Georgia Street
Vancouver, British Columbia
V6E 3R3

Dear Margaret Mason:

Re: Performance and Accountability Funding Agreement

I am writing in response to your letter of January 25, 2010 regarding some outstanding questions on the interpretation and application of the Performance and Accountability Funding Agreement (PAFA) and your requests for amendments to several sections of that agreement.



The Society, through you, has written to ask for amendments to the agreements in three areas:

1. Payments to Directors are restricted to out-of-pocket expenses and a daily amount, to be established by the directors. At an October 4, 2007 Board meeting a remuneration scheme that allowed a \$3000 annual retainer was approved. This approval is contrary to the conditions in the PAFA and the Society is asking the province to amend the agreement accordingly.

Prior to the finalization of the PAFA the First Nations representatives, the environmental representatives and the province had extensive discussions on the matter of remuneration of directors, and it was agreed that the Society would use the Treasury Board Directive for Crown Corporations, Agencies, Boards and Commissions Remuneration Framework, Policy and Guidelines, approved in 2004. In that directive only members of Boards of Directors of Crown Corporations are eligible for membership retainers. The Directors for the Society do not meet the criteria set out in the directive and therefore I am not in a position to approve this request.

Page 1 of 3

Ministry of Forests
and Range

Deputy Minister's Office

Location:
3rd Floor, 1520 Blanshard St.
Victoria, British Columbia
V8W 3K2
CANADA

Mailing Address:
PO Box 9525 Stn. Prov Govt
Victoria, BC V8W 9C3

Tel: (250) 356-5012
Fax: (250) 953-3687

However I recognize that the previous retainer payments were made in good faith and acting on approval from the Members, and that no repayment should be necessary. I also recognize that the Directors may be travelling from areas of the province that can require complicated and lengthy travel arrangements. Based on this I would recommend and approve the payment of an additional half day of travel allowance for those members travelling to meetings from outside the lower mainland.

2. Section 1.01 (r) states that regional economic projects are
 - a. to take place in the Project Area; and
 - b. Are jointly proposed by a minimum of two First Nations.

The Society argues that requiring projects to occur in the Project Area is impractical and frustrates the outcomes of the funding. They would amend the wording to "projects that take place in the Project Area or in the traditional territory"

The Society argues that this would increase the number of projects eligible for funding and increases the ability of the Society to meet its purposes. I agree that allowing projects outside of the project area would increase the ability of the fund to meet its goals. However, one of the key principles under which the fund was established was to enable economic development in the Project Area, and this was clearly discussed with all members throughout the planning process. I will suggest that the agreement be amended to allow projects outside of the project area on the condition that they are directly and immediately linked to a business/economic outcome that benefits members in the traditional territory, and that a business case has been made in favour of the projects which clearly demonstrate that they contribute to the outcomes of the fund.

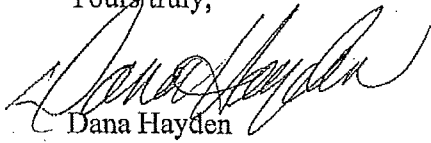
3. The Society argues that forced collaboration on projects is unworkable and prohibits viable projects from being approved. They would amend the wording to specify projects that are proposed by a Participating FN, and remove the language requiring joint proposals.

The outcome of regional and joint economic development was also a key principle in the creation of the fund. The province was concerned that certain activities would have limited market share, and that there are many businesses for which critical mass is important, and multiple, smaller businesses would not have a good chance of success. I can however agree to amend the agreement to not require projects to be jointly proposed, on the condition that instead that each project receive approval from First Nations in any contiguous Traditional Territory that could possibly be reasonably affected by the project, because of geography or shared economic interest.

Establishing a new Society that contributes not only to economic development but also furthers conservation efforts on the Coast is a difficult task, and I want to recognize the efforts

of the Directors and CEO. Your letter also mentions the difficulty of meeting the final funding distribution date of March, 2012. The difficulty in meeting this date and maintaining the due diligence on project files has also been identified as an issue in conversations with the CEOs. I propose that should the Society finds itself in a position that it will not be able to distribute the funds by March 2012, that the Society advise government of its progress at the end of 2011 to seek an extension to the final distribution date.

Yours truly,



Dana Hayden
Deputy Minister

pc: Bill Pike, Legal Services Branch, Ministry of Attorney General
Doug Foster, Director Strategic Initiatives
Dave Mannix, Coast Opportunities Funds
Scott Rehmus, Coast Opportunities Funds
Kathy Chopik, Assistant Deputy Minister, Ministry of Forests and Range
Steve Carr, President and CEO, Integrated Land Management Bureau



BRITISH
COLUMBIA

The Best Place on Earth

File: 280-20
124833

June 11, 2010

Margaret H. Mason
Bull, Houser & Tupper
3000 Royal Centre
1065 West Georgia Street
Vancouver, British Columbia
V6E 3R3

Dear Margaret Mason:

Re: Performance and Accountability Funding Agreement

I am writing in regard to the amendments that we made pursuant to your letter of January 28, 2010 regarding outstanding questions on the interpretation and application of the Performance and Accountability Funding Agreement (PAFA).



The Society, through a telephone conversation with Dave Mannix, argues that new language, as proposed in our March 28 letter is duplicative. The province had amended the language to insert the condition that "each project receives approval from First Nations in any contiguous Traditional Territory that could possibly be reasonably affected by the project, because of geography or shared economic interest."

Mr. Mannix indicated that the Society directors already take this into consideration as part of their evaluation of the project, and that projects that would affect other FN projects in a geographic area or with a similar economic interest would not be approved. To reflect these criteria and to remove the duplicative language, we have agreed to amend wording to state that 'projects are funded on the condition that the Directors take into account any negative effects that the funding could have on another FN because of geography or economic interest. The Directors recognize and expect that in circumstances where another FN could be negatively affected mitigating conditions\options will be established."

Page 1 of 2

Ministry of Forests
and Range

Deputy Minister's Office

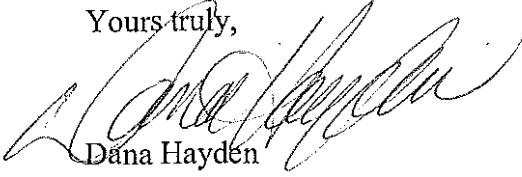
Location:
3rd Floor, 1520 Blanshard St.
Victoria, British Columbia
V8W 3K2
CANADA

Mailing Address:
PO Box 9525 Stn Prov Govt
Victoria, BC V8W 9C3

Tel: (250) 356-5012
Fax: (250) 953-3687

I expect that this will resolve the issues with the wording in the PAFA agreement.

Yours truly,



Dana Hayden
Deputy Minister

pc: Bill Pike, Legal Services Branch, Ministry of Attorney General
Doug Foster, Director Strategic Initiatives
Dave Mannix, Coast Opportunities Funds
Scott Rehmus, Coast Opportunities Funds
Kathy Chopik, Assistant Deputy Minister, Ministry of Forests and Range
Steve Carr, President and CEO, Integrated Land Management Bureau

RECEIVED
MAR 02 2012



File: 22000-20/COFU

March 1, 2012

Dave Mannix, CEO CEDS
Suite 1455-409 Granville Street
Vancouver, British Columbia
V6C 1T2

Dear Dave Mannix:

Re: Amendments to the *Performance and Accountability Funding Agreement (PAFA)*

Thank you for your letter to Jody Shimkus dated October 11, 2011, in which you proposed several amendments to the PAFA with the goal to improve the availability of funding to First Nations. The Ministry of Forests, Lands and Natural Resource Operations has reviewed the proposed amendments and has approved the following changes to the PAFA agreement.

The PAFA agreement is hereby amended to read as follows:

Section 1.01(p) *“Participating First Nation” means a First Nation that enters into a Land Use Planning Agreement covering a part of the Project Area; For distributions from Canada’s Funding, the following First Nations, whether or not they have entered into a Land Use Planning Agreement covering a part of the Project Area, are deemed to be Participating First Nations: Gitanyow, Gwawaainew, Kwicksutaineuk, Dzawada’enuxw (previously Tsawatineuk), and Ulkatcho;*

Section 4.01(o) *except for distributions to FNs who have not entered into a LUPA and for operational and administrative costs of the Society; expend the Contribution for the purposes of this agreement prior to expending any other funds in its hands, including Canada’s Funding;*

Section 4.01(e) *apply the remainder of the Contribution not allocated as contemplated by section 4.01(d) to funding of:*
i) *the operational and administrative costs of the Society; and*
ii) *Regional Economic Development Projects;*

.../2

Section 1.01(f) *“Canada’s Funding” means \$30,000,000 to be paid by Canada to the Province under an agreement, separate from this Agreement, between Canada and the Province, whereby the Province will provide Canada’s Funding to the Society, including any income earned on the \$30,000,000;*

Section 4.01(r) *apply Canada’s Funding to funding of:*
i) *the operational and administrative costs of the Society; and*
ii) *Regional Economic Development Projects.*

This amendment letter forms an integral part of the PAFA agreement and should be attached to it.

Thank you for the recommended changes to the Performance and Accountability Funding Agreement. The changes as outlined above will improve the availability of funding to First Nations and clarify the source of the funds that support the Society.

Yours truly,



Craig Sutherland
Assistant Deputy Minister
Coast Area

pc: Julian Paine, Assistant Deputy Minister
Ministry of Community, Sport and Cultural Development

AMENDING AGREEMENT

THIS AMENDING AGREEMENT dated for reference March 20, 2014:

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA,
represented by the Minister of Forests, Lands and Natural Resource Operations
(formerly the Minister of Agriculture and Lands)

(the "Province")

OF THE FIRST PART

AND:

COAST ECONOMIC DEVELOPMENT SOCIETY, a society incorporated under the laws
of British Columbia (Society Number S-0048506) and having a registered office at 1455
– 409 Granville Street, Vancouver, British Columbia

(the "Society")

OF THE SECOND PART

WHEREAS:

- A. The Province and the Society entered into a Performance and Accountability Funding Agreement on March 30, 2007 ("PAFA") and subsequently amended PAFA in writing on several occasions (PAFA, as subsequently amended in writing by the Province and the Society, will hereafter be referred to as the "Agreement");
- B. The Society has informed the Province that the Society, despite its best efforts, will not be able to expend the Contribution (as defined in the Agreement) by March 30, 2014 in accordance with the requirement set out in Section 4.01 (m) of the Agreement;
- C. The Province and the Society wish to extend the time frame for the Society to expend the Contribution in Section 4.01 (m) of the Agreement by an additional three years; and
- D. The Province and the Society wish to amend the Agreement on the terms and conditions set out in this Amending Agreement.

NOW THEREFORE in consideration of these premises and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties), the parties agree as follows:

- 1) Section 2.01 of the Agreement is amended by deleting the phrase “will end 7 years and 3 months from the commencement of the Term” and replacing it with the phrase “will end on June 30, 2017”.
- 2) Section 4.01(m) of the Agreement is amended by deleting the phrase “within 7 years from the commencement of the Term” and replacing it with the phrase “on or before March 30, 2017”.
- 3) The Agreement, as amended by this Amending Agreement, is ratified and confirmed.
- 4) Time will remain of the essence of the Agreement, as amended by this Amending Agreement.
- 5) Notwithstanding the date of execution and delivery of this Amending Agreement, this Amending Agreement will be deemed to take effect as of March 30, 2014.
- 6) This Amending Agreement will be construed in accordance with the laws of British Columbia and the federal laws of Canada applicable therein.
- 7) The Society represents and warrants to the Province that it is a society duly organized and validly existing under the laws of British Columbia and has the power to enter into this Amending Agreement, and all necessary proceedings have been taken and done to authorize the execution and delivery of this Amending Agreement by it, and this Amending Agreement has been legally and properly executed and is legally binding upon and enforceable against it in accordance with its terms.

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- 8) This Amending Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument. Either party may deliver an executed copy of this Amending Agreement by fax or by email in scanned PDF format to the other party, and each party will arrange for the other party to receive an original signed copy of this Agreement as soon as reasonably practicable thereafter.

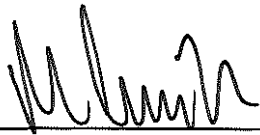
IN WITNESS WHEREOF the parties hereto have executed this Amending Agreement as of the date first set out above.

SIGNED on behalf of Her Majesty the
Queen in Right of the Province of
British Columbia by a duly authorized
representative of the Minister of Forests,
Lands and Natural Resource Operations)
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For the Minister of Forests, Lands and
Natural Resource Operations

SIGNED on behalf of the Coast
Economic Development Society)
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)
)



For the Coast Economic Development
Society

AMENDING AGREEMENT #2

THIS AMENDING AGREEMENT #2 is dated for reference March 9, 2017:

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA,
represented by the Minister of Forests, Lands and Natural Resource Operations
(formerly the Minister of Agriculture and Lands)

(the "Province")

OF THE FIRST PART

AND:

COAST ECONOMIC DEVELOPMENT SOCIETY, a society incorporated under the laws
of British Columbia (Society Number S-0048506) and having a registered office at 1455
– 409 Granville Street, Vancouver, British Columbia

(the "Society")

OF THE SECOND PART

WHEREAS:

- A. The Province and the Society entered into a Performance and Accountability Funding Agreement on March 30, 2007 ("PAFA") and subsequently amended PAFA in writing on several occasions, including through an Amending Agreement ("Amending Agreement #1") dated for reference March 20, 2014 whereby the parties agreed to (1) extend the time frame for the Society to expend the Contribution (as defined in PAFA) by 3 years to March 30, 2017 and (2) extend the term by 3 years to June 30, 2017 (PAFA, as subsequently amended in writing by the Province and the Society, including through Amending Agreement #1, will hereafter be referred to as the "Agreement");
- B. The Province and the Society wish to further extend the time frame for the Society to expend the Contribution in Section 4.01 (m) of the Agreement by an additional 9 years; and
- C. The Province and the Society wish to amend the Agreement on the terms and conditions set out in this Amending Agreement #2.

NOW THEREFORE in consideration of these premises and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties), the parties agree as follows:

- 1) Section 2.01 of the Agreement is amended by deleting the phrase "will end on June 30, 2017" and replacing it with the phrase "will end on June 30, 2026".
- 2) Section 4.01(m) of the Agreement is amended by deleting the phrase "on or before March 30, 2017" and replacing it with the phrase "on or before March 30, 2026".

- 3) The Agreement, as amended by this Amending Agreement #2, is ratified and confirmed.
- 4) Time will remain of the essence of the Agreement, as amended by this Amending Agreement #2.
- 5) Notwithstanding the date of execution and delivery of this Amending Agreement #2, this Amending Agreement #2 will be deemed to take effect as of March 30, 2017.
- 6) This Amending Agreement #2 will be construed in accordance with the laws of British Columbia and the federal laws of Canada applicable therein.
- 7) The Society represents and warrants to the Province that it is a society duly organized and validly existing under the laws of British Columbia and has the power to enter into this Amending Agreement #2, and all necessary proceedings have been taken and done to authorize the execution and delivery of this Amending Agreement #2 by it, and this Amending Agreement #2 has been legally and properly executed and is legally binding upon and enforceable against it in accordance with its terms.

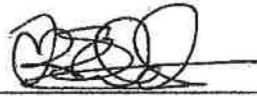
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- 8) This Amending Agreement #2 may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument. Either party may deliver an executed copy of this Amending Agreement #2 by fax or by email in scanned PDF format to the other party. Each party will arrange for the other party to receive an original signed copy of this Amending Agreement #2 as soon as reasonably practicable thereafter.

IN WITNESS WHEREOF the parties hereto have executed this Amending Agreement #2 as of the date first set out above.

SIGNED on behalf of Her Majesty the
Queen in Right of the Province of
British Columbia by a duly authorized
representative of the Minister of Forests,
Lands and Natural Resource Operations

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for

For the Minister of Forests, Lands and
Natural Resource Operations.

SIGNED on behalf of the Coast
Economic Development Society
by a duly authorized representative

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)



For the Coast Economic Development
Society

AMENDING AGREEMENT #3

THIS AMENDING AGREEMENT #3 is dated for reference _____ March 15 _____, 2019:

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA,
represented by the Minister of Forests, Lands, Natural Resource Operations and Rural
Development (formerly the Minister of Agriculture and Lands)

(the "Province")

OF THE FIRST PART

AND:

COAST ECONOMIC DEVELOPMENT SOCIETY, a society incorporated under the laws
of British Columbia (Society Number S-0048506) and having a registered office at 2600
– 595 Burrard Street, Vancouver, British Columbia

(the "Society")

OF THE SECOND PART

WHEREAS:

- A. The Province and the Society entered into a Performance and Accountability Funding Agreement on March 30, 2007 ("PAFA") and subsequently amended PAFA in writing on several occasions, including through agreements titled "Amending Agreement" and "Amending Agreement #2", dated for reference March 20, 2014 and March 9, 2017 (collectively, the "Agreement");
- B. The Society wishes to amend its Bylaws with respect to director qualifications and has requested that the Agreement be amended such that the Society can make these changes in accordance with the terms of the Agreement; and
- C. The Province has agreed to the Society's request to amend the Agreement on the terms and conditions set out in this Amending Agreement #3.

NOW THEREFORE in consideration of these premises and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties), the parties agree as follows:

- 1) To amend Section 4.01(b.1)(iii) of the Agreement by inserting the following after the word "Province":

“unless, with respect any particular employee

(A) the Province confirms in writing that it does not object to that employee’s election as a Director; and

(B) prior to election, that person’s status as an employee of the Province is disclosed in writing to the Society’s Members (as that term is defined in the Bylaws)”.


- 2) The Agreement, as amended by this Amending Agreement #3, is ratified and confirmed.
- 3) Time will remain of the essence of the Agreement, as amended by this Amending Agreement #3.
- 4) Notwithstanding the date of execution and delivery of this Amending Agreement #3, this Amending Agreement #3 will be deemed to take effect as of its date for reference.
- 5) This Amending Agreement #3 will be construed in accordance with the laws of British Columbia and the federal laws of Canada applicable therein.
- 6) The Society represents and warrants to the Province that it is a society duly organized and validly existing under the laws of British Columbia and has the power to enter into this Amending Agreement #3, and all necessary proceedings have been taken and done to authorize the execution and delivery of this Amending Agreement #3 by it, and this Amending Agreement #3 has been legally and properly executed and is legally binding upon and enforceable against it in accordance with its terms.

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- 7) This Amending Agreement #3 may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument. Either party may deliver an executed copy of this Amending Agreement #3 by fax or by email in scanned PDF format to the other party. Each party will arrange for the other party to receive an original signed copy of this Amending Agreement #3 as soon as reasonably practicable thereafter.

IN WITNESS WHEREOF the parties hereto have executed this Amending Agreement #3 as of the date first set out above.

SIGNED on behalf of Her Majesty the)
Queen in Right of the Province of)
British Columbia by a duly authorized)
representative of the Minister of Forests,)
Lands and Natural Resource Operations)
)



For the Minister of Forests, Lands, Natural
Resource Operations and Rural
Development

SIGNED on behalf of the Coast)
Economic Development Society)
by a duly authorized representative)
)



For the Coast Economic Development
Society