XAXLI'P

INFORMATION DOCUMENT FOR DESIGNATION FOR LEASING

BACKGROUND

Chief and Council are proposing that Xaxli'p designate lands under subsection 38(2) of the *Indian Act* in Fountain Indian Reserve No. 1B so that the lands can be developed and leased for the purposes outlined in the designation.

This document will explain the designation process and provide information about the proposed project.

WHAT IS A DESIGNATION?

A designation is a process under sections 37 to 41 of the *Indian Act* and the *Indian Referendum Regulations* (the "Regulations") to allow reserve lands to be leased to non-members (usually a company, including a company owned by Xaxli'p). Rent paid under leases (and fees paid under any other instruments) will be held by Canada for Xaxli'p's use and benefit as part of our revenue account.

Designated lands do not lose reserve status. They remain part of the reserve and are only leased for certain purposes and for certain limited periods. Xaxli'p by-laws apply to designated lands and income earned by Xaxli'p or its members on designated lands is usually not taxable.

THE DESIGNATION PROCESS

Chief and Council have asked the Minister of Indigenous Services to call a referendum under the Regulations to vote on the proposed designation.

Through this Information Document and the materials included in the Referendum Notice, eligible electors are being provided with information about the designation process and the proposed development or uses of the lands. Electors who live off-reserve are also entitled to vote. Information packages are sent to each eligible off-reserve elector for whom an address is known. These packages contain information about the designation and a mail-in ballot.

An information meeting will be held (see below), where electors may ask questions about the proposed designation so that they can make an informed decision about voting for or against it.

At the vote, the designation must be agreed to by a majority of eligible votes cast to be successful.

DETAILS OF THE PROPOSED DESIGNATION

The proposed designation is attached to the Referendum Notice and included in the mail-out package to off-reserve electors.

Lands Being Designated

The proposed designated lands (the "Designated Lands") are shown on the map attached to this Information Document. The legal description for the lands is included in the designation. Xaxli'p is in the process of updating the survey and the legal description for the lands will be updated when the survey is complete.

Term of the Designation

Assuming the designation vote is successful, the designation will begin when the Minister of Indigenous Services accepts it and will continue for ninety-nine (99) years.

Use of the Designated Lands

The Designated Lands are to be leased for the purposes set out in section 3 of the designation.

Xaxli'p will be a party to leases and other instruments entered into between Canada and the tenant or others under the designation, which means that we will be able to directly control most aspects of the contractual relationship rather than have Canada as an intermediary for all of it.

Rent & Fees

An updated appraisal was prepared by North Cariboo Appraisals Ltd. For Lot 9-2-1 on May 15, 2025. It appraised fair market rent for a Lease of the Designated Lands for the Approved Project at $12,735.00 annually, for the first five-year period of the proposed Lease.

Each lease will require that fair market rent be paid by the tenant that is not a Nation Entity (which is a corporation, limited partnership, or other entity 100% beneficially owned by Xaxli'p), but a Nation Entity may pay less than fair market rent, at the choice of Chief and Council. The Chief and Council will decide whether rent will be fully prepaid, paid annually, or paid by some other method.

If a lease is granted to a Nation Entity for less than fair market rent, then:

- subleases are required to charge fair market rent, which the Nation Entity is responsible for setting and collecting without any oversight from Canada; and

- if a person or entity other than a Nation Entity becomes the tenant, then that person or entity will be required to pay fair market rent for the remainder of the lease term.

Other instruments providing an interest in or right in relation to the designated lands must be for fair market value (either fully prepaid, paid annually, or paid by some other method (at the discretion of Chief and Council), unless Chief and Council, by a resolution, determine that it is in Xaxlip's best interest to accept less than fair market value.

Canada will collect rent payable under leases and fees under other instruments and credit those amounts to our revenue account. Canada will not collect rent payable under any subleases, which is the Nation Entity tenant's responsibility to negotiate and collect. Section 6 of the proposed designation sets out some of the risks involved with this arrangement.

Environmental Aspects

Before any construction starts on the designated lands, an environmental impact assessment for the proposed project on those lands must be conducted and reviewed to determine what, if any, mitigation measures may be required.

Impacts & Benefits

Chief and Council anticipate the following impacts to the reserve and community from the proposed development:

- Improve the standards of living and quality of life for community members
- Enhance the infrastructure capabilities for future developments
- Strategic utilization of Xaxli'p owned land to increase revenue streams

Chief and Council anticipate the following benefits from the proposed development:

- Economic sovereignty
- Job creation
- Environmental benefits of promoting clean and renewable energy
- Environmental benefits of the reduction of greenhouse gas emissions
- Energy independence
- Community infrastructure

NEXT STEPS

Information Meeting

An information meeting for members will be held from 5:00pm to 8:00pm on January 14, 2026, as set out in the Notice of Referendum, to assist the electors in making an informed decision on the designation.

The Vote

The designation vote will be held on **January 26, 2026**, as set out in the Notice of Referendum.

Further Information

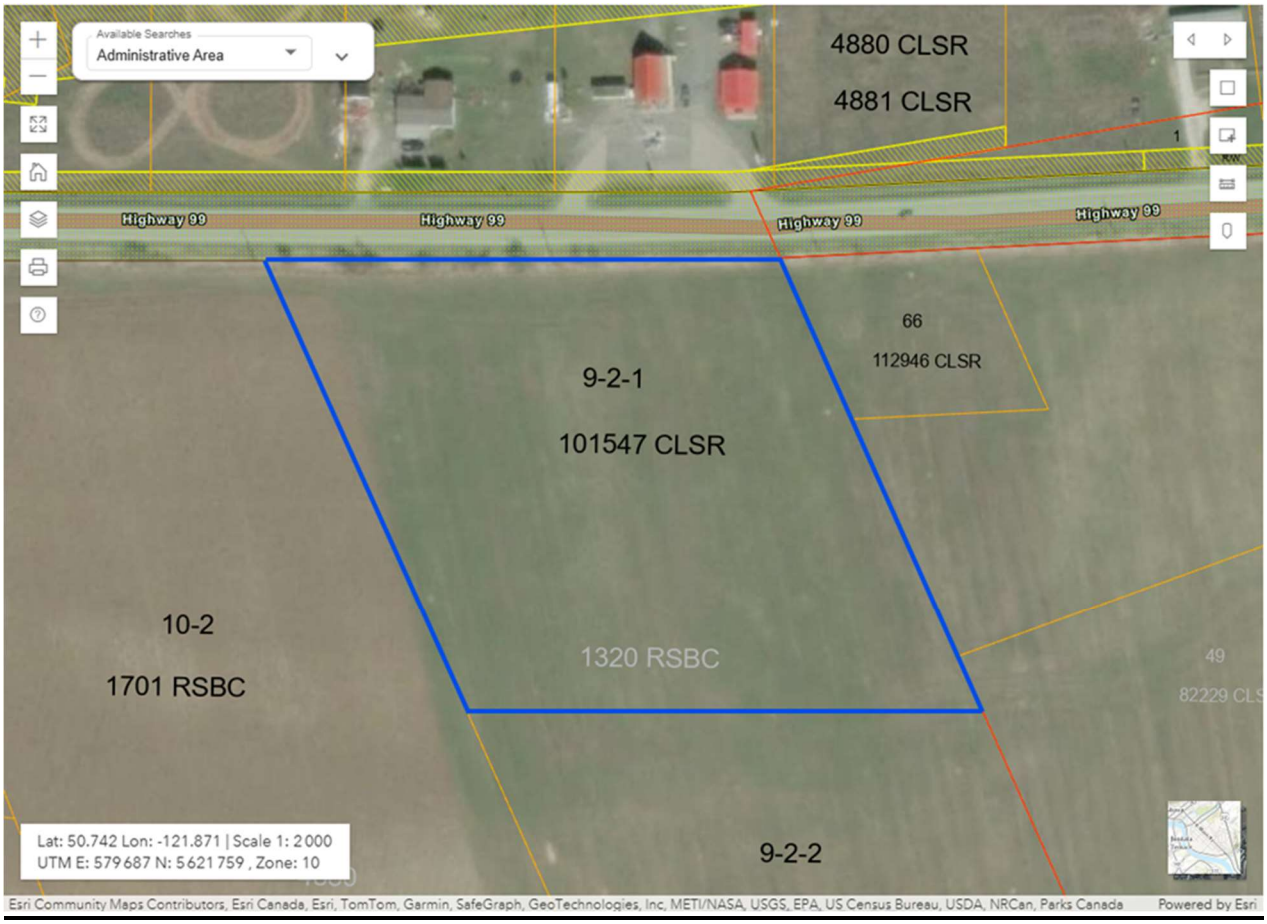
For further information about the proposed designation contact:

Andrew Mercer, Xaxli'p Economic Development Officer, 250-256-4800, ecdev@xaxlip.ca.

Cait Cameron, Managing Director, Xaxli'p Salish Limited Partnership (XSLP), 604-910-9286, cait@salishelements.ca.

Nora Billy, Community Liaison, Chair of XSLP Advisory Council, 250-256-3994, nobil1.nb@gmail.com.

Tanya Stelkia, Indigenous Services Canada, 600 – 1138 Melville Street, Vancouver, BC V6E 4S3. Phone 236-330-3829. Email tanya.stelkia@sac-isc.gc.ca.

Map of the Designated Lands

Area subject to the designation is outlined in blue.