

# CROSS LAKE COMMUNITY SETTLEMENT AGREEMENT

between

THE INCORPORATED COMMUNITY OF CROSS LAKE,  
as represented by the Community Council (the "Community")

and

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF MANITOBA  
as represented by the Minister of Aboriginal and Northern Affairs ("Manitoba")

and

THE MANITOBA HYDRO-ELECTRIC BOARD ("Hydro")

2010



**THIS AGREEMENT**

**BETWEEN**

**THE INCORPORATED COMMUNITY OF CROSS LAKE,  
being an incorporated community pursuant to The Northern  
Affairs Act, C.C.S.M. c. N100, as represented by the  
Community Council (the "Community")**

**and**

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF  
MANITOBA, as represented by the Minister of Aboriginal and  
Northern Affairs ("Manitoba")**

**and**

**THE MANITOBA HYDRO-ELECTRIC BOARD ("Hydro")**

THIS AGREEMENT made as of this 16th day of September, 2010

BETWEEN:

THE INCORPORATED COMMUNITY OF CROSS LAKE,  
being an incorporated community pursuant to The Northern Affairs Act, C.C.S.M.  
c. N100, as represented by the Community Council  
(the "Community")

and

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF MANITOBA as  
represented by the Minister of Aboriginal and Northern Affairs ("Manitoba")

and

THE MANITOBA HYDRO-ELECTRIC BOARD ("Hydro")

WHEREAS:

- A. **Manitoba** administers and controls provincial lands, waters and water powers as provided in the Manitoba Natural Resources Transfer Agreement, which is part of the *Constitution Act, 1930*;
- B. **Hydro** is a Crown corporation established in 1949 and continued by *The Manitoba Hydro Act* for the purpose, among others, of providing for the continuance of a supply of power adequate for the needs of the Province of Manitoba, and may engage in and promote the development, generation, transmission, distribution, supply and end-use of power;
- C. Pursuant to licences issued by **Manitoba** to **Hydro** under *The Water Power Act*, **Hydro** developed and operates the Lake Winnipeg Regulation and Churchill River Diversion Project and related generation, transmission and distribution facilities for the ongoing benefit of the people of Manitoba;
- D. The **Project** caused **Adverse Effects** in the area of the community of Cross Lake and upon residents of the **Community**;
- E. On February 14, 2000, **Manitoba**, **Hydro** and the **Community Council** entered into a Memorandum of Understanding to guide and govern the negotiations of an agreement to address the **Adverse Effects** of the **Project** on the **Community** and residents of the **Community**;

- F. Those negotiations resulted in an Agreement in Principle dated April 30, 2003 which sets out principles and understandings to guide and govern the negotiation of a final settlement agreement;
- G. As a result of these negotiations among the **Community, Manitoba and Hydro**, pursuant to the Agreement in Principle, the **Parties** are entering into this **Agreement**.

NOW THEREFORE, the **Parties** agree as follows:

## TABLE OF CONTENTS

	<u>Page</u>
PREAMBLE.....	1
ARTICLE 1- AGREEMENT INTERPRETATION AND DEFINITIONS.....	3
1.1 Agreement.....	3
1.2 Interpretation .....	4
ARTICLE 2 – PAYMENTS AND COSTS.....	12
2.1 Introduction.....	12
2.2 Financial Proceeds .....	12
2.3 Costs .....	13
2.4 Provincial and Hydro Programming and Business, Employment and Training Opportunities .....	13
SCHEDULE 2.1 Trust Indenture	
ARTICLE 3 – WATER REGIME .....	14
3.1 Introduction.....	14
3.2 Records .....	14
3.3 Operation of the Project.....	15
3.4 Fully Compensated and Predetermined Compensation Ranges.....	16
3.5 Predetermined Compensation .....	18
3.6 End of Project.....	22
SCHEDULE 3.1 Predetermined Compensation and Fully Compensated Ranges - Daily Average Water Levels	
SCHEDULE 3.2 Predetermined Compensation and Fully Compensated Ranges - Rapid Change (5 Day)	
SCHEDULE 3.3 Predetermined Compensation and Fully Compensated Ranges - Extended Change (31 Day)	
SCHEDULE 3.4 Method of Water Level Calculation and Sample Calculation of Predetermined Compensation	
ARTICLE 4 – Community Development Sites, Quarry Lease Sites, Cross Lake Community Boundary Expansion Area, and Walker Lake Traditional Use Protected Areas.....	23
4.1 Introduction.....	23
PART A – Community Development Sites (Fee Simple Lands).....	23
4.2 Sand Bay Site.....	23

4.3	Jenpeg Site.....	28
4.4	Minago River Site .....	32
4.5	Pelcombe Bay Site .....	36
4.6	Walker Lake Recreation Sites .....	39
	PART B – Community Development Sites (Permit Lands).....	43
4.7	Community Development Sites – Permit Lands .....	43
	PART C – Quarry Lease Sites .....	46
4.8	Quarry Lease Sites.....	46
	PART D – Cross Lake Community Boundary Expansion Area .....	47
4.9	Cross Lake Community Boundary Expansion Area.....	47
	PART E – Walker Lake Traditional Use Protected Areas.....	48
4.10	Walker Lake Traditional Use Protected Areas.....	48
	PART F – Criteria for Determination of Development Setback Line, Lower Boundaries of Fee Simple and Permit Lands, Surveys of Fee Simple Boundaries by Manitoba, and No Right to Outfitter’s Licence or Permit .....	50
4.11	Criteria for Determination of Development Setback Line, Lower Boundaries of Fee Simple and Permit Lands, Surveys of Fee Simple Boundaries by Manitoba.....	50
4.12	No Right to Licence or Permit.....	52

SCHEDULE 4.1 Description and Maps of Community Development Sites, Quarry Lease Sites, Cross Lake Community Boundary Expansion Area, and Walker Lake Traditional Use Protected Areas

SCHEDULE 4.2 Land Use Permit

SCHEDULE 4.3 Survey Instructions of Parcel Boundaries and Exclusions

SCHEDULE 4.4 Council Resolution

SCHEDULE 4.5 Quarry Lease

	ARTICLE 5 – COMPENSATION FOR CLAIMS .....	53
5.1	Introduction.....	53
5.2	Claims Decisions .....	55
5.3	Claims Officers .....	55
5.4	Submission of Claims and Replacements of Claims Officer.....	56
5.5	Claims Procedure .....	56
5.6	Referral to Mediation and Arbitration .....	60

SCHEDULE 5.1 Claim for Compensation

SCHEDULE 5.2 Notice of Receipt of Claim for Compensation

SCHEDULE 5.3 Report, Decision and Right to Arbitration

SCHEDULE 5.4 Claimant Release and Acknowledgement for Compensation for Adverse Effects

SCHEDULE 5.5 Undertaking of Claims Officer

ARTICLE 6 - RESOURCE MANAGEMENT ..... 61

6.1 Introduction..... 61

6.2 Manitoba/Cross Lake Community Resource Management Committee ..... 61

6.3 Objective and Activities of Committee ..... 62

6.4 Consultation about Proposed Resource Allocations or Dispositions ..... 62

6.5 Recommendations..... 63

6.6 Where no Recommendation by Committee..... 64

6.7 Transitional Measures ..... 64

6.8 Assistance and Information ..... 64

6.9 Authority ..... 65

6.10 Establishment of Resource Management Board ..... 65

6.11 Discontinuance and Amendment..... 66

SCHEDULE 6.1 Plan of Registered Trapline for Cross Lake (Plan No. 22)

ARTICLE 7 - FUTURE DEVELOPMENT ..... 68

7.1 Introduction..... 68

7.2 Notice ..... 68

7.3 Process to Address Adverse Effects of Future Development ..... 68

7.4 Opportunities arising from Future Development ..... 70

ARTICLE 8 – MEETINGS AND ONGOING COMMUNICATION AND INFORMATION SHARING ON PROJECT-RELATED ACTIVITIES AND PROGRAMS, ENVIRONMENTAL MONITORING AND INVESTIGATION, AND TRANSPORTATION AND SAFETY MEASURES ..... 71

8.1 Introduction..... 71

8.2 Annual and Special Meetings ..... 71

8.3 Project-related Activities and Programs..... 72

8.4 Environmental Monitoring and Investigation ..... 73

8.5 Transportation and Safety Measures..... 73

8.6 End of Obligations under this Article..... 74

SCHEDULE 8.1 Existing Transportation and Safety Measures

ARTICLE 9 – DISPUTE RESOLUTION ..... 75

9.1 Introduction..... 75

PART A –Disputes relating to Claims and Matters Relating to the Trust (Cross Lake Community) ..... 75

9.2 Cross Lake Community Mediation..... 75  
9.3 Cross Lake Community Arbitration..... 77  
PART B – Disputes between the Parties..... 79  
9.4 Meeting Prior to Mediation of Disputes between the Parties ..... 79  
9.5 Mediation of Disputes between the Parties ..... 79  
9.6 Arbitration of Disputes between the Parties..... 80  
9.7 Disputes Relating to Continuing Liability of Hydro under Subsection 10.4.1 ..... 81  
9.8 General Provisions ..... 82

SCHEDULE 9.1 Referral to Mediation (Cross Lake Community)

SCHEDULE 9.2 Referral to Arbitration (Cross Lake Community)

SCHEDULE 9.3 Referral to Mediation (Parties' Mediation)

SCHEDULE 9.4 Referral to Arbitration (Parties' Arbitration)

SCHEDULE 9.5 Referral to Arbitration (Hydro Arbitration - Subsection 10.4.1)

ARTICLE 10 - RECIPROCITY ..... 84  
10.1 Introduction..... 84  
10.2 Releases ..... 84  
10.3 Indemnities ..... 85  
10.4 Continuing Liability of Hydro..... 87  
10.5 Additional Provisions ..... 88

ARTICLE 11 - APPROVAL, EXECUTION AND IMPLEMENTATION..... 90  
11.1 Introduction..... 90  
11.2 Approval Process ..... 90  
11.3 Public Meeting and Vote..... 90  
11.4 Execution..... 90  
11.5 Independent Legal Advice ..... 90  
11.6 Independent Technical Advice..... 91

SCHEDULE 11.1 Public Meeting and Vote, and Execution of Agreement

SCHEDULE 11.2 Community Consultation Report

SCHEDULE 11.3 Ballot Question

SCHEDULE 11.4 Certificate of Independent Legal Advice of \_\_\_\_\_  
\_\_\_\_\_

SCHEDULE 11.5 Certificate of Independent Technical Advice of \_\_\_\_\_



SCHEDULE 11.6 Certificate of Independent Technical Advice of \_\_\_\_\_

ARTICLE 12 - GENERAL PROVISIONS.....	92
12.1 Introduction.....	92
12.2 Interpretation .....	92
12.3 Validity of Provisions .....	92
12.4 Parties .....	93
12.5 Notice .....	93
12.6 Entire Agreement.....	94
12.7 Governing Law .....	94
12.8 General.....	95

## **ARTICLE 1 – AGREEMENT INTERPRETATION AND DEFINITIONS**

### **1.1 AGREEMENT**

1.1.1 Contents. This **Agreement** consists of Articles 1 through 12, and includes the following schedules which are attached to this **Agreement**:

<b>ARTICLE NO.</b>	<b>TITLE</b>
Article 1	Agreement Interpretation and Definitions
Article 2	Payments and Costs
Article 3	Water Regime
Article 4	Community Development Sites, Quarry Lease Sites, Cross Lake Community Boundary Expansion Area, and Walker Lake Traditional Use Protected Areas
Article 5	Compensation for Claims
Article 6	Resource Management
Article 7	Future Development
Article 8	Meetings and Ongoing Communication and Information Sharing on Project-Related Activities and Programs, Environmental Monitoring and Investigation, and Transportation and Safety Measures
Article 9	Dispute Resolution
Article 10	Reciprocity
Article 11	Approval, Execution and Implementation
Article 12	General Provisions
<b>SCHEDULE NO.</b>	<b>TITLE</b>
Schedule 2.1	Trust Indenture
Schedule 3.1	Predetermined Compensation and Fully Compensated Ranges – Daily Average Water Levels
Schedule 3.2	Predetermined Compensation and Fully Compensated Ranges - Rapid Change (5 Day)
Schedule 3.3	Predetermined Compensation and Fully Compensated Ranges - Extended Change (31 Day)
Schedule 3.4	Method of Water Level Calculation and Sample Calculation of Predetermined Compensation
Schedule 4.1	Description and Maps of Community Development Sites, Quarry Lease Sites, Cross Lake Community Boundary Expansion Area, and Walker Lake Traditional Use Protected Areas

Schedule 4.2	Land Use Permit
Schedule 4.3	Survey Instructions of Parcel Boundaries and Exclusions
Schedule 4.4	Council Resolution
Schedule 4.5	Quarry Lease
Schedule 5.1	Claim for Compensation
Schedule 5.2	Notice of Receipt of Claim for Compensation
Schedule 5.3	Report, Decision and Right to Arbitration
Schedule 5.4	Claimant Release and Acknowledgement for Compensation for Adverse Effects
Schedule 5.5	Undertaking of Claims Officer
Schedule 6.1	Plan of Registered Trapline for Cross Lake (Plan No. 22)
Schedule 8.1	Existing Transportation and Safety Measures
Schedule 9.1	Referral to Mediation (Cross Lake Community)
Schedule 9.2	Referral to Arbitration (Cross Lake Community)
Schedule 9.3	Referral to Mediation (Parties' Mediation)
Schedule 9.4	Referral to Arbitration (Parties' Arbitration)
Schedule 9.5	Referral to Arbitration (Hydro Arbitration - Subsection 10.4.1)
Schedule 11.1	Public Meeting and Vote, and Execution of Agreement
Schedule 11.2	Community Consultation Report
Schedule 11.3	Ballot Question
Schedule 11.4	Certificate of Independent Legal Advice of Gange Goodman and French, and Orle Davidson Giesbrecht Borgen
Schedule 11.5	Certificate of Independent Technical Advice of Symbion Consultants
Schedule 11.6	Certificate of Independent Technical Advice of Unies Ltd.

## 1.2 INTERPRETATION

1.2.1 Definitions. In this **Agreement**, the following words and phrases, when capitalized and printed in bold type, whether in the plural or the singular, have the following meanings:

- (a) **Adverse Effects** means the direct or indirect negative consequences of the **Project** or the operation thereof by **Hydro**, which consequences impact on or change the physical, chemical or biological characteristics of the environment and which consequences include, without limitation, risks or injuries to the health, safety, well-being, comfort or enjoyment of life by the **Community**, **Community Organizations** or **Residents**, and which

consequences impact on interests in and the exercise of rights in relation to lands, pursuits, activities, opportunities, lifestyles and assets of the **Community, Community Organizations or Residents;**

- (b) **Agreement** means this agreement including all schedules listed in Subsection 1.1.1;
- (c) **Assets** means all property of every nature and kind of the **Trust;**
- (d) **ASL** means above mean sea level;
- (e) **Canada** means Her Majesty the Queen in Right of Canada;
- (f) **Claim** means a claim for individual loss or damage to **Personal Property** suffered by a **Claimant** due to **Adverse Effects** of the **Project** that is addressed under Article 5;
- (g) **Claimant** means any **Resident** who meets the period of residence requirement set out in Subsection 5.1.4 or **Community Organization**, who or which asserts they suffered loss or damage resulting from or attributable to an **Adverse Effect** and who or which files a **Claim** under Article 5;
- (h) **Claims Account** means the account established under Article 14 of the **Indenture;**
- (i) **Claims Officer** means the person selected by the **Community Council** under Subsection 5.3.2, or the replacement claims officer selected under Subsection 5.4.2;
- (j) **Committee** means the Manitoba/Cross Lake Community Resource Management Committee established under Article 6;
- (k) **Community** means The Incorporated Community of Cross Lake incorporated as Cross Lake pursuant to regulation promulgated under the authority of Part 2 of *The Northern Affairs Act*, except in those provisions which relate to the period before the **Community's** incorporation, where it means the unincorporated community of Cross Lake;
- (l) **Community Council** means the Mayor and Council of the **Community** elected and in office pursuant to *The Northern Affairs Act*;
- (m) **Community Development Account** means the account established under Article 12 of the **Indenture;**

SCHEDULE 11.6 Certificate of Independent Technical Advice

ARTICLE 12 - GENERAL PROVISIONS.....	92
12.1 Introduction.....	92
12.2 Interpretation .....	92
12.3 Validity of Provisions .....	92
12.4 Parties .....	93
12.5 Notice .....	93
12.6 Entire Agreement.....	94
12.7 Governing Law .....	94
12.8 General.....	95

## **ARTICLE 1 – AGREEMENT INTERPRETATION AND DEFINITIONS**

### **1.1 AGREEMENT**

1.1.1 Contents. This **Agreement** consists of Articles 1 through 12, and includes the following schedules which are attached to this **Agreement**:

<b>ARTICLE NO.</b>	<b>TITLE</b>
Article 1	Agreement Interpretation and Definitions
Article 2	Payments and Costs
Article 3	Water Regime
Article 4	Community Development Sites, Quarry Lease Sites, Cross Lake Community Boundary Expansion Area, and Walker Lake Traditional Use Protected Areas
Article 5	Compensation for Claims
Article 6	Resource Management
Article 7	Future Development
Article 8	Meetings and Ongoing Communication and Information Sharing on Project-Related Activities and Programs, Environmental Monitoring and Investigation, and Transportation and Safety Measures
Article 9	Dispute Resolution
Article 10	Reciprocity
Article 11	Approval, Execution and Implementation
Article 12	General Provisions
<b>SCHEDULE NO.</b>	<b>TITLE</b>
Schedule 2.1	Trust Indenture
Schedule 3.1	Predetermined Compensation and Fully Compensated Ranges – Daily Average Water Levels
Schedule 3.2	Predetermined Compensation and Fully Compensated Ranges - Rapid Change (5 Day)
Schedule 3.3	Predetermined Compensation and Fully Compensated Ranges - Extended Change (31 Day)
Schedule 3.4	Method of Water Level Calculation and Sample Calculation of Predetermined Compensation
Schedule 4.1	Description and Maps of Community Development Sites, Quarry Lease Sites, Cross Lake Community Boundary Expansion Area, and Walker Lake Traditional Use Protected Areas

Schedule 4.2	Land Use Permit
Schedule 4.3	Survey Instructions of Parcel Boundaries and Exclusions
Schedule 4.4	Council Resolution
Schedule 4.5	Quarry Lease
Schedule 5.1	Claim for Compensation
Schedule 5.2	Notice of Receipt of Claim for Compensation
Schedule 5.3	Report, Decision and Right to Arbitration
Schedule 5.4	Claimant Release and Acknowledgement for Compensation for Adverse Effects
Schedule 5.5	Undertaking of Claims Officer
Schedule 6.1	Plan of Registered Trapline for Cross Lake (Plan No. 22)
Schedule 8.1	Existing Transportation and Safety Measures
Schedule 9.1	Referral to Mediation (Cross Lake Community)
Schedule 9.2	Referral to Arbitration (Cross Lake Community)
Schedule 9.3	Referral to Mediation (Parties' Mediation)
Schedule 9.4	Referral to Arbitration (Parties' Arbitration)
Schedule 9.5	Referral to Arbitration (Hydro Arbitration - Subsection 10.4.1)
Schedule 11.1	Public Meeting and Vote, and Execution of Agreement
Schedule 11.2	Community Consultation Report
Schedule 11.3	Ballot Question
Schedule 11.4	Certificate of Independent Legal Advice of Gange Goodman and French, and Orle Davidson Giesbrecht Barga
Schedule 11.5	Certificate of Independent Technical Advice of Symbion Consultants
Schedule 11.6	Certificate of Independent Technical Advice of Unies Ltd.

## 1.2 INTERPRETATION

1.2.1 Definitions. In this **Agreement**, the following words and phrases, when capitalized and printed in bold type, whether in the plural or the singular, have the following meanings:

- (a) **Adverse Effects** means the direct or indirect negative consequences of the **Project** or the operation thereof by **Hydro**, which consequences impact on or change the physical, chemical or biological characteristics of the environment and which consequences include, without limitation, risks or injuries to the health, safety, well-being, comfort or enjoyment of life by the **Community**, **Community Organizations** or **Residents**, and which

consequences impact on interests in and the exercise of rights in relation to lands, pursuits, activities, opportunities, lifestyles and assets of the **Community, Community Organizations or Residents;**

- (b) **Agreement** means this agreement including all schedules listed in Subsection 1.1.1;
- (c) **Assets** means all property of every nature and kind of the **Trust;**
- (d) **ASL** means above mean sea level;
- (e) **Canada** means Her Majesty the Queen in Right of Canada;
- (f) **Claim** means a claim for individual loss or damage to **Personal Property** suffered by a **Claimant** due to **Adverse Effects** of the **Project** that is addressed under Article 5;
- (g) **Claimant** means any **Resident** who meets the period of residence requirement set out in Subsection 5.1.4 or **Community Organization**, who or which asserts they suffered loss or damage resulting from or attributable to an **Adverse Effect** and who or which files a **Claim** under Article 5;
- (h) **Claims Account** means the account established under Article 14 of the **Indenture;**
- (i) **Claims Officer** means the person selected by the **Community Council** under Subsection 5.3.2, or the replacement claims officer selected under Subsection 5.4.2;
- (j) **Committee** means the Manitoba/Cross Lake Community Resource Management Committee established under Article 6;
- (k) **Community** means The Incorporated Community of Cross Lake incorporated as Cross Lake pursuant to regulation promulgated under the authority of Part 2 of *The Northern Affairs Act*, except in those provisions which relate to the period before the **Community's** incorporation, where it means the unincorporated community of Cross Lake;
- (l) **Community Council** means the Mayor and Council of the **Community** elected and in office pursuant to *The Northern Affairs Act*;
- (m) **Community Development Account** means the account established under Article 12 of the **Indenture;**



- (n) **Community Development Sites** means the parcels of land that are described in Part A of Schedule 4.1 (Fee Simple Lands) and Part B of Schedule 4.1 (Permit Lands) and which are the subject of Sections 4.2 to 4.6 and 4.7;
- (o) **Community Organization** means a corporation or unincorporated association that is wholly owned or controlled by the **Community** or whose membership or shareholding is substantially comprised of **Residents**, but does not include the **Community** or the **Community Council**;
- (p) **Consumer Price Index** means the monthly publication by Statistics Canada of statistical data related to the change in price of goods and services for the Province of Manitoba;
- (q) **Controlling Bench Mark** is M6875 – Elevation 209.224 metres **ASL** and is a brass cap in bedrock 18.3 metres south of the path to the forestry warehouse. The datum is Canadian Geodetic Vertical Datum 1928 (CGVD28), 1969 local adjustment;
- (r) **Council Resolution** means a lawful resolution of the **Community Council**;
- (s) **Cross Lake Community Boundary Expansion Area** means the parcel of land that is described in Part D of Schedule 4.1 and which is the subject of Section 4.9;
- (t) **Cross Lake Gauge** means the gauge established in June 1913 (relocated June 1968) and located immediately north of the forestry warehouse in the **Community**, or such replacement gauge as may be required;
- (u) **Cross Lake Registered Trapline District** means the area described and shown on Schedule 6.1 and includes the rivers and lakes therein and the Indian reserve lands which from time to time may be included;
- (v) **Daily Average Water Level (or DAWL)** means the arithmetic average of readings of water levels recorded in a day at the **Cross Lake Gauge**, adjusted to eliminate the effects of wind by using a 5 day moving mean, or a valid representative substitute for such readings, if such readings are unavailable or demonstrably in error, and described in Article 3;
- (w) **Date of this Agreement** means the date this **Agreement** has been signed by the last **Party**;

- (x) **Development Setback Line** (or **DSL**) means a line determined in accordance with Section 4.11;
- (y) **Financial Proceeds** means the amounts paid pursuant to Section 2.2 of this **Agreement** by **Manitoba** and **Hydro** to the **Community** to be settled on the **Trustees** for the benefit of the **Community** pursuant to this **Agreement**;
- (z) **Fully Compensated Range** (or **FCR**) means the range described in Subsection 3.4.1 of this **Agreement**;
- (aa) **Future Development** means all construction, development, reconstruction or redevelopment of physical works related to hydro-electric development on the Churchill, Nelson, Rat and Burntwood river systems, including the development or redevelopment of the Lake Winnipeg Regulation System north of the 53<sup>rd</sup> parallel, which works have not been physically developed and constructed by or on behalf of **Hydro** as of the **Date of this Agreement**, and all major reconstruction or redevelopment of the **Project**, which construction, development, reconstruction or redevelopment has a reasonable likelihood of having a material and continuing physical, chemical, or biological impact upon a water body in the **Cross Lake Registered Trapline District**;
- (bb) **Future Development Adverse Effects** means the direct or indirect negative consequences of any **Future Development** or the operation thereof by **Hydro**, which consequences impact on or change the physical, chemical or biological characteristics of the environment and which consequences include, without limitation, risks or injuries to the health, safety, well-being, comfort or enjoyment of life by the **Community**, **Community Organizations** or **Residents**, and which consequences impact on interests in and the exercise of rights in relation to lands, pursuits, activities, opportunities, lifestyles and assets of the **Community**, **Community Organizations** or **Residents**;
- (cc) **Hydro** means The Manitoba Hydro-Electric Board;
- (dd) **Indenture** means the Trust Indenture in the form and content of Schedule 2.1;
- (ee) **Land Use Permit** means a land use permit issued by **Manitoba** under *The Crown Lands Act* (Manitoba) authorizing the occupation or use of a parcel of Crown (Manitoba) land in substantially the same form and content as Schedule 4.2;

- (ff) **Manitoba** means Her Majesty the Queen in Right of the Province of Manitoba;
- (gg) **Operating Year** means the annual period from April 1 to the following March 31;
- (hh) **Ordinary High Water Mark** (or **OHWM**) means a line defined by the normal high water mark of a water body, whether regulated or unregulated, determined by plant growth and soil conditions observed in the field. The **Ordinary High Water Mark** will be the limit or edge of a non-tidal body of water, where the bed is the land so long covered by water as to wrest it from vegetation, or as to mark a distinct character on the vegetation where it extends into the water, or upon the soil itself;
- (ii) **Parties** means **Manitoba, Hydro** and the **Community**;
- (jj) **Party** means, as the context requires, any one or more of **Manitoba, Hydro** and the **Community**;
- (kk) **Personal Property** means tangible property, other than real property, and includes boats and motors;
- (ll) **Predetermined Compensation** (or **PDC**) means the compensation payable pursuant to Section 3.5;
- (mm) **Predetermined Compensation Ranges** (or **PDC Ranges**) means the predetermined compensation ranges set out in Subsection 3.4.2 and Schedules 3.1, 3.2 and 3.3;
- (nn) **Project** means all those physical works related to hydro-electric development on the Churchill, Nelson, Rat, Burntwood, Laurie and Saskatchewan River Systems and the development of the Lake Winnipeg Regulation System north of the 53rd parallel, to the extent such works have been physically developed and constructed by or on behalf of **Hydro** as of the **Date of this Agreement** and, without limiting the generality of the foregoing, includes all dams, dikes, channels, control structures, excavations, generating stations, roads, transmission lines and other works forming part of, or related to, all aspects of such hydro-electric development including
- Lake Winnipeg Regulation,
  - Churchill River Diversion, including without limitation, the Notigi and Missi control structures,

- Grand Rapids Generating Station,
- Laurie River #1 Generating Station,
- Laurie River #2 Generating Station,
- Kelsey Generating Station,
- Kettle Generating Station,
- Long Spruce Generating Station,
- Limestone Generating Station,

and the access road and other physical construction with respect to both the proposed Conawapa Generating Station and Wuskwatim Generating Station;

- (oo) **Quarry Lease Sites** means the parcels of land that are described in Part C of Schedule 4.1, and which are the subject of Section 4.8;
- (pp) **Rates of Change** means the rates of change described in Paragraph 3.5.3(b);
- (qq) **Resident**, as it applies to an individual at a particular time, except in Article 5, means an individual who had his or her place of residence within the boundaries of the **Community** for six months immediately before the particular time, and for this purpose 'residency' shall be determined in accordance with subsections 82(2) and 82(3) of *The Northern Affairs Act*;
- (rr) **Resident** in Article 5 means an individual who has his or her place of residence within the boundaries of the **Community** for a minimum of five consecutive years before or after the **Date of this Agreement**, and whose place of residence was within the boundaries of the **Community**, at the time of, and for at least six months prior to, the loss or damage to **Personal Property** due to an **Adverse Effect**, and for this purpose 'residency' shall be determined in accordance with subsections 82(2) and 82(3) of *The Northern Affairs Act*;
- (ss) **Resources** means "fish" as defined in the *Fisheries Act*, "wildlife" as defined in *The Wildlife Act*, forests, plants, lands and water;
- (tt) **Trust** means the Ketetowenow Trust created and funded pursuant to this **Agreement** and the **Indenture**;
- (uu) **Trustees** means the **Initial Trustees** signatory to the **Indenture**, and their successors in office, selected in accordance with the **Indenture**; and

(vv) **Walker Lake Traditional Use Protected Areas** means the parcels of land that are described in Part E of Schedule 4.1 and which are the subject of Section 4.10.

1.2.2 Use of Definitions. Except for use in this **Agreement**, these definitions are without prejudice to and are not binding upon any of the **Parties**.

1.2.3 Statutory References. The following Acts are referred to in this **Agreement** and, unless otherwise specifically provided, when described by the title set out in this Subsection, the Act will be interpreted to mean the Act as cited in this Article, as amended from time to time:

(a) Acts of the Parliament of Canada:

*Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3

*Fisheries Act*, R.S.C. 1985, c. F-14

*Indian Act*, R.S.C. 1985, c. I-5

(b) Acts of the Legislature of Manitoba:

*The Arbitration Act*, C.C.S.M. c. A120

*The Crown Lands Act*, C.C.S.M. c. C340

*The Freedom of Information and Protection of Privacy Act*, C.C.S.M. c. F175

*The Manitoba Hydro Act*, C.C.S.M. c. H190

*The Mines and Minerals Act*, C.C.S.M. c. M162

*The Northern Affairs Act*, C.C.S.M. c. N100

*The Planning Act*, C.C.S.M. c. P80

*The Resource Tourism Operators Act*, C.C.S.M. c. R119.5

*The Water Power Act*, C.C.S.M. c. W60

*The Wildlife Act*, C.C.S.M. c. W130

(c) Acts constituting part of the Constitution of Canada:

*Constitution Act, 1982*, being Schedule B to the *Canada Act, 1982* (U.K.) 1982, c. 11

*Constitution Act, 1930* (Manitoba - Natural Resources Transfer Agreement, 1930)

- 1.2.4 Legislation Speaks from Present. All references to Acts referred to in Subsection 1.2.3 will include all regulations made in accordance with that Act and any amendment, re-enactment or replacement from time to time of that Act.
- 1.2.5 Description of Provisions in Agreement. For ease of reference, the provisions of this **Agreement** are described in the following manner in this **Agreement**:

Article	1
Section	1.1
Subsection	1.1.1
Paragraph	1.1.1(a)
Subparagraph	1.1.1(a)(i)

## ARTICLE 2 – PAYMENTS AND COSTS

### 2.1 INTRODUCTION

2.1.1 Introduction. Article 2 establishes the amounts to be treated as **Financial Proceeds**, and the effect of those payments on ongoing **Manitoba** programs and **Hydro** policies.

### 2.2 FINANCIAL PROCEEDS

2.2.1 Payments by **Manitoba** and **Hydro**. On or before the dates set out below, **Manitoba** and **Hydro** will jointly pay the **Financial Proceeds**, totalling \$9,261,059.00, by cheques payable to the **Community**, to be settled on the **Trustees** in accordance with the direction in Article 11.1 of the **Indenture**:

	<u>Date</u>	<u>Amount</u>
(a)	Date of Agreement	2,000,000
(b)	January 2, 2011	605,000
(c)	January 2, 2012	605,000
(d)	January 2, 2013	605,000
(e)	January 2, 2014	605,000
(f)	January 2, 2015	605,000
(g)	January 2, 2016	605,000
(h)	January 2, 2017	605,000
(i)	January 2, 2018	605,000
(j)	January 2, 2019	605,000
(k)	January 2, 2020	605,000
(l)	January 2, 2021	605,000
(m)	January 2, 2022	606,059

---

TOTAL	\$9,261,059
-------	-------------

2.2.2 Programs to address past **Adverse Effects**. In addition to the payments set out in Subsection 2.2.1, the **Parties** acknowledge that residents of the **Community** have received the benefit of certain programs from **Manitoba** and **Hydro** to address, in part, **Adverse Effects** of the **Project** before the **Date of this Agreement**.

2.2.3 Interest on Payments by **Manitoba** and **Hydro**. **Manitoba** and **Hydro** will jointly pay interest on any payment not made when due in accordance with Subsection 2.2.1 at the rate equal to the prime rate established from time to time by the

Royal Bank of Canada plus 2%, from the 1<sup>st</sup> day after the due date until payment is made.

## 2.3 COSTS

2.3.1 Fees and Bonuses. No portion of the **Financial Proceeds** or payments made under Article 3 shall be used to pay fees or bonuses to any member of the **Community Council**, or to any advisor or legal counsel acting on behalf of the **Community** or the **Community Council** in relation to, or as payment for, work done in the settlement process.

2.3.2 Payment of Negotiation, Documentation and Approval Costs. The **Community** has been reimbursed by **Manitoba** and **Hydro** for costs incurred in negotiating and concluding this **Agreement**, including the costs of legal and consulting services required for the informed participation of the **Community**. **Manitoba** and **Hydro** are not responsible for any costs other than those specifically set out in this Section.

## 2.4 PROVINCIAL AND HYDRO PROGRAMMING AND BUSINESS, EMPLOYMENT AND TRAINING OPPORTUNITIES

2.4.1 Normal Programming. **Financial Proceeds** shall not be considered a substitute for funding and programming available from **Manitoba** or **Hydro** to communities, residents, or groups of residents of Manitoba, under the normal program criteria in effect from time to time.

2.4.2 Business, Employment and Training Opportunities. The receipt, application or disbursement of the **Financial Proceeds** is not intended to disentitle or disadvantage the **Community**, **Community Organizations** or **Residents** from participating fully in, or receiving, the full benefit of any **Manitoba** or **Hydro** related business, employment or training opportunity relating to aboriginal people in northern Manitoba.



**SCHEDULE 2.1**

**TRUST INDENTURE**

**THIS TRUST INDENTURE** made this    day of                    **2010, between:**

**THE INCORPORATED COMMUNITY OF CROSS LAKE**, being an incorporated  
community pursuant to *The Northern Affairs Act*, C.C.S.M. c. N100, as represented by  
the **Community Council**, (hereinafter called the "**Community**"),  
Of the First Part,

- and -

(hereinafter called the "**Initial Trustees**"),  
Of the Second Part,

- and -

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF MANITOBA**,  
as represented by the Minister of Aboriginal and Northern Affairs,  
(hereinafter called "**Manitoba**"),  
Of the Third Part,

- and -

**THE MANITOBA HYDRO-ELECTRIC BOARD**, (hereinafter called "**Hydro**"),  
Of the Fourth Part,

---

TRUST INDENTURE

---

## TABLE OF CONTENTS

	Page
PREAMBLE.....	1
ARTICLE 1 INTERPRETATION .....	2
1.1 Contents .....	2
1.2 Guides to Interpretation.....	2
1.3 Statutory References.....	3
1.4 Legislation Speaks from Present .....	3
ARTICLE 2 DEFINITIONS.....	3
2.1 Definitions.....	3
2.2 Decision of Trustees.....	6
ARTICLE 3 BASIC PROVISIONS .....	6
3.1 Name .....	6
3.2 Change of Name .....	6
3.3 Principal Purposes of the Trust .....	6
3.4 Beneficiary.....	7
3.5 Non-divisibility .....	7
3.6 Fiscal Year .....	7
ARTICLE 4 COMMUNITY COUNCIL.....	7
4.1 Duties of Community Council .....	7
4.2 Disclosure of Conflicts of Interest.....	7
4.3 Exception.....	8
ARTICLE 5 QUALIFICATION, APPOINTMENT AND FIDUCIARY RESPONSIBILITIES OF TRUSTEES .....	8
5.1 Eligibility .....	8
5.2 Appointment of Trustees .....	8
5.3 Term of Trustees .....	9
5.4 Shortened Term .....	10
5.5 Additional Terms .....	10
5.6 Removal .....	10
5.7 Termination of Appointment .....	10
5.8 Validity of Actions .....	11
5.9 Acceptance of Indenture .....	11
5.10 Trustee's Dealings with the Trust.....	11
5.11 Fiduciary Responsibilities of Trustees.....	11
5.12 Disclosure of Conflicts of Interests.....	11
5.13 Exception.....	12
5.14 Liability of Trustees .....	12

5.15	Trustee's Indemnification .....	12
5.16	Trustee Compensation .....	12
ARTICLE 6 DECISIONS OF THE TRUSTEES .....		12
6.1	Trustees .....	12
6.2	Decisions by Trustees .....	12
6.3	Quorum .....	13
6.4	Procedure .....	13
6.5	Meetings .....	13
6.6	Meetings by Telephone .....	13
6.7	Minutes .....	13
6.8	Maintain Records and Books .....	13
ARTICLE 7 TRUSTEES' POWERS .....		13
7.1	Power and Authorities .....	13
7.2	Proper Execution of Documents .....	15
7.3	Reliance Upon Reports .....	15
ARTICLE 8 ANNUAL PLANNING PROCESS .....		15
8.1	Preparation of Proposals, Plans and Initiatives .....	15
8.2	Preparation of the Budget .....	16
8.3	Planning Process .....	16
8.4	Meeting of Residents .....	17
8.6	Disclosure to Residents .....	17
8.6	Budget Decisions .....	17
8.7	Use of Trust Funds on Reserves .....	18
8.8	Exceptions .....	18
ARTICLE 9 COMMUNITY MEETINGS .....		18
9.1	Other Meetings of Residents .....	18
9.2	Calling Meetings of Residents .....	19
9.3	Vote .....	19
ARTICLE 10 AUDITOR .....		19
10.1	Auditor .....	19
10.2	Auditor's Duties .....	19
ARTICLE 11 RECEIPT AND ALLOCATION OF TRUST FUNDS .....		20
11.1	Delivery of Financial Proceeds and Predetermined Compensation .....	20
11.2	Accounts of the Trust .....	20
11.3	Funding of Accounts .....	20
11.4	Distribution of Funds Available .....	21
11.5	Payment of all Income of the Trust .....	22
11.6	Distribution of Funds in the Heritage Capital Account .....	22
11.7	Distribution of Funds in the Claims Account .....	22
11.8	Distribution of Funds in the PDC Account .....	22

11.9	Payment to Address Outstanding Obligations .....	22
ARTICLE 12 COMMUNITY DEVELOPMENT ACCOUNT .....		22
12.1	Community Development Account.....	22
ARTICLE 13 HERITAGE CAPITAL ACCOUNT .....		23
13.1	Heritage Capital Account.....	23
ARTICLE 14 CLAIMS ACCOUNT .....		23
14.1	Claims Account .....	23
ARTICLE 15 PDC ACCOUNT .....		24
15.1	PDC Account.....	24
ARTICLE 16 INDEMNITY .....		24
16.1	Indemnity.....	24
ARTICLE 17 INCOME AND EXPENSES .....		24
17.1	Income of the Trust .....	24
17.2	Administration and Operating Expenses.....	24
ARTICLE 18 TRUSTEES' REPORT .....		24
18.1	Annual Reporting Requirements .....	24
18.2	Required Meeting .....	25
ARTICLE 19 RECTIFICATION.....		25
19.1	Rectification.....	25
ARTICLE 20 AMENDMENT AND DISSOLUTION .....		25
20.1	Amendment or Dissolution of Trust.....	25
20.2	Application to Court.....	25
20.3	Consent of Residents .....	26
20.4	Use of Trust Funds upon Dissolution of Trust.....	26
20.5	Term of Trust.....	26
20.6	Amendment of Appendices .....	26
ARTICLE 21 GENERAL PROVISIONS.....		27
21.1	Proper Law of Trust.....	27
21.2	Trust not Revocable .....	27
21.3	Addition to Trust Funds .....	27
21.4	Assignment.....	27
21.5	Enurement.....	27
21.6	Hydro Ceasing to be Agent .....	27
21.7	Entire Agreement .....	27
21.8	Notices .....	27

Schedule 2.1 Trust Indenture

iv

Appendix 1 Ketetowenow Trust - Undertaking and Acceptance of Trustee

Appendix 2 Ketetowenow Trust - Permitted Investments

**THE INCORPORATED COMMUNITY OF CROSS LAKE**, being an incorporated community pursuant to *The Northern Affairs Act*, C.C.S.M. c. N100, as represented by the **Community Council**, (hereinafter called the "**Community**"),  
Of the First Part,

- and -

(hereinafter called the "**Initial Trustees**"),  
Of the Second Part,

- and -

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF MANITOBA**, as represented by the Minister of Aboriginal and Northern Affairs, (hereinafter called "**Manitoba**")  
Of the Third Part,

- and -

**THE MANITOBA HYDRO-ELECTRIC BOARD**,  
(hereinafter called "**Hydro**")  
Of the Fourth Part,

WHEREAS:

- A. The **Community** will receive **Financial Proceeds** from **Manitoba** and **Hydro** in accordance with the **Agreement** entered into between the **Community**, **Manitoba** and **Hydro** for the purposes of fully and finally resolving and concluding all outstanding issues related to the **Project**;
- B. Pursuant to the **Agreement**, the **Community**, as a condition of receiving the **Financial Proceeds**, has agreed to settle a **Trust** on the terms, and for the purposes, set out in this **Indenture**; and
- C. Any **Predetermined Compensation** received by the **Community** will also be settled on the **Trust**.

Now Therefore the **Parties** agree as follows:

## ARTICLE 1 INTERPRETATION

1.1 Contents. This **Indenture** consists of Articles 1 through 21, and includes the appendices which are attached to this **Indenture** as follows:

Article 1	Interpretation
Article 2	Definitions
Article 3	Basic Provisions
Article 4	Community Council
Article 5	Qualification, Appointment and Fiduciary Responsibilities of Trustees
Article 6	Decisions of the Trustees
Article 7	Trustees' Powers
Article 8	Annual Planning Process
Article 9	Community Meetings
Article 10	Auditor
Article 11	Receipt and Allocation of Trust Funds
Article 12	Community Development Account
Article 13	Heritage Capital Account
Article 14	Claims Account
Article 15	PDC Account
Article 16	Indemnity
Article 17	Income and Expenses
Article 18	Trustees' Report
Article 19	Rectification
Article 20	Amendment and Dissolution
Article 21	General Provisions

Appendix 1	Ketetowenow Trust - Undertaking and Acceptance of Trustee
Appendix 2	Ketetowenow Trust - Permitted Investments

1.2 Guides to Interpretation. In this **Indenture**:

- (a) any reference to a person shall include the successor to that person;
- (b) singular words shall include the plural and vice versa;
- (c) words referring to one (1) gender shall include both genders;
- (d) the headings and the division of this **Indenture** into Articles is for convenience of reference only, and shall not affect the construction or interpretation of this **Indenture**;

- (e) this **Indenture** shall be read in conjunction with the **Agreement** of which this **Indenture** forms a part; and
- (f) references to Articles or Appendices mean articles or appendices of this **Indenture** unless otherwise indicated.

1.3 Statutory References. The following Acts are referred to in this **Indenture** and, unless otherwise specifically provided, when described by the title set out in this Article, the Act will be interpreted to mean the Act as cited in this Article, as amended from time to time:

- (a) Acts of the Parliament of Canada:
  - Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3
  - Criminal Code*, R.S.C. 1985, c. C-46
  - Income Tax Act*, R.S.C. 1985, c. 1 (5<sup>th</sup> Supp.)
  - Indian Act*, R.S.C. 1985, c. I-5
- (b) Acts of the Legislature of Manitoba:
  - The Northern Affairs Act*, C.C.S.M. c. N100

1.4 Legislation Speaks from Present. All references to Acts referred to in Article 1.3 will include all regulations made in accordance with that Act and any amendment, re-enactment or replacement from time to time of that Act, unless otherwise specified.

## **ARTICLE 2 DEFINITIONS**

2.1 Definitions. For all purposes of this **Indenture**, unless otherwise specifically provided, the following words and phrases, when capitalized and printed in bold type, have the following meanings:

- (a) **Accounts** means the **Community Development Account, Heritage Capital Account, Claims Account** and **PDC Account** established pursuant to Articles 12, 13, 14 and 15 respectively, and **Account** means any one of the **Accounts**;
- (b) **Adult Resident** means a **Resident** who, at the relevant time, is eighteen (18) years of age or older;



- (c) **Agreement** means the **Agreement** entered into between the **Community, Manitoba** and **Hydro**, of which this **Indenture** forms a part;
- (d) **Auditor** means the auditor appointed under Article 10.1;
- (e) **Capital Works** means any permanent structure or works erected, constructed, acquired or developed by the **Community**;
- (f) **Claims Account** means the **Account** established under Article 14;
- (g) **Claims Officer** means the person selected by the **Community Council** under Subsection 5.3.2 of the **Agreement**, or the replacement claims officer selected pursuant to Subsection 5.4.2 of the **Agreement**;
- (h) **Community** means The Incorporated Community of Cross Lake incorporated as Cross Lake pursuant to a regulation promulgated under the authority of Part 2 of *The Northern Affairs Act*;
- (i) **Community Council** means the Mayor and Council of the **Community** elected and in office pursuant to *The Northern Affairs Act*;
- (j) **Community Development Account** means the **Account** established under Article 12;
- (k) **Council Resolution** means a lawful resolution of the **Community Council**;
- (l) **Defined Interest Rate** for a particular fiscal year means the greater of 5% and the quotient obtained (expressed as a percentage) by adding together the Bank Rate set by the Bank of Canada for each month in the year and dividing the total by twelve. The monthly Bank Rate may be obtained from the Bank of Canada, Department of Monetary and Financial Analysis. By way of example, for 2006 the Defined Interest Rate would be 5%, calculated as the greater of 5% and

$$\frac{(3.75\% + 3.75\% + 4.00\% + 4.25\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\%)}{12} = 4.31\%$$

where the percentages in the numerator of the above fraction are the Bank Rate for each month January through December, respectively, in 2006;

- (m) **Financial Proceeds** means the amounts paid pursuant to Section 2.2 of the **Agreement** by **Manitoba** and **Hydro** to the **Community** to be settled on the **Trustees** for the benefit of the **Community**;
- (n) **Funds Available** in a fiscal year of the **Trust** means the total of:
  - (i) the **Income of the Trust** for the fiscal year; and
  - (ii) the amount in the **Community Development Account**; and
  - (iii) after 2022, the amount in the **Heritage Capital Account**;
- (o) **Heritage Capital Account** means the **Account** established under Article 13;
- (p) **Hydro** means The Manitoba Hydro-Electric Board;
- (q) **Income of the Trust** means all of the income of the **Trust** for a fiscal year as calculated in accordance with section 3 of the *Income Tax Act* without reference to sections 75(2), 82(1)(b) and 104(6) of the said *Income Tax Act*, except that in making such calculation there shall be included 100% of any capital gains and there shall be deducted 100% of any capital losses;
- (r) **Indenture** means this trust agreement;
- (s) **Initial Trustees** means the Initial Trustees listed on the first page of this **Indenture** as parties of the Second Part to this **Indenture**;
- (t) **Manitoba** means Her Majesty the Queen in Right of the Province of Manitoba;
- (u) **Meeting of Residents** means any meeting of **Residents** contemplated in this **Indenture**;
- (v) **Multi-Year Program** means a proposal, plan or initiative, including a **Capital Work**, that the **Trustees** anticipate will have a duration beyond the current fiscal year;
- (w) **Operation and Maintenance** means works, administration, management and activities reasonably necessary for the ongoing operation, maintenance, repair and replacement of **Capital Works**;

- (x) **Parties** means **Manitoba**, the **Community** and **Hydro**, and **Party** means any one of the **Parties**;
- (y) **PDC Account** means the **Account** established under Article 15;
- (z) **Predetermined Compensation** means any amounts paid, pursuant to Subsection 3.5.3 of the **Agreement**, by **Hydro** to the **Community**;
- (aa) **Resident**, as it applies to an individual at a particular time, means an individual who has his or her place of residence within the boundaries of the **Community** for six months immediately before the particular time, and for this purpose, 'residency' shall be determined in accordance with subsections 82(2) and 82(3) of *The Northern Affairs Act*;
- (bb) **Special Vote** means a secret ballot vote of **Adult Residents**, at a **Meeting of Residents**, where at least 75% of those **Adult Residents** who attend, vote to approve the matter voted upon;
- (cc) **Trust** means the Ketetowenow Trust established and settled by the **Community** pursuant to this **Indenture**;
- (dd) **Trust Funds** means all property of every nature and kind, whether real, personal, or mixed, held from time to time in the **Trust** by the **Trustees**; and
- (ee) **Trustees** means the **Initial Trustees** signatory to this **Indenture** and their successors in office, selected in accordance with Article 5.

2.2 Decision of Trustees. A reference in this **Indenture** to a decision of **Trustees** shall mean a decision of the **Trustees** made in accordance with Article 6.

### **ARTICLE 3 BASIC PROVISIONS**

3.1 Name. The **Trust** created by this **Indenture** shall be known as "Ketetowenow Trust".

3.2 Change of Name. The **Trustees** with the consent of the **Community Council** as set out in a **Council Resolution**, may change the name of the **Trust** to any lawful name.

3.3 Principal Purposes of the Trust. The **Trustees** shall hold the **Trust Funds** in trust and administer them for the benefit of the **Community**, and in particular, to promote and enhance:

- (a) economic, social, cultural and spiritual welfare;
- (b) civic improvement;
- (c) employment and services;
- (d) recreational opportunities; and
- (e) educational and training opportunities;

for the benefit of the **Community**. Further, the **Trustees** shall administer the **Claims Account** as agreed by the **Community** in Article 5 of the **Agreement**.

3.4 Beneficiary. Subject to the terms of this **Indenture**, the beneficiary of the **Trust** is the **Community**.

3.5 Non-divisibility. The **Trust Funds** are not divisible into individual shares or benefits. No **Resident** may claim an individual share of the **Trust Funds** and no **Resident** shall have any personal entitlement or claim to any benefit from the **Trust Funds**.

3.6 Fiscal Year. The fiscal year of the **Trust** shall end on December 31 unless otherwise determined by the **Trustees** and permitted by applicable law.

#### **ARTICLE 4 COMMUNITY COUNCIL**

4.1 Duties of Community Council. The **Community** through the **Community Council** shall:

- (a) appoint successor **Trustees** as provided in Article 5;
- (b) settle any **Financial Proceeds** and **Predetermined Compensation** paid to the **Community** on the **Trustees** in accordance with Article 11.1; and
- (c) provide bookkeeping and general administrative services for the **Trust** in return for such annual fee as may be agreed upon;

and the **Community** shall take such steps as necessary to ensure its **Community Council** is able to perform any other duties given to the **Community Council** and to fulfill any obligations imposed on the **Community Council** by this **Indenture** or the **Agreement**.

4.2 Disclosure of Conflicts of Interest. The **Community Council** shall adopt a resolution requiring that any member of the **Community Council** with a direct or

indirect pecuniary interest in any matter before the **Community Council** involving **Trust Funds**, shall:

- (a) immediately disclose such interest in writing to the **Community Council**;
- (b) withdraw from any meeting of the **Community Council** while such matter is being considered; and
- (c) refrain from voting on, or otherwise influencing, the decision of the **Community Council** in relation to such matter.

It shall not be considered that a member of the **Community Council** has a conflict of interest merely by virtue of that member of the **Community Council** also being a **Trustee**.

4.3 Exception. The restrictions set forth in Article 4.2 shall not apply if such interest is of a **Resident** in common with the general population of **Residents**.

#### **ARTICLE 5 QUALIFICATION, APPOINTMENT AND FIDUCIARY RESPONSIBILITIES OF TRUSTEES**

5.1 Eligibility. To be eligible to be a **Trustee**, a person:

- (a) must be an **Adult Resident**;
- (b) must not have been convicted under the *Criminal Code* for municipal corruption or for an indictable offence for which a person is liable to imprisonment for five years or more, unless he or she has received a pardon for that conviction;
- (c) must not be an elected official of a “band” as defined in the *Indian Act*;
- (d) must not be an employee of the **Community Council** or a paid consultant of the **Community Council**; and
- (e) must not be an undischarged bankrupt within the meaning of the *Bankruptcy and Insolvency Act*.

5.2 Appointment of Trustees.

- (a) It is intended that there be six (6) **Trustees** at all times.

- (b) The **Community Council** shall have the right to appoint by **Council Resolution** three (3) of the **Trustees**. Such appointments shall be made from among the members of the **Community Council**.
- (c) Except for the **Initial Trustees, Adult Residents** shall elect three (3) **Trustees** by ballot concurrent with a regular election of members of the **Community Council**. The **Community Council** shall establish the procedure for the election of **Trustees** with a view to saving costs and to the extent possible integrating it with the election of members of the **Community Council**. The individuals so elected shall not be sitting members of the **Community Council**, nor candidates in the election of members of the **Community Council**.

### 5.3 Term of Trustees.

- (a) Of the **Initial Trustees**, Cameron McLeod and John L. McLeod shall serve until the election of members of the **Community Council** in October, 2010, and Keith Settee shall serve until the election of members of the **Community Council** in October 2012. On completion of said term of these **Initial Trustees**, the **Community Council** shall by **Council Resolution** appoint successor **Trustees** for four (4) year terms to run coincident with the terms of the members of the **Community Council** each time the term of a **Trustee** appointed pursuant to Article 5.3(a) has expired.
- (b) Of the **Initial Trustees**, Harvey Settee and Donna Carriere shall serve until the election of members of the **Community Council** in October, 2012, and Linda Smith shall serve until the election of members of the **Community Council** in October, 2014. On completion of said terms of these **Initial Trustees, Adult Residents** shall elect successor **Trustees** as contemplated by Article 5.2(c) for four (4) year terms to run coincident with the terms of members of the **Community Council** each time the term of a **Trustee** appointed pursuant to Article 5.3(b) has expired.
- (c) If a vacancy in office occurs prior to the normal expiration of the term of an **Initial Trustee** who is referred to in Article 5.3(a) or of a **Trustee** who has been subsequently appointed by the **Community Council**, the **Community Council** shall forthwith appoint a successor **Trustee** who is a member of the **Community Council**.
- (d) If a vacancy in office occurs prior to the normal expiration of the term of an **Initial Trustee** who is referred to in Article 5.3(b) or of a **Trustee** who has been subsequently elected by **Adult Residents**, the remaining two **Initial Trustees** referred to in Article 5.3(b) or the remaining two **Trustees** who

have been elected by **Adult Residents**, as the case may be, shall forthwith appoint a successor **Trustee** who is not a member of the **Community Council**. Where two or three vacancies in office of **Initial Trustees** who are referred to in Article 5.3(b) or **Trustees** who have been subsequently elected by **Adult Residents** occur, the **Community Council** shall forthwith appoint two or three successor **Trustees** who are not members of the **Community Council** to fill the vacancy.

- (e) The term of a successor **Trustee** so appointed pursuant to Article 5.3(c) or Article 5.3(d) shall expire at the same time that the term of the vacating **Trustee** would normally have expired.
- (f) If the month in which the election of members of the **Community Council** is changed, then the reference in Article 5.2(a) and in Article 5.2(b) to the month of October shall be read as a reference to the new month in which the election of members of the **Community Council** thereafter takes place.

5.4 Shortened Term. Notwithstanding Article 5.3, the term of a **Trustee** shall be subject to being terminated before its expiration as provided in Articles 5.6 and 5.7.

5.5 Additional Terms. A **Trustee** may serve more than one (1) term and may serve consecutive terms.

5.6 Removal. If a **Trustee** who was elected by **Adult Residents** later is elected a member of the **Community Council**, on becoming a member of the **Community Council**, such **Trustee** shall be deemed to have resigned as a **Trustee**. Nothing contained in Article 5.6 shall be read as to preclude such individual from subsequently being appointed a **Trustee** by the **Community Council** as otherwise permitted under Article 5.

5.7 Termination of Appointment.

- (a) Where a **Trustee**:
  - (i) is unable or unwilling to act;
  - (ii) ceases to meet the terms of eligibility in Article 5.1; or
  - (iii) misses three (3) consecutive meetings without prior or subsequent written authorization from a majority of the other **Trustees**;

the **Community Council** shall terminate the **Trustee's** term of office forthwith by providing written notice to that **Trustee** setting out the reasons for termination.

- (b) Where a **Trustee** resigns his or her office by written notice to the **Community Council**, that **Trustee's** term of office shall be deemed to be terminated.

5.8 Validity of Actions. Until resignation or termination under Article 5.7, no action by the **Trustees** shall be invalid due solely to the ineligibility of a **Trustee**.

5.9 Acceptance of Indenture. Prior to assuming office, a **Trustee** shall execute an Undertaking and Acceptance of Trustee in the form and content of Appendix 1 and deposit it with the **Community Council**.

5.10 Trustee's Dealings with the Trust. A **Trustee** shall act for the **Trust** only in that capacity and shall not otherwise be employed or retained by the **Trust** for services for consideration.

5.11 Fiduciary Responsibilities of Trustees. Every **Trustee**, in exercising powers and discharging duties under this **Indenture**, shall:

- (a) act honestly and in good faith, with a view to the best interests of the **Trust**;
- (b) use such care, diligence and skill as a reasonably prudent person would in exercising comparable duties; and
- (c) comply with the terms of this **Indenture** and the duties associated with the **Trust** contained in the **Agreement**.

5.12 Disclosure of Conflicts of Interests. Any **Trustee** with a direct or indirect pecuniary interest in any matter involving the **Trust** or **Trust Funds** shall:

- (a) immediately disclose such interest in writing to the other **Trustees**;
- (b) withdraw from any meeting of the **Trustees** while such matter is being considered; and
- (c) refrain from voting on, or otherwise influencing, the decision of the other **Trustees** in relation to the matter.

It shall not be considered that a **Trustee** has a conflict of interest merely by virtue of that **Trustee** also being a member of the **Community Council**.



5.13 Exception. The restrictions set forth in Article 5.12 shall not apply if such interest is of a **Resident** in common with the general population of **Residents**.

5.14 Liability of Trustees. The **Trustees** shall not be liable in their personal capacity for any loss arising out of any act, omission or error in judgment made in good faith in the execution of their powers and duties under this **Indenture**, nor shall they be personally liable for any debt or liability incurred by or on behalf of the **Trust** or for any other liability, obligation or debt arising out of the administration or existence of the **Trust**; provided however that the **Trustees** are not exempted from personal liability for any loss arising out of an act, omission or error in judgment of the **Trustees** through negligence or through wilful misconduct or by acting in bad faith.

5.15 Trustee's Indemnification. Each **Trustee** assumes office on the express understanding and condition that the **Trustee**, and the heirs, executors, administrators and successors of that **Trustee** shall be indemnified out of the **Trust**, from and against all costs, charges and expenses which are brought, commenced or prosecuted against the **Trustee**, for or in respect of any act, deed, matter or thing, done or permitted by the **Trustee**, related to the duties set out in this **Indenture** and at law, and also from and against all other costs, charges and expenses which the **Trustee** sustains or incurs with respect to the **Trust**, except such costs, charges or expenses which arise due to matters a **Trustee** is liable for under Article 5.14.

5.16 Trustee Compensation. The **Community Council**, through a unanimous decision of the **Community Council**, shall each year determine the amount of compensation to be paid to the **Trustees** for their services hereunder and when in each year such compensation is to be paid. The **Community Council** shall make such determination no later than November 30 each year and shall duly inform the **Trustees** of same in writing. In addition, the **Trustees** shall be entitled to reimbursement for reasonable travel expenses and other reasonable expenses incurred in the performance of their duties. The compensation so paid to **Trustees** and reimbursement of expenses shall be a cost of administration to be borne by the **Trust**.

## **ARTICLE 6 DECISIONS OF THE TRUSTEES**

6.1 Trustees. It is intended that the **Trust** shall have six (6) **Trustees** each of whom shall faithfully administer the terms of this **Indenture**.

6.2 Decisions by Trustees. It is expected that decisions of **Trustees** shall be unanimous, but where such is not possible, approval of not less than four (4) **Trustees** shall be necessary to make decisions except as provided in Article 19. Decisions of **Trustees** may only be made at a meeting of **Trustees**. Any question arising in connection with the **Trust** not specifically provided for in this **Agreement** shall be left to a decision of the **Trustees**.

6.3 Quorum. Five (5) **Trustees** shall constitute a quorum for meetings of the **Trustees**. A meeting shall not be held unless a quorum of **Trustees** is present.

6.4 Procedure. Subject to the terms of this **Indenture**, the **Trustees** shall establish their own procedures as to the manner of notice for calling meetings, as to providing an agenda for meetings, and as to the place and time of meetings. At any meeting of the **Trustees**, a Chair and Secretary for the meeting shall be selected from among the **Trustees** in attendance. The Chair shall preside over, and the Secretary shall record, the business of the meeting. The Chair and Secretary shall be entitled to vote on all decisions.

6.5 Meetings. The **Trustees** shall meet no less than four (4) times a year and at least once every four (4) months.

6.6 Meetings by Telephone. The **Trustees** may meet to conduct the business of the **Trust** or they may conduct such business by telephone as long as a quorum of **Trustees** are all present on the telephone at the time business is conducted and such telephone call shall be deemed to constitute a meeting of **Trustees**.

6.7 Minutes. Written minutes of all **Trustees** meetings shall be kept and the minutes of the preceding meeting will be considered for approval at the commencement of each meeting.

6.8 Maintain Records and Books. The **Trustees** shall maintain a duplicate set of current, accurate and complete records and books and ledgers of the **Trust** and its **Accounts**. The **Trustees**, in cooperation with the **Community Council**, shall make appropriate custodial arrangements to safeguard the duplicate set of records and books and ledgers of the **Trust** and its **Accounts** and provide reasonable access thereto to **Residents**.

## **ARTICLE 7 TRUSTEES' POWERS**

7.1 Power and Authorities. The **Trustees** may:

- (a) make, execute, acknowledge and deliver any agreements with any person or corporation, concerning any **Trust Funds**;
- (b) open or operate a bank account or bank accounts as may be expedient in the opinion of the **Trustees** and deposit any cash balances in the hands of the **Trustees** at any time in any chartered bank or trust company or credit union, and for the purposes of the **Trust**, draw, make, endorse, deposit and deal in cheques, bills of exchange, promissory notes, drafts, or any security documents of any nature or kind, with such bank or trust company

or credit union, provided that the signing authority for any such bank accounts or trust company accounts or credit union accounts which are opened shall require the signatures of three (3) persons, being two (2) **Trustees** (one of whom must be any of the **Community Council** appointed **Trustees** and the other, any of the **Adult Resident** appointed or elected **Trustees**) and one (1) of the **Community Council** administration officers, and for such purposes the signatures of such persons shall be valid and binding upon the **Trust**, and all such forms as may be required to open bank accounts, or trust company accounts or credit union accounts, operate same and related matters, shall be completed in the required manner and on the forms required by such bank or trust company account or credit union account;

- (c) employ professional financial and/or investment advisors, brokers, solicitors, **Auditors**, accountants and agents, deemed by the **Trustees** to be helpful for the proper settlement or administration of the **Trust**, and to do so without any liability for any neglect, omission, misconduct, or default of any such employed person, provided such employed person was selected and retained with reasonable care, and determine and pay reasonable compensation for all charges associated with the use of such professional services;
- (d) following notice to, and approval by, the **Community Council**, provided the **Community Council** are not parties adverse in interest, prosecute, defend or settle any suits, actions or other proceedings affecting them or the **Trust**;
- (e) make, or refrain from making, any election, determination or designation permitted by any statute or regulation enacted by Parliament or by a Legislature of a province of Canada or by any other legislative or governmental body of any other country, which exercise of discretion by the **Trustees** shall be binding upon all of the beneficiaries of this **Trust**;
- (f) invest the **Trust Funds** in accordance with the guidelines set forth in Appendix 2; and the **Trustees** may retain, as an authorized investment of the **Trust**, for all purposes of this **Trust**, for such length of time as they consider necessary, any cash or other property originally transferred to the **Trustees** pursuant to this **Indenture**;
- (g) borrow funds on security or without security from time to time for any purpose upon such terms and conditions as they may deem advisable, and as security therefore they may mortgage, pledge, hypothecate, or otherwise charge the **Trust Funds** or any part thereof, and may make,

execute and deliver such notes, bonds, mortgages, or other obligations as may be required;

- (h) retain the offices of the **Community Council** to provide bookkeeping and general administrative tasks for the **Trust** for an annual fee as agreed to by the **Trustees** and the **Community Council**;
- (i) to pay for all reasonable and necessary expenses incurred by the **Trust** in connection with its establishment, administration and operation, including reimbursement of reasonable expenses, incurred by the **Trustees** in the performance of their duties;
- (j) pay any taxes payable by the **Trust** in respect of any **Trust Funds**;
- (k) make payment of any of the **Income of the Trust** to the **Community** either in cash, in kind, or by the issue of a non-interest bearing unrestricted demand promissory note; and
- (l) exercise such other incidental powers and authorities as are necessary to accomplish the purposes of the **Trust** set out in Article 3.3.

7.2 Proper Execution of Documents. Unless otherwise authorized by this **Indenture**, no contract, document, instrument, promissory note, bill of lading, commercial instrument or other similar commercial or legal document shall be entered into by the **Trust** unless first approved by a decision of the **Trustees** and executed by such **Trustees** as authorized to do so by such decision.

7.3 Reliance Upon Reports. The **Trustees** may, providing they exercise due diligence, rely and act upon the accuracy of any statement, report, certificate or opinion from the **Auditor**, or any solicitor for the **Trust**, or any person required to prepare a report or certificate under this **Indenture** or pursuant to a document attached hereto, and shall not be responsible or held liable for any loss or damage resulting from acting in good faith, upon such statement, certificate, opinion or report.

## **ARTICLE 8 ANNUAL PLANNING PROCESS**

8.1 Preparation of Proposals, Plans and Initiatives. Each year, the **Community Council** shall prepare proposals, plans and initiatives for the next fiscal year and submit same to the **Trustees** for review by September 30. For each proposal, plan or initiative, the **Community Council** shall provide the details of same and finances required, including the information set out in Articles 8.3(b), 8.3(c), 8.3(d) and 8.3(e).

8.2 Preparation of the Budget. Each year, the **Trustees** shall prepare a budget to determine the use of the **Funds Available** for the next fiscal year taking into account the proposals, plans and initiatives submitted under Article 8.1, the previous proposals, plans and initiatives of the **Trust** and the purposes of the **Trust**.

8.3 Planning Process. Each year by November 30, the **Trustees** shall give notice of a **Meeting of Residents** in order to review the proposed budget and the use of the **Funds Available** for the next fiscal year. The notice of the meeting shall be given in the manner set out in Article 8.4. The **Trustees** shall make available for review at least thirty (30) days before the meeting:

- (a) the budget prepared in accordance with Article 8.2;
- (b) a written explanation of any material variance or change to the proposals plans or initiatives submitted by the **Community Council** pursuant to Article 8.1;
- (c) for each proposal, plan or initiative, including **Capital Works**:
  - (i) a description, including, where applicable, any available drawings,
  - (ii) a budget, including cash flow requirements and cost analysis,
  - (iii) where applicable, a business plan,
  - (iv) the location,
  - (v) implementation and administration methods, including the experience and capability of any organization to be employed in implementation and administration,
  - (vi) anticipated benefits including, where applicable, jobs and training, and
  - (vii) where applicable and known, the contractors or subcontractors;
- (d) for each proposed **Capital Works**:
  - (i) an **Operation and Maintenance** budget, and
  - (ii) arrangements for funding the **Operation and Maintenance** budget;
- (e) for any **Multi-Year Program**:

- (i) the reasons for the **Multi-Year Program**,
  - (ii) the amounts expected to be spent in each year of the **Multi-Year Program**, and
  - (iii) the anticipated duration of the **Multi-Year Program**; and
- (f) for any proposed borrowings by the **Trust**:
- (i) the purpose of the loan,
  - (ii) the nature of any security to support the loan, and
  - (iii) loan proposals from at least two (2) unaffiliated financial institutions and the material terms of the loan, including name of the lender, the principal amount of the loan, rate of interest, term of the loan, and repayment terms.

8.4 **Meeting of Residents.** The **Meeting of Residents** referred to in Article 8.3 shall be scheduled for a date not later than thirty (30) days into the new fiscal year and shall:

- (a) specify the time, place and purpose of the meeting;
- (b) be publicized at least thirty (30) days before the end of the preceding fiscal year by posting notices in public places within the boundaries of the **Community** and by other means reasonably likely to reach as many **Adult Residents** as is reasonably practical; and
- (c) indicate where the information and relevant documents referred to in Article 8.3 can be obtained or reviewed by **Adult Residents**.

8.5 **Disclosure to Residents.** If the **Trustees** propose to vary in any material way from the information previously disclosed under Article 8.3 then, prior to providing confirmation under Article 8.6(b), the **Trustees** shall make fresh disclosure with respect to those variations.

8.6 **Budget Decisions.** Within thirty (30) days following the **Meeting of Residents** under Article 8.4, the **Trustees** shall:

- (a) make a final decision concerning the expenditure of the **Funds Available** for the new fiscal year; and

- (b) provide confirmation of their decision by means reasonably likely to reach **Adult Residents**.

8.7 Use of Trust Funds on Reserves. Notwithstanding anything else contained in this **Indenture**, but subject to the exceptions set forth in Article 8.8, no part of the **Trust Funds** may be used to fund or assist any proposal, plan or initiative which is situated on a reserve (as that term is defined in the *Indian Act*).

8.8 Exceptions. **Trust Funds** may be used to fund or assist a proposal, plan or initiative on a reserve if:

- (a) the **Community Council** unanimously endorses the use of the **Trust Funds**; and
- (b) the **Community Council** provides detailed reasons in writing why in its view, the likely benefits to the **Community** and to **Residents** are substantial; and
- (c) in cases where **Trust Funds** will comprise more than 10% of the total capital cost of the proposal, plan or initiative, the **Community Council** enters into an agreement in writing with the First Nation and all other participants in the proposal, plan or initiative that provides that:
  - (i) the **Community Council** must approve of decisions about the operation or implementation of the proposal, plan or initiative, and
  - (ii) the **Community** must, legally or equitably, own at least 50% of any assets or interests that are acquired or created as a result of the proposal, plan or initiative.

## **ARTICLE 9 COMMUNITY MEETINGS**

9.1 Other Meetings of Residents. Where this **Indenture** contemplates a **Meeting of Residents** on a matter which has not otherwise been specifically dealt with herein or if for any reason the **Trustees** decide it would be appropriate to convene a **Meeting of Residents** regarding a matter pertaining to the **Trust**, the **Trustees** shall call a **Meeting of Residents**. Notice for a **Meeting of Residents** shall:

- (a) specify the time, place and purpose of the meeting;
- (b) be publicized at least fourteen (14) days before the proposed meeting by posting notices in public places within the boundaries of the **Community** and by other means reasonably likely to reach as many **Adult Residents** as is reasonably practical; and

- (c) indicate where information or any relevant documents relating to the meeting can be obtained or reviewed by **Adult Residents**.

9.2 **Calling Meeting of Residents.** Where this **Indenture** contemplates a **Meeting of Residents** being called by the **Trustees** and such meeting has not been called as required, the **Community Council** or any **Adult Resident** may call such meeting. Notice of such meeting shall:

- (a) specify the time, place and purpose of the meeting;
- (b) be publicized at least fourteen (14) days before the proposed meeting by posting notices in public places within the boundaries of the **Community** and by other means reasonably likely to reach as many **Adult Residents** as is reasonably practical; and
- (c) indicate where information or any relevant documents relating to the meeting can be obtained or reviewed by **Adult Residents**.

9.3 **Vote.** Voting upon any matter at a **Meeting of Residents** shall be by secret ballot and unless otherwise specified in this **Indenture**, shall be approved if a majority of those **Adult Residents** who attend and vote approve the matter.

## **ARTICLE 10 AUDITOR**

10.1 **Auditor.** After the first fiscal year of the **Trust**, the **Trustees** shall annually appoint an accountant licensed to prepare audits in the Province of Manitoba as the **Auditor** to audit the **Accounts** and the receipt and expenditure of all **Trust Funds**. The **Auditor** for the first fiscal year of the **Trust** shall be Dayton Barenz, Certified General Accountant, or if he is unable to act, then another qualified auditor will be appointed by the **Community Council**.

10.2 **Auditor's Duties.** The **Auditor** shall be retained to:

- (a) review and report on the system for comprehensive accounting and reporting of **Trust Funds**;
- (b) conduct an annual audit of all assets and **Trust Funds**;
- (c) provide any other necessary reports on assets, **Trust Funds** and the **Trust** to the **Trustees** as may be requested by the **Trustees**;
- (d) prepare the income tax returns and GST returns for the **Trust**;



- (e) provide advice and recommendations on the management and disposition of **Trust Funds** as an element of the audit; and
- (f) prepare and provide to **Trustees** an annual written report of the activities of the **Auditor** including audited financial statements.

## **ARTICLE 11 RECEIPT AND ALLOCATION OF TRUST FUNDS**

11.1 **Delivery of Financial Proceeds and Predetermined Compensation.** The **Community** agrees and irrevocably directs that all **Financial Proceeds** and **Predetermined Compensation** shall be delivered by **Manitoba** and **Hydro** by cheques payable to the **Community**, to be settled on the **Trustees** and to be held by the **Trustees** upon the terms of this **Indenture** until such time as the **Trust** is terminated and dissolved under Article 20, and following termination and dissolution, all **Financial Proceeds** and **Predetermined Compensation** remaining due shall be delivered by **Manitoba** and **Hydro** to the **Community**.

11.2 **Accounts of the Trust.** The **Trustees** shall, as required, establish and maintain separate accounting records for:

- (a) the **Community Development Account**;
- (b) the **Claims Account**;
- (c) the **Heritage Capital Account**; and
- (d) the **PDC Account**.

The **Trustees** shall have the discretion as to whether or not they segregate into separate trust funds the funds pertaining to each of the above **Accounts**.

11.3 **Funding of Accounts.**

- (a) The **Financial Proceeds** received by the **Trust** in 2010 shall be allocated among the **Accounts** as follows:
  - (i) \$15,000 shall be added to the capital of the **Claims Account**,
  - (ii) \$700,000 shall be added to the capital of the **Heritage Capital Account**, and
  - (iii) The balance shall be added to the capital of the **Community Development Account**.

- (b) The **Financial Proceeds** received by the **Trust** each fiscal year after 2010 shall be allocated to the **Accounts** as follows:
- (i) an amount, if any, necessary to bring the balance of the **Claims Account** up to \$15,000 shall be added to the capital of the **Claims Account**,
  - (ii) an amount equal to the aggregate of (i) 35% of the **Financial Proceeds** received in the fiscal year plus (ii) the product obtained when the **Defined Interest Rate** for the preceding fiscal year is multiplied by the balance in the **Heritage Capital Account** at the end of the preceding fiscal year, shall be added to the capital of the **Heritage Capital Account**,
  - (iii) an amount equal to the product obtained when the **Defined Interest Rate** for the preceding fiscal year is multiplied by the balance in the **PDC Account** at the end of the preceding fiscal year, shall be added to the capital of the **PDC Account**, and
  - (iv) the balance of the **Financial Proceeds** received in the fiscal year shall be added to the capital of the **Community Development Account**.
- (c) Any **Predetermined Compensation** received by the **Trust** shall be added to the capital of the **PDC Account**.
- (d) Any gifts or contributions received by the **Trust** other than under the **Agreement** shall be added to the capital of the **Heritage Capital Account** or **Community Development Account** as specified by the donor, and if not specified, as determined by the **Trustees**.
- (e) Any other money or property received by the **Trust** not specifically dealt with in this **Indenture** shall be added to the capital of the **Heritage Capital Account** or **Community Development Account** as specified by the donor, and if not specified, as determined by the **Trustees**.

11.4 Distribution of Funds Available. Each fiscal year, the **Trustees** shall use the **Funds Available** to pay amounts to the **Community** to fund proposals, plans and initiatives of the **Community** in accordance with the budgetary process in Article 8. The **Funds Available** which are so used each fiscal year shall be paid:

- (a) firstly out of **Income of the Trust** for the year; and

- (b) secondly out of the capital of the **Trust** which capital payments shall be debited to the **Community Development Account** or the **Heritage Capital Account** depending upon which of said two **Accounts** the capital is being withdrawn from as otherwise permitted by the terms of this **Indenture**.

11.5 Payment of all **Income of the Trust**. If the amount otherwise paid out of the **Funds Available** to the **Community** in a particular fiscal year to fund proposals, plans and initiatives of the **Community** or which has otherwise been paid to the **Community** in the particular fiscal year is less than the **Income of the Trust** for the particular fiscal year, then an amount equal to the balance of the **Income of the Trust** for the particular fiscal year shall be payable on demand to the **Community** at the end of the fiscal year for its own uses and the **Trustees** shall at the end of the fiscal year issue in favour of the **Community** a non-interest bearing unrestricted demand promissory note for said amount.

11.6 Distribution of Funds in the **Heritage Capital Account**. The capital of the **Heritage Capital Account** shall only be spent or distributed as provided for in Article 13, Article 16 and Article 20.4.

11.7 Distribution of Funds in the **Claims Account**. The capital of the **Claims Account** shall only be spent or distributed as provided for in Article 14, Article 16 and Article 20.4.

11.8 Distribution of Funds in the **PDC Account**. The capital of the **PDC Account** shall only be spent or distributed as provided for in Article 15, Article 16 and Article 20.4.

11.9 Payment to Address Outstanding Obligations. Notwithstanding any other provision in this **Indenture**, where the **Community Council** directs the **Trustees** by **Council Resolution** to make payments from the **Trust Funds** for the purpose of addressing commitments incurred by the **Community Council** before the Memorandum of Understanding of February 14, 2000 associated with claims against **Manitoba** and **Hydro**, as certified by the **Community Council**, the **Trustees** shall make the payments in accordance with any terms and conditions included in the direction, to a maximum of fifty thousand (\$50,000) dollars in total, to be allocated from the **Community Development Account**.

## ARTICLE 12 COMMUNITY DEVELOPMENT ACCOUNT

12.1 Community Development Account. A **Community Development Account** shall be established. The capital of the **Community Development Account** shall be used for the following purposes:

- (a) in accordance with Article 17.2 for the administration expenses of the **Trust**;
- (b) for the things approved by the **Trustees** consistent with the purposes of this **Indenture** as set forth in Article 3.3;
- (c) in accordance with Article 16.1 for indemnification payments required to be made pursuant to Section 10.3 of the **Agreement**;
- (d) for the payment of claims and costs referred to in Article 14.1(a), if at any time there is insufficient capital in the **Claims Account** to make the required payments; and
- (e) for the payment of costs referred to in Paragraph 9.3.6(b) of the **Agreement**;

and shall comprise part of the **Funds Available** for distribution as provided for in Article 11.4.

### **ARTICLE 13 HERITAGE CAPITAL ACCOUNT**

13.1 **Heritage Capital Account.** The **Heritage Capital Account** shall be established for the longer-term heritage of the **Community**. The capital of the **Heritage Capital Account** shall be used for the following purposes:

- (a) after 2022 in accordance with Article 17.2 for the administration expenses of the **Trust**;
- (b) after 2022 for the things approved by the **Trustees** consistent with the purposes of this **Indenture** as set forth in Article 3.3; and
- (c) in accordance with Article 16.1 for indemnification payments required to be made pursuant to Section 10.3 of the **Agreement**;

and after 2022 shall comprise part of the **Funds Available** for distribution as provided in Article 11.4.

### **ARTICLE 14 CLAIMS ACCOUNT**

14.1 **Claims Account.** A **Claims Account** shall be established. The capital of the **Claims Account** shall be used for the following purposes:

- (a) for the payment of claims and costs (including the remuneration of a **Claims Officer** and investigation costs) in accordance with Article 5 of the

**Agreement** and the payment of costs in accordance with Paragraph 9.3.6(a) of the **Agreement**; and

- (b) in accordance with Article 16.1 for indemnification payments required to be made pursuant to Section 10.3 of the **Agreement**.

#### **ARTICLE 15 PDC ACCOUNT**

15.1 **PDC Account**. A **PDC Account** shall be established. The capital of the **PDC Account** shall be used for indemnification payments required to be made pursuant to Section 10.3 of the **Agreement**.

#### **ARTICLE 16 INDEMNITY**

16.1 **Indemnity**. If the **Community** is required by Section 10.3 of the **Agreement** to make payment to indemnify **Manitoba** or **Hydro**, the **Trustees** shall make such payment in the following order: firstly, out of the capital of the **Community Development Account**, secondly, if necessary, out of the capital of the **Heritage Capital Account**, thirdly, if necessary, out of the **Claims Account**, and fourthly, if necessary, out of the **PDC Account**.

#### **ARTICLE 17 INCOME AND EXPENSES**

17.1 **Income of the Trust**. **Income of the Trust** shall be used for the things approved by the **Trustees** consistent with the purposes of this **Indenture** as set forth in Article 3.3 and shall comprise part of the **Funds Available** for distribution as provided in Article 11.4.

17.2 **Administration and Operating Expenses**. General administration, and any other expenses of the **Trust** in a fiscal year which are currently deductible for income tax purposes in calculating **Income of the Trust** for the year shall be paid out of receipts included in the calculation of the **Income of the Trust**. Any other such expenses of the **Trust** for the year which are not deductible in calculating **Income of the Trust** shall be charged to the capital of the **Community Development Account**, and after 2022, to the capital of the **Heritage Capital Account**, if necessary.

#### **ARTICLE 18 TRUSTEES' REPORT**

18.1 **Annual Reporting Requirements**. Within ninety (90) days after the end of each fiscal year, the **Trustees** shall provide the **Community Council** and, upon written request, any **Resident** or **Party**, with an annual written report on the financial operations of the **Trust**, including:

- (a) the **Auditor's** report referred to in Article 10.2(f), including any supporting documentation; and
- (b) any special audit reports and opinions requested by the **Trustees**.

18.2 Required Meeting. If the **Trustees'** report signed by all **Trustees** is not provided as required in Article 18.1, the **Community Council** shall by May 1<sup>st</sup> call a **Meeting of Residents** to take place no later than June 30<sup>th</sup> of the same year. The **Trustees** shall attend and explain their failure to comply with the reporting requirements.

### **ARTICLE 19 RECTIFICATION**

19.1 Rectification. The **Trustees** acting unanimously, with the prior written consent of the **Community Council**, shall have the power from time to time by written agreement:

- (a) to rectify any provision in this **Indenture** which the **Trustees** reasonably believe is a manifest error which is not in accordance with the **Community's** original intention; or
- (b) to change any administrative provisions in this **Indenture**, or to add any administrative provisions to this **Indenture** as the **Trustees** may deem appropriate, in their discretion;

provided any such action shall not conflict with the beneficial provisions of this **Trust** nor derogate in any way from the rights of **Manitoba** or **Hydro**.

### **ARTICLE 20 AMENDMENT AND DISSOLUTION**

20.1 Amendment or Dissolution of Trust. Other than as provided for in Article 19, the **Trust** established by this **Indenture** may only be amended in accordance with the provisions of Article 20. The **Trust** may only be terminated and dissolved in accordance with the provisions of Article 20.

20.2 Application to Court. Subject to Article 20.3 and Article 20.6, the **Community** or the **Trustees** may, with the written consent of **Manitoba** and **Hydro**, which consents shall not be unreasonably withheld, apply to a court of competent jurisdiction to terminate and dissolve or amend the terms and conditions of this **Indenture**. Such application may proceed in the absence of written consent from **Manitoba** or **Hydro** if the court determines such consent has been unreasonably withheld or is unnecessary in the circumstances.

20.3 Consent of Residents. Before applying to a court of competent jurisdiction under Article 20.2, the **Community Council** or the **Trustees** shall:

- (a) give **Residents** at least thirty (30) days notice in the same manner and with the same disclosures as for a **Meeting of Residents** under Article 8.4, that a meeting will be held to discuss varying or dissolving the **Trust**;
- (b) hold a meeting where the **Trustees** shall explain the nature and significance of the termination and dissolution, amendment, variation, addition, revision, modification, payment or transfer;
- (c) obtain a **Special Vote**, authorizing the **Trustees** to make the court application;
- (d) compile a list of those **Adult Residents** attending the meeting and the results of the vote, which document shall be filed in court with the application; and
- (e) after obtaining authorization by **Special Vote**, make the court application.

20.4 Use of Trust Funds upon Dissolution of Trust. Upon termination and dissolution of the **Trust**, the remaining **Trust Funds** shall be dealt with as follows:

- (a) the amounts, if any, in the **Claims Account** and **PDC Account** shall be paid to the **Community**. The **Community Council** shall thereafter keep such amounts segregated in a separate trust fund that invests only in investments described in Appendix 2 hereof. The **Community Council** shall only use such fund for indemnification payments required to be made pursuant to Section 10.3 of the **Agreement** and compensation for **Claims** pursuant to Article 5 of the **Agreement** unless the prior written consent of **Manitoba** and **Hydro** is obtained; and
- (b) the balance of the remaining **Trust Funds** shall be paid to the **Community** for its own uses.

20.5 Term of Trust. Subject to prior dissolution by a court of competent jurisdiction, the **Trust** shall terminate and dissolve one day prior to the twenty-first anniversary of the date of this **Indenture** unless prior to the twenty-first anniversary the **Community Council** by resolution directs the **Trustees** to delay the date of dissolution to a later date.

20.6 Amendment of Appendices. Notwithstanding anything else contained in Article 20, the Appendices to this **Indenture** may be amended by a decision of the

**Trustees** provided the prior written consent of the **Community Council** is first obtained.

### **ARTICLE 21 GENERAL PROVISIONS**

21.1 Proper Law of Trust. This **Trust** shall be governed and interpreted according to the laws in force in Manitoba from time to time.

21.2 Trust not Revocable. This **Trust** shall be irrevocable.

21.3 Addition to Trust Funds. The **Community** or any individual, corporation, trust, partnership or estate with the approval of the **Trustees** may at any time and from time to time add to the **Trust Funds** by way of gift or contribution.

21.4 Assignment. This **Indenture** and the rights and obligations under it shall not be assigned.

21.5 Enurement. This **Indenture** shall enure to the benefit of, and be binding upon the **Parties**, and successors of all of them.

21.6 Hydro Ceasing to be Agent. If **Hydro** should cease to be an agent of **Manitoba**, all of its rights under this **Indenture** shall devolve upon **Manitoba**.

21.7 Entire Agreement. Except as may be contained in the **Agreement**, this **Indenture** constitutes the entire agreement between the **Parties** relating to the administration, management and use of the **Trust Funds**. There are no representations, warranties, collateral agreements or conditions except as expressed in this **Indenture**.

21.8 Notices. Any notice or other communication required or desirable to be given hereunder will be in writing and will be given by facsimile or sent by registered mail or hand-delivered as hereinafter provided. Any such notice or other communication, if sent by facsimile will be deemed to have been received on the business day following the sending, or if mailed will be deemed to have been received on the third business day following the date of mailing, or if delivered by hand will be deemed to have been received at the time it is delivered to the applicable address noted below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address will also be governed by Article 21.8. Notices and other communications will be addressed as follows:



(a) To **Community**:

The Incorporated Community of Cross Lake  
P.O. Box 208  
Cross Lake, Manitoba  
R0B 0J0

(b) To **Hydro**:

Manitoba Hydro  
General Counsel  
Manitoba Hydro Place  
360 Portage Ave.  
Winnipeg, Manitoba R3C 0G8  
Facsimile (204) 360-6147

Mailing Address:  
Manitoba Hydro Place  
P.O. Box 815, Station Main  
Winnipeg, Manitoba R3C 2P4

(c) To **Manitoba**:

Deputy Minister of Aboriginal and Northern Affairs  
Legislative Building  
350 — 450 Broadway  
Winnipeg, Manitoba  
R3C 0V8  
Facsimile (204) 945-1256

(d) To the **Trustees**:

Ketetowenow Trust Trustees  
c/o Cross Lake Community Council  
P.O. Box 208  
Cross Lake, Manitoba  
R0B 0J0

Signed, sealed and delivered in the presence of:

On the \_\_\_\_\_ day of \_\_\_\_\_, 2010.

**The Incorporated Community of  
Cross Lake as Settlor**

Witness \_\_\_\_\_

Mayor \_\_\_\_\_

Witness \_\_\_\_\_

Councillor \_\_\_\_\_

Witness \_\_\_\_\_

Councillor \_\_\_\_\_

Witness \_\_\_\_\_

Councillor \_\_\_\_\_

Witness \_\_\_\_\_

Councillor \_\_\_\_\_

On the \_\_\_\_\_ day of \_\_\_\_\_, 2010.

**Trustees**

Witness \_\_\_\_\_

Trustee \_\_\_\_\_

Witness \_\_\_\_\_

Trustee \_\_\_\_\_

Witness \_\_\_\_\_

Trustee \_\_\_\_\_

Witness \_\_\_\_\_

Trustee \_\_\_\_\_

Witness \_\_\_\_\_

Trustee \_\_\_\_\_

Witness \_\_\_\_\_

Trustee \_\_\_\_\_

On the \_\_\_\_\_ day of \_\_\_\_\_, 2010.

**Her Majesty the Queen in the Right of  
the Province of Manitoba**

Per: \_\_\_\_\_

On the \_\_\_\_\_ day of \_\_\_\_\_, 2010.

**The Manitoba Hydro-Electric Board**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

## Appendix 1

### KETETOWENOW TRUST

#### Undertaking and Acceptance of Trustee

I, \_\_\_\_\_ appointed by the **Community Council** of Cross Lake or elected by the **Adult Residents** of the **Community** of Cross Lake as a **Trustee** on \_\_\_\_\_ (date of appointment/election) state and undertake as follows:

1. I am qualified to be appointed/elected a **Trustee** and in particular, I confirm that:
  - a. I am aged 18 years or older;
  - b. I have resided continuously within the boundaries of the **Community** for the past six months;
  - c. I have not been convicted under the *Criminal Code* for municipal corruption or for an indictable offense for which I was/am liable to imprisonment for five years or more, or have been so convicted, but have received a pardon for that conviction;
  - d. I am not an elected official of a "band" as defined in the *Indian Act* [i.e. not a Chief or Councillor of a First Nation];
  - e. I am not an employee or paid consultant of the **Community**; and
  - f. I am not an undischarged bankrupt within the meaning of the *Bankruptcy and Insolvency Act*.
2. I will promptly disclose in writing to the **Community Council** any change or circumstance in the status of qualifications noted in #1 above.
3. I have read \_\_\_ or I have had explained to me \_\_\_ (check applicable words) the terms of the **Indenture** establishing the Ketetowenow Trust, with particular reference to the responsibilities and liabilities of **Trustees** in the administration of the **Trust** and the disbursement of and accounting of **Trust Funds** in accordance with the terms of the **Trust**.
4. I have been advised by \_\_\_\_\_(name), an employee of the **Community**, that I have the right to obtain the advice of legal counsel in connection with the execution of this undertaking.
5. I have obtained \_\_\_ or I hereby waive my right to \_\_\_ (check applicable words) the advice of legal counsel in connection with my duties and responsibilities under the **Trust**. I understand that a reasonable fee for me to obtain the advice of legal counsel for this purpose will be paid from the **Community Development Account** provided I obtain the approval of the **Community Council** of the fee for legal advice prior to obtaining this advice.

6. I will promptly disclose in writing to the **Community Council** any conflict of interest that could affect my serving as a **Trustee**.
7. I hereby accept and will honestly and faithfully discharge the duties, responsibilities and liabilities as a **Trustee** under the Ketetowenow Trust during my term in that office.

DATED AT \_\_\_\_\_, Manitoba, on the \_\_\_\_ day  
of \_\_\_\_\_, 20\_\_\_\_.

Witness \_\_\_\_\_

Trustee \_\_\_\_\_

## **Appendix 2**

### **KETETOWENOW TRUST**

#### **Permitted Investments**

1. Debt instruments or contracts issued by Canada, a Province or by a Crown Corporation of Canada or of a Province.
2. Bank accounts, term deposits, guaranteed investment certificates and similar instruments or contracts issued by banks, trust companies, insurance companies and credit unions.
3. Money market funds managed by or on behalf of a bank, trust company, insurance company or credit union, or which are generally available to the public.
4. Short term securities rated R-1 (prime credit quality) by Dominion Bond Rating Service or equivalent.
5. Bonds, debentures and like instruments rated AA or higher (superior or highest) by Dominion Bond Rating Service or equivalent.

## ARTICLE 3 – WATER REGIME

### 3.1 INTRODUCTION

3.1.1 Introduction. Article 3 establishes the **Fully Compensated Range** settled by this **Agreement** and contains provisions for recording and retaining data, providing forecasts and calculating and paying **Predetermined Compensation**.

### 3.2 RECORDS

3.2.1 Controlling Bench Mark. If, for the purposes of this **Agreement**, it becomes necessary to replace a **Controlling Bench Mark**, it shall be replaced by **Hydro**. Whether the **Controlling Bench Mark** is replaced for the purposes of this **Agreement**, or for any other purpose, such replacement shall, to the satisfaction of the Surveyor General of Canada, be established near the location of, and to the same degree of accuracy as, the original **Controlling Bench Mark** and for the purposes of this **Agreement** be tied to **ASL**.

3.2.2 Water Level Data. At the **Date of this Agreement**, **Canada** operates the **Cross Lake Gauge** in accordance with the Canada-Manitoba Water Quantity Surveys Agreement dated April 1, 1975. The **Parties** agree that if **Canada** ceases such operation, **Hydro** shall forthwith assume such duties. If it becomes necessary to replace or relocate the **Cross Lake Gauge**, it will be replaced by the party responsible for replacement under the applicable provisions, if any, of the Canada-Manitoba Water Quantity Surveys Agreement or any successor agreement, or in the absence of such provisions, by **Hydro** and the location shall be in reasonable proximity to the existing location and, subject to improvements in the state of the art, the design shall be the same as the existing one. The data recorded by the **Cross Lake Gauge** shall be tied to the **Controlling Bench Mark**. Prior to construction of any replacement gauge or relocation of the **Cross Lake Gauge**, the design and location shall be approved by the **Parties**.

3.2.3 Records. From and after the **Date of this Agreement**, **Hydro** shall maintain a record of the **Daily Average Water Levels** sufficient to make the determinations in Sections 3.4 and 3.5, and provide such records to any **Party** when requested or required for the purposes of this **Agreement**. The **Parties** believe that the **Cross Lake Gauge** accurately records water levels on Cross Lake and will use the record of the **Daily Average Water Levels** for purposes of this Article. However, no **Party** warrants the accuracy of such records.

3.2.4 Notice Regarding Malfunction of Cross Lake Gauge. If at any time it comes to the attention of any **Party** that the **Cross Lake Gauge** is not accurately providing

the water level measurements required by this **Agreement**, that **Party** shall forthwith notify the other **Parties**.

3.2.5 Water Level Projections. **Hydro** will provide to the **Community** water level projections, as follows:

- (a) early in each month, a daily average water levels projection, which will indicate the anticipated **Daily Average Water Levels** on Cross Lake for that month and the following month; and
- (b) prior to November 1 of each year, a five month projection of the anticipated water levels on Cross Lake on a monthly average basis for the period from November 1 to the next March 31.

3.2.6 Qualifications as to Accuracy of Projections. The projections in Subsection 3.2.5 will be as accurate as is reasonable, based on the information available at the time they are made. **Hydro** may set forth any appropriate qualification as to the accuracy of the water level projections.

3.2.7 Notice of Change. **Hydro** will notify the **Community**, as soon as is reasonably practicable, of any change in excess of 0.3 metres (1 foot) to the **Daily Average Water Level** projections provided pursuant to Paragraph 3.2.5(a).

3.2.8 Notification. **Hydro** shall make reasonable efforts to broadcast on a reasonably timely basis, in both Cree and English, the narrative portion of the monthly forecasts contemplated in Paragraph 3.2.5(a), over a radio station providing service in the area of Cross Lake or by some other reasonable alternative method if no such radio station exists. Such broadcasts shall, in the event of a revision to a forecast, begin forthwith upon the revision being made and continue for three (3) successive days or such longer period as may be necessary in the circumstances.

3.2.9 Continued Monitoring. **Hydro** shall continue to monitor, obtain and record raw data and shall provide such data in the same manner, and with substantially the same degree of exactitude, as is provided under the Norway House Cree Nation Master Implementation Agreement, that is, as recorded in the document entitled "Post Project Range of Experience Data", within a reasonable time, to any of the **Parties** requesting same.

### 3.3 OPERATION OF THE PROJECT

3.3.1 Regulatory Authorities. Nothing in this **Agreement**:

- (a) shall impose, or be construed to impose, any restraint on the lawful operation of the **Project** by **Hydro**; or
- (b) will be construed as a limitation, restriction or release of any liability on the part of **Hydro** for unlawful operation of the **Project** after the **Date of this Agreement**.

3.3.2 No Limitation. Nothing in Subsection 3.3.1 will be construed as a limitation, restriction or release of any liability on the part of **Hydro** to pay compensation and fulfil other obligations as specified in this **Agreement** with respect to the lawful operation of the **Project** after the **Date of this Agreement**.

### 3.4 FULLY COMPENSATED AND PREDETERMINED COMPENSATION RANGES

3.4.1 Fully Compensated Range. The parameters of the **Fully Compensated Range** are shown graphically on Schedules 3.1, 3.2 and 3.3 and shall be described by **Daily Average Water Levels** and **Rates of Change** as follows:

- (a) a **Daily Average Water Level** during the seasonal period from January 1 to February 28, which does not:
  - (i) exceed 684 Feet **ASL**, or
  - (ii) fall below 678 Feet **ASL**; and
- (b) a **Daily Average Water Level** during the seasonal period from March 1 to April 15, which does not:
  - (i) exceed 683.25 Feet **ASL**, or
  - (ii) fall below 677 Feet **ASL**; and
- (c) a **Daily Average Water Level** during the seasonal period from April 16 to September 14, which does not:
  - (i) exceed 682.5 Feet **ASL**, or
  - (ii) fall below 677 Feet **ASL**; and
- (d) a **Daily Average Water Level** during the seasonal period from September 15 to October 31, which does not:
  - (i) exceed 683.5 Feet **ASL**, or



- (ii) fall below 677 Feet **ASL**; and
- (e) a **Daily Average Water Level** during the seasonal period from November 1 to December 31, which does not:
  - (i) exceed 683.5 Feet **ASL**, or
  - (ii) fall below 678 Feet **ASL**; and
- (f) a **Rate of Change**, during the seasonal period from January 1 to April 15, which does not exceed:

<u>Relevant Period</u>	<u>Increase</u>	<u>Decrease</u>
(i) 5-day	0.5 Feet	0.5 Feet
(ii) 31-day	1.5 Feet	1.5 Feet

- (g) a **Rate of Change**, during the seasonal period from April 16 to November 30, which does not exceed:

<u>Relevant Period</u>	<u>Increase</u>	<u>Decrease</u>
(i) 5-day	1.0 Feet	1.0 Feet
(ii) 31-day	3.0 Feet	3.0 Feet

- (h) a **Rate of Change**, during the seasonal period from December 1 to December 31, which does not exceed:

<u>Relevant Period</u>	<u>Increase</u>	<u>Decrease</u>
(i) 5-day	0.5 Feet	0.5 Feet
(ii) 31-day	1.5 Feet	1.5 Feet

3.4.2 **Predetermined Compensation Ranges.** The parameters of the **Predetermined Compensation Ranges** are shown graphically in Schedules 3.1, 3.2 and 3.3.

3.4.3 **No Further Liability.** Except as provided in Article 10.4.1, **Hydro** shall not be liable to the **Community** for any **Adverse Effect** arising as a result of operations within the **Fully Compensated Range**.

### 3.5 PREDETERMINED COMPENSATION

- 3.5.1 Schedule of Predetermined Compensation. If **Daily Average Water Levels** or **Rates of Change** outside of the parameters of the **Fully Compensated Range** occur, or have occurred, after April 30, 2003, **Hydro** shall pay compensation to the **Community** in accordance with Schedule 3.4.
- 3.5.2 Reasonable Assessment of Damages. Schedule 3.4 represents the reasonable assessment by **Hydro** and the **Community** of damages which the **Community** will suffer if **Hydro** operates the **Project** so as to create **Daily Average Water Levels** or **Rates of Change** outside the parameters of the **Fully Compensated Range** and inside of the parameters of the **Predetermined Compensation Range**.
- 3.5.3 Calculation and Payment. **Predetermined Compensation** for the period commencing May 1, 2003 to the **Date of this Agreement** shall be paid by **Hydro** to the **Community** for deposit to the **Trust** within thirty (30) days of the **Date of this Agreement**. Thereafter, in each year, not later than June 15, for the seasonal period from November 1 to the next March 31, and January 15 for the seasonal period from April 1 to October 31, **Hydro** shall for each day within those seasonal periods:
- (a) determine the **Daily Average Water Level**;
  - (b) as illustrated in Schedule 3.4, calculate the five (5) and thirty-one (31) day **Rates of Change** as follows:
    - (i) the five (5) day **Rate of Change** shall be the difference between the highest **Daily Average Water Level** and the lowest **Daily Average Water Level**, whether a decrease or increase, within a five (5) day period which includes the day for which **Rate of Change** is being calculated and the two (2) days immediately before and after that day, and
    - (ii) the thirty-one (31) day **Rate of Change** shall be the difference between the highest **Daily Average Water Level** and the lowest **Daily Average Water Level** whether a decrease or increase within a thirty-one (31) day period which includes the day for which **Rate of Change** is being calculated and the fifteen (15) days immediately before and after that day;
  - (c) applying the sample formula set forth in Schedule 3.4, determine the compensation, if any, payable under this Subsection 3.5.3;

- (d) provide the **Community** with a written report summarizing the data and compensation calculations in a form and content similar to Table 1 forming part of Schedule 3.4;
- (e) pay the compensation due to the **Community** for deposit to the **Trust** until such time as the **Trust** is terminated and dissolved under Article 20 of the **Indenture** and thereafter pay compensation remaining due to the **Community**; and
- (f) **Hydro** will pay interest on any payment not made when due in accordance with Subsection 3.5.3 at the rate equal to the prime rate established from time to time by the Royal Bank of Canada plus 2%, from the 1<sup>st</sup> day after the due date until payment is made.

#### 3.5.4 Annual Maximum, Annual Minimum, and CPI Indexing.

- (a) **Predetermined Compensation** will not exceed a total of \$42,000.00 in any **Operating Year**.
- (b) Where some **Predetermined Compensation** of less than \$250.00 is calculated to be payable pursuant to Subsection 3.5.1 in any **Operating Year**, **Hydro** will, notwithstanding such calculation, pay to the **Community** \$250.00 with respect to such **Operating Year**.
- (c) Where any amount of **Predetermined Compensation** is specified in dollars, the amount payable will be read as if it had been adjusted in the manner described in Paragraph 3.5.4(d).
- (d) In any year in which a **Predetermined Compensation** payment is to be paid, the quantum of the **Predetermined Compensation** payments will be adjusted from the **Date of this Agreement** to March 31 of the **Operating Year** in which the **Predetermined Compensation** is to be paid, in proportion to the cumulative increase or decrease in the **Consumer Price Index** to that date provided that no such adjustment will result in the reduction of the compensation amounts, as specified in dollars, to less than the amounts specified in this **Agreement**.

#### 3.5.5 Dispute. If the **Community** disputes:

- (a) the **Predetermined Compensation** calculations, the **Community** shall give written notice of such dispute, with reasons, to **Hydro** within one hundred and twenty (120) days of its receipt of the report provided under Paragraph 3.5.3(d). If the **Community** fails to give such notice of dispute within the time period specified, the **Community** shall be conclusively

deemed to have accepted the **Predetermined Compensation** calculations as accurate;

- (b) the accuracy of the records of **Daily Average Water Levels**, the **Community** shall give written notice of such dispute to **Hydro** within four (4) years of its receipt of the report provided under Paragraph 3.5.3(d). If the **Community** fails to give such notice of dispute within the time period specified, the **Community** shall be conclusively deemed to have accepted the accuracy of the data.

3.5.6 Additional Claim. Notwithstanding Subsection 3.5.5 and the provisions for payment of **Predetermined Compensation**, if the **Community** considers that the **Predetermined Compensation** paid in any **Operating Year** as a consequence of **Daily Average Water Levels** or **Rates of Change** within the **Predetermined Compensation Range** is insufficient to compensate for **Adverse Effects** caused by such **Daily Average Water Level** or **Rates of Change** within the **Predetermined Compensation Range**, the **Community** may, within, but not later than the expiry of, one hundred and twenty (120) days of receipt of:

- (a) the **Predetermined Compensation**; or
- (b) a revised quantum of **Predetermined Compensation**, if **Predetermined Compensation** is revised as a result of a dispute under Paragraphs 3.5.5 (a) or (b);

direct the **Trustees** to return the amount so paid and thereupon proceed to mediation and, if necessary, arbitration to claim compensation for any **Adverse Effect** caused by such **Daily Average Water Levels** or **Rates of Change** within the **Predetermined Compensation Range**. Subject to any disputes under Paragraphs 3.5.5 (a) or (b) and the exceptions in Subsection 10.4.1, if the **Predetermined Compensation** payment is not returned to **Hydro** within the time period specified, the **Community** shall be deemed conclusively to have accepted such **Predetermined Compensation** in full and complete satisfaction of any and all claims it may otherwise have had arising from **Daily Average Water Levels** or **Rates of Change** within the **Predetermined Compensation Range** in that **Operating Year**.

3.5.7 Events Outside of the Compensated Ranges. **Daily Average Water Levels** or **Rates of Change** outside of the **Fully Compensated Range** and the **Predetermined Compensation Range** may be considered as extraordinary events and additional compensation for **Adverse Effects**, if any, caused by or attributable to such **Daily Average Water Levels** or **Rates of Change** is a continuing obligation of **Hydro**.

- 3.5.8 Onus. Where the **Community** claims compensation under Subsection 3.5.6, it shall have the ultimate onus of proving such alleged **Adverse Effects**. **Hydro** agrees that in the event of any such claim, it will forthwith disclose fully to the **Community** all relevant information, other than privileged information, concerning **Project** operations which may have been causally related to, or may have contributed to, the alleged **Adverse Effects**. Information disclosed by **Hydro** under this Subsection will be used by the **Community** only for the purpose of advancing the claim, subject to any direction of the arbitrator. Any dispute with respect to disclosure under this Subsection will be resolved in accordance with Part B of Article 9.
- 3.5.9 Set-Off. **Hydro** may set off any **Predetermined Compensation** paid in any **Operating Year** against any claim under Subsection 3.5.7 for compensation for an extraordinary event in that **Operating Year**. If the **Community** fails to prove that **Adverse Effects** attributable to such extraordinary event resulted in loss in excess of the **Predetermined Compensation**, it shall not be entitled to further compensation.
- 3.5.10 Option. **Hydro** may elect not earlier than one hundred and eighty (180) days nor later than sixty (60) days prior to the five (5) year anniversary of the **Date of this Agreement**, and subject to the same one hundred and eighty (180) and sixty (60) day restrictions, at five (5) year intervals thereafter, to terminate its obligations to pay **Predetermined Compensation** under Section 3.5 or otherwise, by giving the **Community** written notice. Upon exercising such right of termination, all future obligations of **Hydro** to pay **Predetermined Compensation** shall cease and, notwithstanding the release and indemnity provisions contained in Subsections 10.2.1, 10.2.2 and 10.3.1, **Adverse Effects** arising after the date of termination as a result of **Daily Average Water Levels** or **Rates of Change** outside of the **Fully Compensated Range** shall be a continuing obligation of **Hydro** under Paragraph 10.4.1(d).
- 3.5.11 Prior Obligations Continue. In the event of a termination of **Hydro's** obligations to pay **Predetermined Compensation** under Section 3.5 or otherwise, the rights and obligations arising before termination shall not be affected.
- 3.5.12 Without Prejudice. Upon termination of **Hydro's** obligations to pay **Predetermined Compensation** under Section 3.5 or otherwise, the rates and formulas for calculating **Predetermined Compensation** shall be without prejudice to **Hydro** and the **Community** in relation to events, or portions of events, occurring subsequent to such termination.

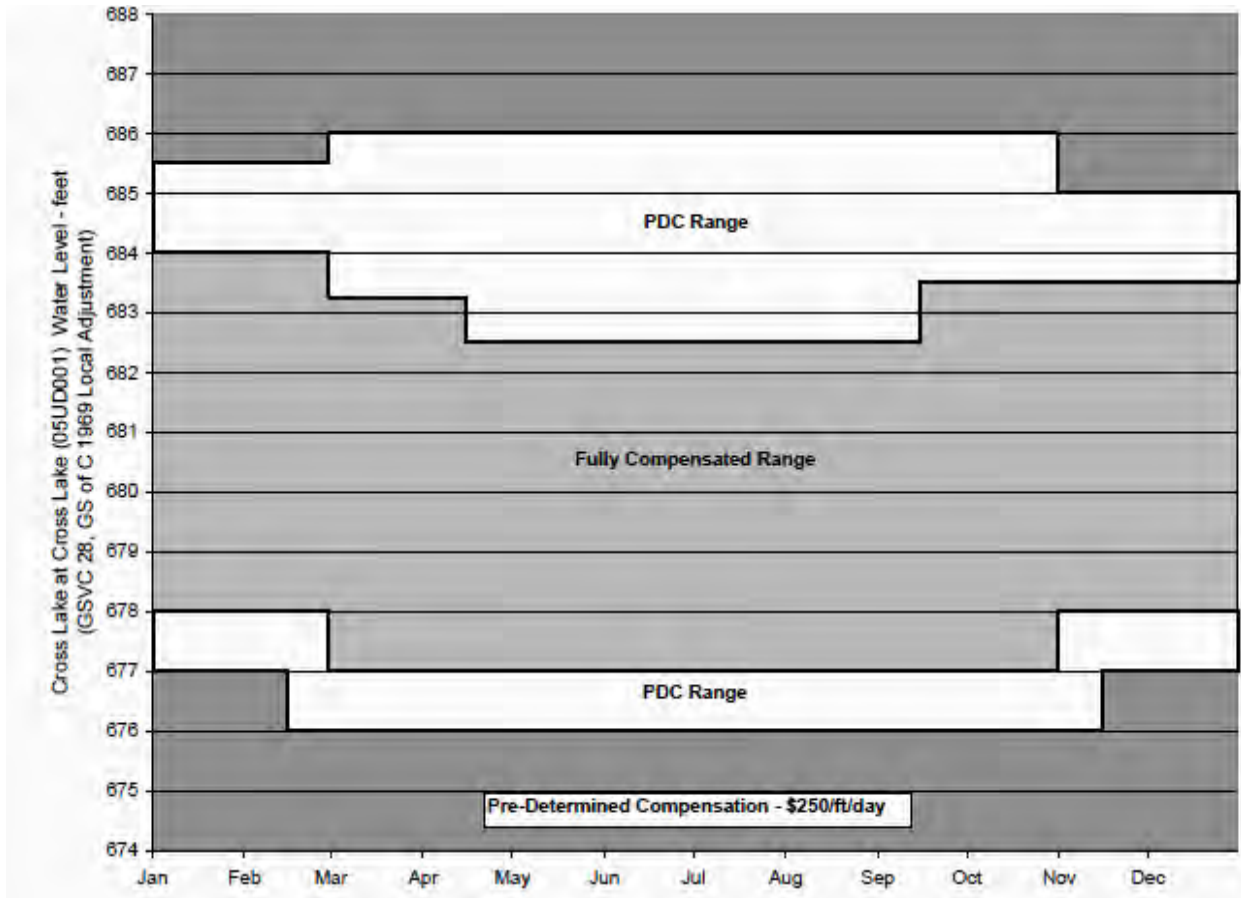
### 3.6 END OF PROJECT

- 3.6.1 Maintenance of Water Regime. If, in the future, the **Project** is no longer utilized for the production of hydro-electric power, **Hydro** covenants and agrees to continue to operate and maintain all such works, structures and improvements, within its legal authority and control, so that, to the extent that it is lawful and reasonably possible, **Daily Average Water Levels** and **Rates of Change** remain within the **Fully Compensated Range** or such other seasonal patterns as may be agreed to by the **Parties**.

Schedule 3.1 Predetermined Compensation and Fully Compensated Ranges - Daily Average Water Levels

**SCHEDULE 3.1**

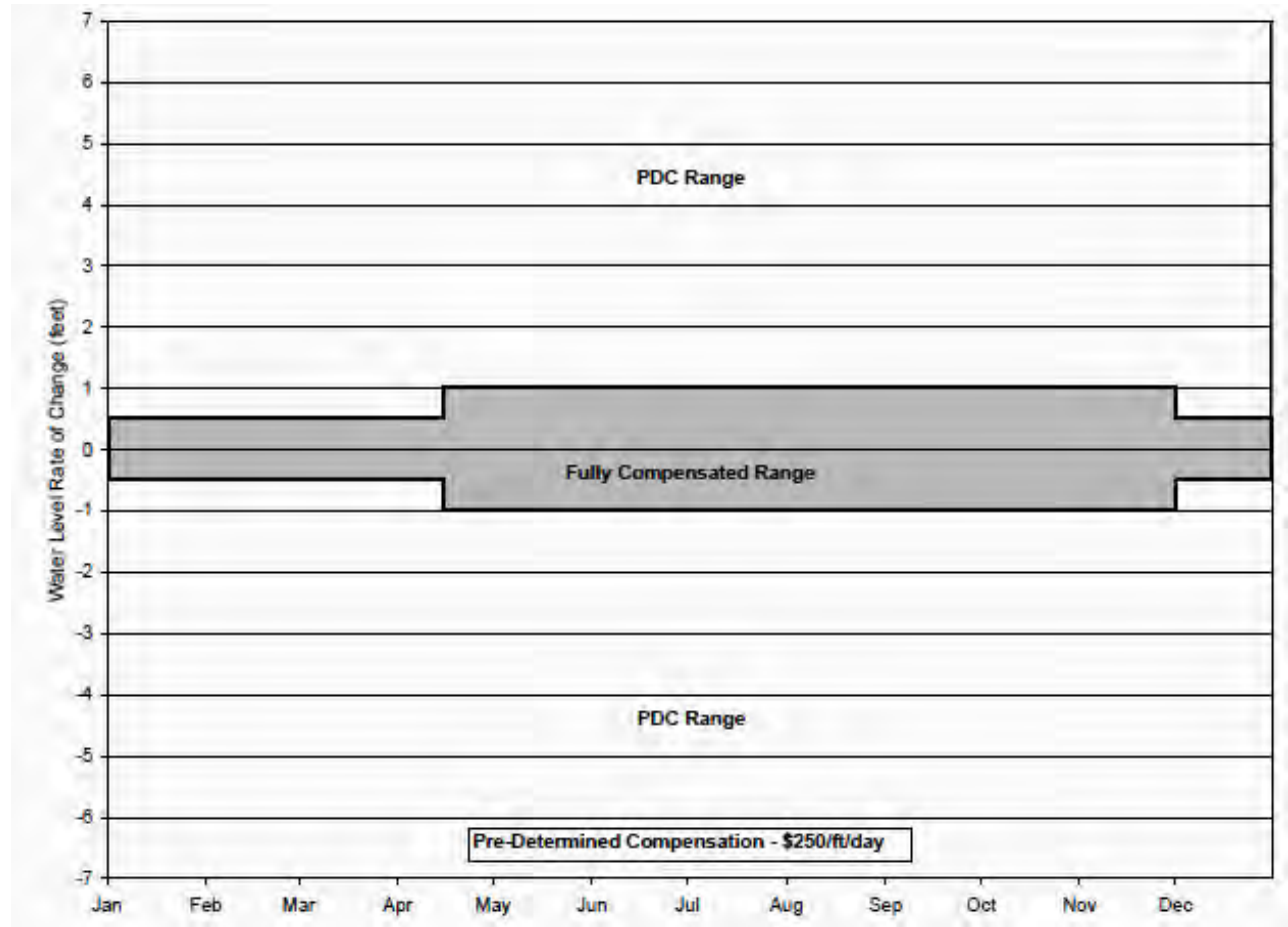
**PREDETERMINED COMPENSATION AND FULLY COMPENSATED RANGES  
DAILY AVERAGE WATER LEVELS**



Schedule 3.2 Predetermined Compensation and Fully Compensated Ranges - Rapid Change (5 day)

**SCHEDULE 3.2**

**PREDETERMINED COMPENSATION AND FULLY COMPENSATED RANGES  
RAPID CHANGE (5 DAY)**

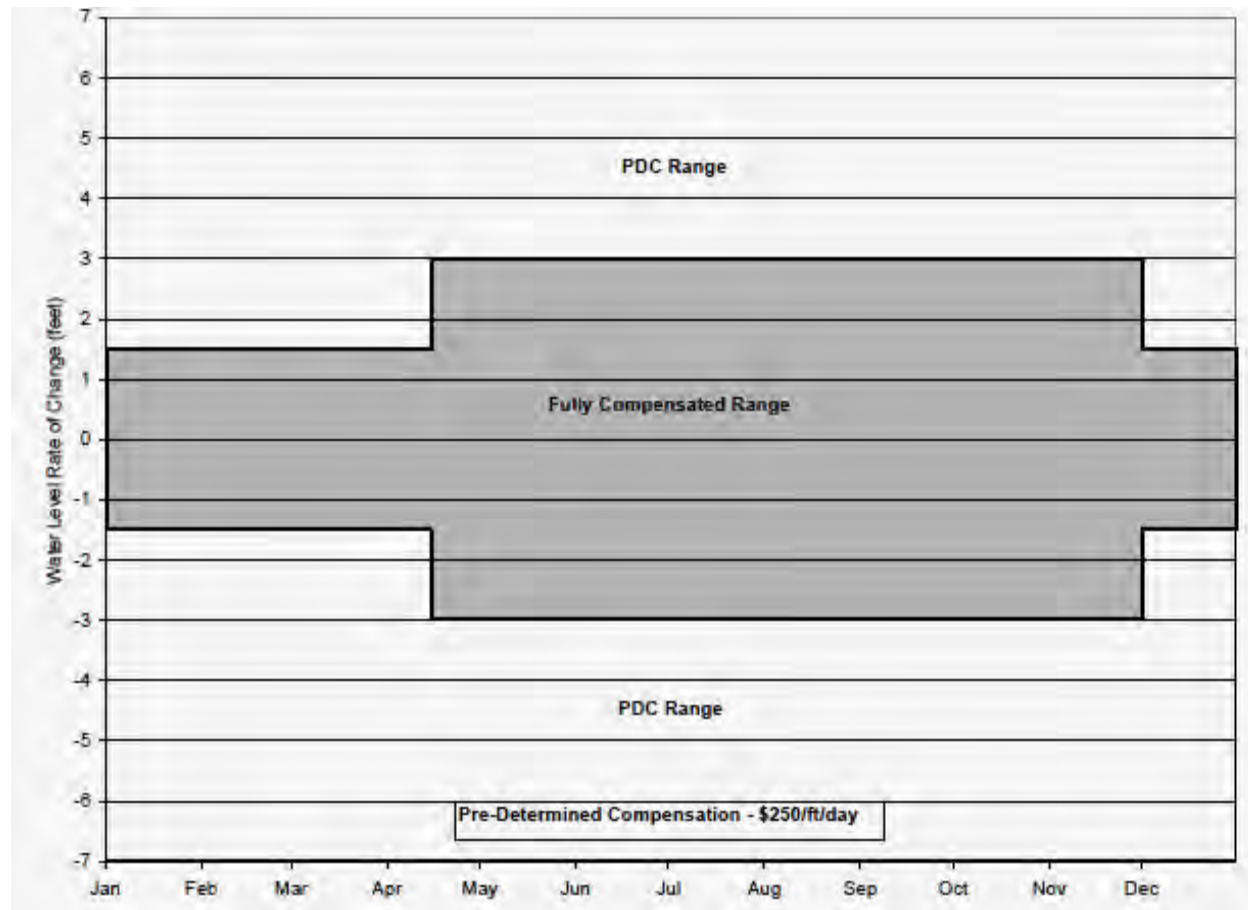




Schedule 3.3 Predetermined Compensation and Fully Compensated Ranges - Extended Change (31 Day)

**SCHEDULE 3.3**

**PREDETERMINED COMPENSATION AND FULLY COMPENSATED RANGES  
EXTENDED CHANGE (31 DAY)**



## SCHEDULE 3.4

### METHOD OF WATER LEVEL CALCULATION AND SAMPLE CALCULATION OF PREDETERMINED COMPENSATION

The following outlines the **Predetermined Compensation (PDC)** calculation for the Cross Lake Community Settlement Agreement.

Rate of **Predetermined Compensation**: The rate for **Predetermined Compensation** to be paid is \$250 per foot per day each day that the **Daily Average Water Levels** or **Rates of Change**, or both, are in the **Predetermined Compensation** range.

Sample calculations are based upon data for the year 2001 as illustrated in Charts 1, 2 and 3.

#### Daily Average Water Level

The **Daily Average Water Level (DAWL)** is the arithmetic average of readings of water levels recorded in a day at the **Cross Lake Gauge**, adjusted to eliminate the effects of wind using a 5 day moving mean, rounded to the nearest tenth of a foot.

For example, the **Daily Average Water Level** for June 3<sup>rd</sup>, 2001 is calculated as:

$$\begin{aligned} \text{DAWL for June 3}^{\text{rd}} &= \text{Average for June 1}^{\text{st}}, 2^{\text{nd}}, 3^{\text{rd}}, 4^{\text{th}}, \text{ and } 5^{\text{th}} \\ &= 1/5 (683.54 + 683.55 + 683.55 + 683.52 + 683.48) \\ &= 683.5 \text{ feet ASL.} \end{aligned}$$

If any data is missing, the **Daily Average Water Level** will be estimated using a practical but technically sound method using a combination of actual and estimated water levels.

The **Predetermined Compensation** calculation is based on the amount that the **Daily Average Water Level** rises above the **Fully Compensated Range** boundary in a high water condition or falls below the **Fully Compensated Range** boundary in a low water condition. The following is an example:

$$\begin{aligned} \text{PDC calculation for June 3}^{\text{rd}}, 2001. \\ \text{In June, the lower bound of the PDC Range [LB]} &= 682.5 \text{ feet ASL.} \\ \text{Therefore:} \\ \text{If the [DAWL]} &= 683.5 \text{ feet ASL, then} \\ \text{[Z]} &= \text{DAWL} - \text{LB} = 683.5 - 682.5 = 1.0 \text{ feet} \end{aligned}$$

Then **PDC** would be the following:

$$\text{PDC payment} = Z \times \$250/\text{foot}/\text{day} = \underline{\$250.00} \text{ for the day.}$$

As shown in Chart 1, the **Daily Average Water Level** for 2001 was in the **Predetermined Compensation Range** from May 12<sup>th</sup> to August 6<sup>th</sup>. Table 1 illustrates the example **Predetermined Compensation** calculation for this time period.

### Rate of Change

#### Rapid Change

The Rapid Change is the maximum variation in **Daily Average Water Level** in a 5-day period, rounded to the nearest tenth of a foot.

For example, the amount of Rapid Change for August 5<sup>th</sup>, 2001 is calculated as:

$$\begin{aligned} &\text{Rapid Change for August 5}^{\text{th}}, 2001. \\ &= \text{Maximum DAWL (Aug 3 to Aug 7)} - \text{Minimum DAWL (Aug 3 to Aug 7)} \\ &= 683.2 - 682.5 \\ &= 0.7 \text{ feet} \end{aligned}$$

The calculated Rapid Change values for all days in the period May 1<sup>st</sup> to August 31<sup>st</sup>, 2001 are included in Table 1.

The **Predetermined Compensation** calculation is based on the amount that the Rapid Change moves outside the **Fully Compensated Range (FCR)**. The following is an example **Predetermined Compensation** calculation for August 5<sup>th</sup>, 2001:

$$\begin{aligned} &\text{In August, the upper bound of the FCR [UB]} = 1.0 \text{ foot.} \\ &\text{Therefore:} \\ &\text{As the Rapid Change} = 0.7 \text{ feet, then} \\ &\text{The PDC is } \$0.00 \text{ because the rate of change is within the FCR.} \end{aligned}$$

As shown in Chart 2, the Rapid Change for 2001 did not enter the **Predetermined Compensation Range** at any time during the **Operating Year** and therefore, the **Predetermined Compensation** amount for Rapid Change in this year is zero.

#### Extended Change

The Extended Change is the maximum variation in **Daily Average Water Level** in a 31-day period, rounded to the nearest tenth of a foot.

For example, the amount of Extended Change for August 6<sup>th</sup>, 2001 is calculated as:

$$\begin{aligned} &\text{Extended Change for August 6}^{\text{th}}, 2001: \\ &= \text{Maximum DAWL (July 22 to Aug 21)} - \text{Minimum DAWL (July 22 to Aug 21)} \\ &= 684.2 - 681.5 \\ &= 2.7 \text{ feet} \end{aligned}$$

The calculated Extended Change values for all days in the period May 1<sup>st</sup> to August 31<sup>st</sup>, 2001 are included in Table 1.

The **Predetermined Compensation** calculation is based on the amount that the Extended Change goes outside the **Fully Compensated Range**. The following is an example **Predetermined Compensation** calculation for August 6<sup>th</sup>, 2001:

In August, the upper bound of the **FCR** [UB] = 3.0 foot.

Therefore:

As the Extended Change = 2.7 feet, then

The **PDC** is \$0.00 because the rate of change is within the **FCR**.

As shown in Chart 3, the Extended Change for 2001 did not enter the **Predetermined Compensation Range** at any time during the **Operating Year** and therefore the **Predetermined Compensation** amount for Extended Change in this year is zero.

Schedule 3.4 Method of Water Level Calculation and Sample Calculation of Predetermined Compensation

**TABLE 1: Example Calculation of PDC (Daily Average Water Level)  
Cross Lake Community Settlement Agreement  
(using 2001 Daily Average Water Levels)**

Date	Daily Average Water Level (DAWL) (feet)	Range	Daily Average Water Level (DAWL) greater than lower boundary of Predetermined Compensation Range (LB) By [Z] = DAWL – LB (feet)	PDC(\$)	Rapid Change (5 day) (feet)	Extended Change (31 day) (feet)
May-1	682.0	FCR	-	\$ -	0.3	1.6
May-2	682.1	FCR	-	\$ -	0.3	1.6
May-3	682.1	FCR	-	\$ -	0.3	1.7
May-4	682.2	FCR	-	\$ -	0.2	1.8
May-5	682.3	FCR	-	\$ -	0.3	1.9
May-6	682.3	FCR	-	\$ -	0.2	2.0
May-7	682.4	FCR	-	\$ -	0.2	1.9
May-8	682.4	FCR	-	\$ -	0.2	2.0
May-9	682.5	FCR	-	\$ -	0.1	1.9
May-10	682.5	FCR	-	\$ -	0.2	2.0
May-11	682.5	FCR	-	\$ -	0.1	1.9
May-12	682.6	PDC	0.1	\$ 25.00	0.1	1.9
May-13	682.6	PDC	0.1	\$ 25.00	0.2	1.8
May-14	682.6	PDC	0.1	\$ 25.00	0.2	1.7
May-15	682.7	PDC	0.2	\$ 50.00	0.2	1.6
May-16	682.8	PDC	0.3	\$ 75.00	0.3	1.5
May-17	682.8	PDC	0.3	\$ 75.00	0.3	1.4
May-18	682.9	PDC	0.4	\$ 100.00	0.3	1.4
May-19	683.0	PDC	0.5	\$ 125.00	0.4	1.3
May-20	683.1	PDC	0.6	\$ 150.00	0.3	1.2
May-21	683.2	PDC	0.7	\$ 175.00	0.3	1.2
May-22	683.2	PDC	0.7	\$ 175.00	0.2	1.1
May-23	683.3	PDC	0.8	\$ 200.00	0.2	1.1
May-24	683.3	PDC	0.8	\$ 200.00	0.2	1.0
May-25	683.4	PDC	0.9	\$ 225.00	0.2	1.0
May-26	683.4	PDC	0.9	\$ 225.00	0.2	1.0
May-27	683.5	PDC	1.0	\$ 250.00	0.1	0.9
May-28	683.5	PDC	1.0	\$ 250.00	0.1	0.9
May-29	683.5	PDC	1.0	\$ 250.00	0.0	0.9
May-30	683.5	PDC	1.0	\$ 250.00	0.0	0.8
May-31	683.5	PDC	1.0	\$ 250.00	0.0	0.7
Jun-1	683.5	PDC	1.0	\$ 250.00	0.0	0.7
Jun-2	683.5	PDC	1.0	\$ 250.00	0.0	0.6
Jun-3	683.5	PDC	1.0	\$ 250.00	0.0	0.5
Jun-4	683.5	PDC	1.0	\$ 250.00	0.0	0.4
Jun-5	683.5	PDC	1.0	\$ 250.00	0.1	0.3
Jun-6	683.5	PDC	1.0	\$ 250.00	0.1	0.4
Jun-7	683.4	PDC	0.9	\$ 225.00	0.1	0.3
Jun-8	683.4	PDC	0.9	\$ 225.00	0.1	0.4
Jun-9	683.4	PDC	0.9	\$ 225.00	0.1	0.4
Jun-10	683.4	PDC	0.9	\$ 225.00	0.1	0.6
Jun-11	683.5	PDC	1.0	\$ 250.00	0.1	0.7
Jun-12	683.5	PDC	1.0	\$ 250.00	0.1	0.7
Jun-13	683.4	PDC	0.9	\$ 225.00	0.1	0.8

Schedule 3.4 Method of Water Level Calculation and Sample Calculation of Predetermined Compensation

5

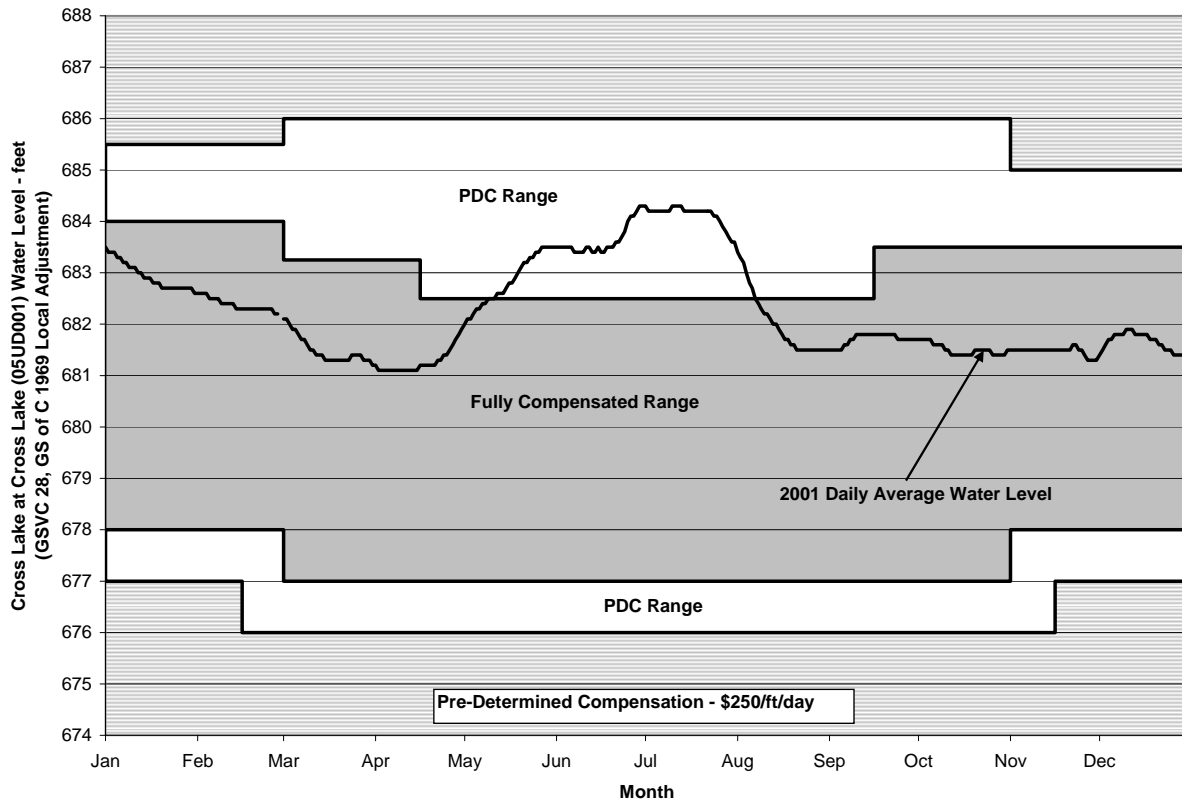
Date	Daily Average Water Level (DAWL)	Range	Daily Average Water Level (DAWL) greater than lower boundary of Predetermined Compensation Range (LB) By [Z] = DAWL - LB	PDC(\$)	Rapid Change	Extended Change
	(feet)		(feet)		(5 day)	(31 day)
	(feet)		(feet)		(feet)	(feet)
Jun-14	683.4	PDC	0.9	\$ 225.00	0.1	0.9
Jun-15	683.5	PDC	1.0	\$ 250.00	0.1	0.9
Jun-16	683.4	PDC	0.9	\$ 225.00	0.1	0.9
Jun-17	683.4	PDC	0.9	\$ 225.00	0.1	0.9
Jun-18	683.5	PDC	1.0	\$ 250.00	0.1	0.9
Jun-19	683.5	PDC	1.0	\$ 250.00	0.2	0.9
Jun-20	683.5	PDC	1.0	\$ 250.00	0.1	0.9
Jun-21	683.6	PDC	1.1	\$ 275.00	0.2	0.9
Jun-22	683.6	PDC	1.1	\$ 275.00	0.3	0.9
Jun-23	683.7	PDC	1.2	\$ 300.00	0.4	0.9
Jun-24	683.8	PDC	1.3	\$ 325.00	0.5	0.9
Jun-25	684.0	PDC	1.5	\$ 375.00	0.4	0.9
Jun-26	684.1	PDC	1.6	\$ 400.00	0.4	0.9
Jun-27	684.1	PDC	1.6	\$ 400.00	0.3	0.9
Jun-28	684.2	PDC	1.7	\$ 425.00	0.2	0.9
Jun-29	684.3	PDC	1.8	\$ 450.00	0.2	0.9
Jun-30	684.3	PDC	1.8	\$ 450.00	0.1	0.9
Jul-1	684.3	PDC	1.8	\$ 450.00	0.1	0.9
Jul-2	684.2	PDC	1.7	\$ 425.00	0.1	0.9
Jul-3	684.2	PDC	1.7	\$ 425.00	0.1	0.8
Jul-4	684.2	PDC	1.7	\$ 425.00	0.0	0.8
Jul-5	684.2	PDC	1.7	\$ 425.00	0.0	0.8
Jul-6	684.2	PDC	1.7	\$ 425.00	0.0	0.7
Jul-7	684.2	PDC	1.7	\$ 425.00	0.0	0.7
Jul-8	684.2	PDC	1.7	\$ 425.00	0.1	0.6
Jul-9	684.2	PDC	1.7	\$ 425.00	0.1	0.5
Jul-10	684.3	PDC	1.8	\$ 450.00	0.1	0.3
Jul-11	684.3	PDC	1.8	\$ 450.00	0.1	0.3
Jul-12	684.3	PDC	1.8	\$ 450.00	0.1	0.4
Jul-13	684.3	PDC	1.8	\$ 450.00	0.1	0.5
Jul-14	684.2	PDC	1.7	\$ 425.00	0.1	0.6
Jul-15	684.2	PDC	1.7	\$ 425.00	0.1	0.7
Jul-16	684.2	PDC	1.7	\$ 425.00	0.0	0.7
Jul-17	684.2	PDC	1.7	\$ 425.00	0.0	0.9
Jul-18	684.2	PDC	1.7	\$ 425.00	0.0	1.0
Jul-19	684.2	PDC	1.7	\$ 425.00	0.0	1.1
Jul-20	684.2	PDC	1.7	\$ 425.00	0.0	1.3
Jul-21	684.2	PDC	1.7	\$ 425.00	0.0	1.5
Jul-22	684.2	PDC	1.7	\$ 425.00	0.1	1.6
Jul-23	684.2	PDC	1.7	\$ 425.00	0.1	1.8
Jul-24	684.1	PDC	1.6	\$ 400.00	0.2	1.9
Jul-25	684.1	PDC	1.6	\$ 400.00	0.3	2.0
Jul-26	684.0	PDC	1.5	\$ 375.00	0.3	2.1
Jul-27	683.9	PDC	1.4	\$ 350.00	0.4	2.1
Jul-28	683.8	PDC	1.3	\$ 325.00	0.4	2.2
Jul-29	683.7	PDC	1.2	\$ 300.00	0.3	2.2
Jul-30	683.6	PDC	1.1	\$ 275.00	0.4	2.2
Jul-31	683.6	PDC	1.1	\$ 275.00	0.4	2.3
Aug-1	683.4	PDC	0.9	\$ 225.00	0.4	2.4
Aug-2	683.3	PDC	0.8	\$ 200.00	0.6	2.5

Schedule 3.4 Method of Water Level Calculation and Sample Calculation of Predetermined Compensation

6

Date	Daily Average Water Level (DAWL)	Range	Daily Average Water Level (DAWL) greater than lower boundary of Predetermined Compensation Range (LB) By [Z] = DAWL - LB	PDC(\$)	Rapid Change	Extended Change
	(feet)		(feet)		(5 day)	(31 day)
	(feet)		(feet)		(feet)	(feet)
Aug-3	683.2	PDC	0.7	\$ 175.00	0.6	2.5
Aug-4	683.0	PDC	0.5	\$ 125.00	0.6	2.6
Aug-5	682.8	PDC	0.3	\$ 75.00	0.7	2.6
Aug-6	682.7	PDC	0.2	\$ 50.00	0.6	2.7
Aug-7	682.5	FCR	-	\$ -	0.5	2.7
Aug-8	682.4	FCR	-	\$ -	0.5	2.6
Aug-9	682.3	FCR	-	\$ -	0.3	2.6
Aug-10	682.2	FCR	-	\$ -	0.3	2.5
Aug-11	682.2	FCR	-	\$ -	0.3	2.4
Aug-12	682.1	FCR	-	\$ -	0.2	2.3
Aug-13	682.0	FCR	-	\$ -	0.3	2.2
Aug-14	682.0	FCR	-	\$ -	0.3	2.1
Aug-15	681.9	FCR	-	\$ -	0.3	2.1
Aug-16	681.8	FCR	-	\$ -	0.3	1.9
Aug-17	681.7	FCR	-	\$ -	0.3	1.8
Aug-18	681.7	FCR	-	\$ -	0.2	1.7
Aug-19	681.6	FCR	-	\$ -	0.2	1.5
Aug-20	681.6	FCR	-	\$ -	0.2	1.3
Aug-21	681.5	FCR	-	\$ -	0.1	1.2
Aug-22	681.5	FCR	-	\$ -	0.1	1.0
Aug-23	681.5	FCR	-	\$ -	0.0	0.9
Aug-24	681.5	FCR	-	\$ -	0.0	0.8
Aug-25	681.5	FCR	-	\$ -	0.0	0.7
Aug-26	681.5	FCR	-	\$ -	0.0	0.7
Aug-27	681.5	FCR	-	\$ -	0.0	0.6
Aug-28	681.5	FCR	-	\$ -	0.0	0.5
Aug-29	681.5	FCR	-	\$ -	0.0	0.5
Aug-30	681.5	FCR	-	\$ -	0.0	0.4
Aug-31	681.5	FCR	-	\$ -	0.0	0.3
<b>PDC Total</b>				<b>\$ 25,025.00</b>		

**CHART 1: Cross Lake Community  
Predetermined Compensation and Fully Compensated Ranges  
Daily Average Water Levels**





### CHART 2: Cross Lake Community Predetermined Compensation and Fully Compensated Ranges Rapid Change (5 Day)

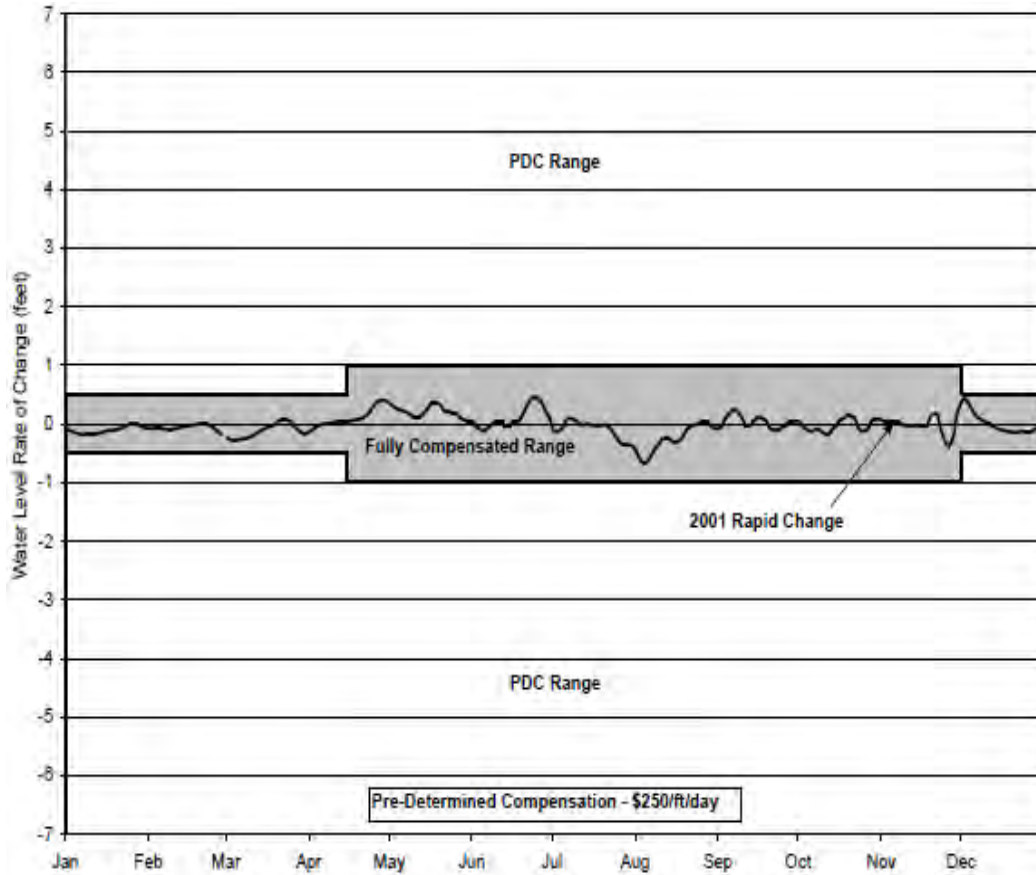


Chart 2

### CHART 3: Cross Lake Community Predetermined Compensation and Fully Compensated Ranges Extended Change (31 Day)

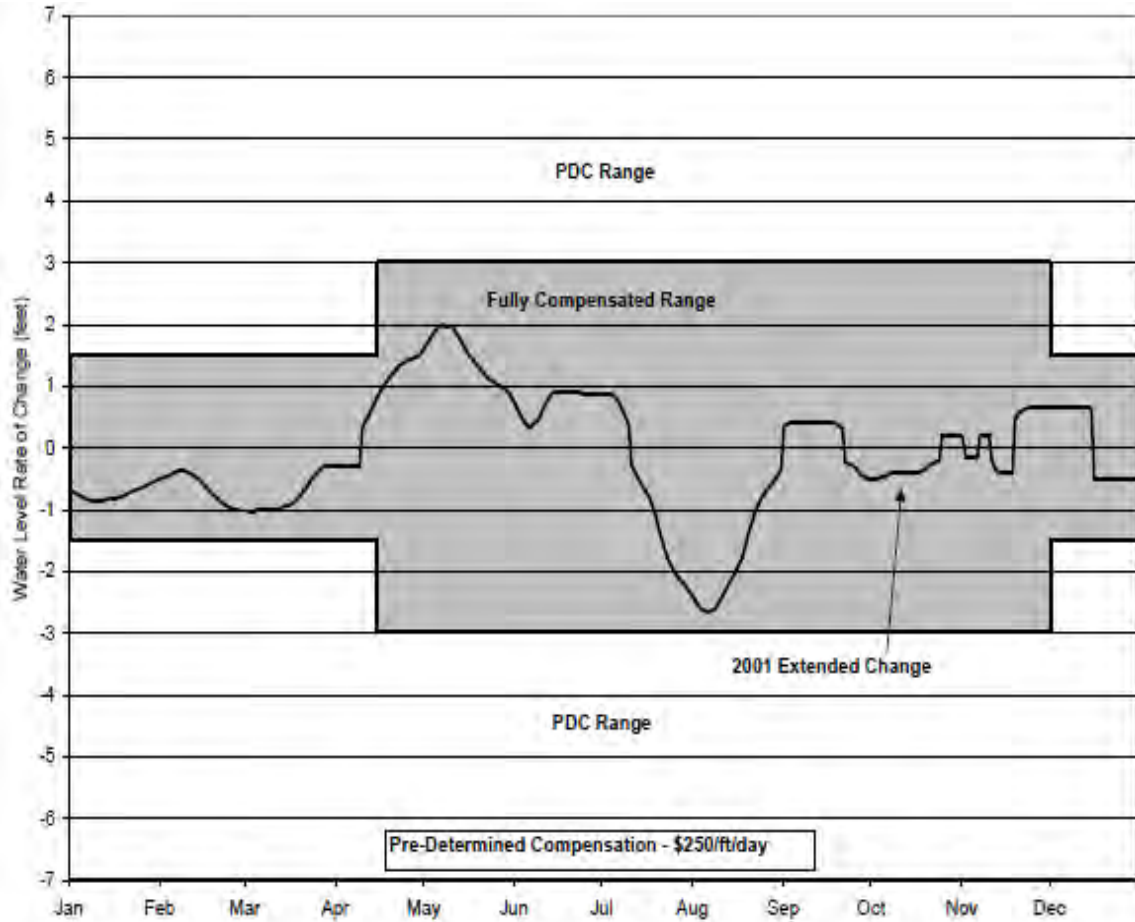


Chart 3

**ARTICLE 4 - COMMUNITY DEVELOPMENT SITES, QUARRY LEASE SITES,  
CROSS LAKE COMMUNITY BOUNDARY EXPANSION AREA, AND WALKER LAKE  
TRADITIONAL USE PROTECTED AREAS**

**4.1 INTRODUCTION**

4.1.1 Introduction. Article 4 provides for the establishment of

- (a) **Community Development Sites** which are described in Parts A (Fee Simple Lands) and B (Permit Lands) and depicted on Maps 4.1.1 to 4.1.7 of Schedule 4.1, being areas of Crown (Manitoba) lands to be made available to the **Community** to assist the **Community** with its community development objectives;
- (b) **Quarry Lease Sites** which are described in Part C and depicted on Map 4.1.8 of Schedule 4.1, being areas of Crown (Manitoba) lands to be made available to the **Community** for the purpose of being sources of sand, gravel, rock or stone (processed stone) and clay for **Community** purposes and economic development;
- (c) **Cross Lake Community Boundary Expansion Area** which is described in Part D and depicted on Map 4.1.9 of Schedule 4.1, being the area by which the boundaries of the **Community** will be expanded; and
- (d) the **Walker Lake Traditional Use Protected Areas** which are described in Part E and depicted on Map 4.1.10 of Schedule 4.1, being areas of Crown (Manitoba) lands.

**PART A – COMMUNITY DEVELOPMENT SITES (FEE SIMPLE LANDS)**

**4.2 SAND BAY SITE**

4.2.1 Issuance of Land Use Permits. As soon as reasonably practical following the **Date of this Agreement**, **Manitoba** will issue a **Land Use Permit** to the **Community** for the **Community Development Site** called the Sand Bay Site.

4.2.2 Renewable. The **Land Use Permit** issued under Subsection 4.2.1 will be renewable annually.

4.2.3 Fees. For the first five (5) years from the date a **Land Use Permit** was first issued under Subsection 4.2.1, the **Land Use Permit** will be issued without fee. Subject to Subsection 4.2.20, after five (5) years from the date a **Land Use Permit** was first issued for the Sand Bay Site under Subsection 4.2.1, **Manitoba**

may charge fees in accordance with any law or policy applying generally to Crown land permits.

4.2.4 Use of Sand Bay Site. The Sand Bay Site will be used for future community residential and recreational purposes.

4.2.5 Exclusion from Sand Bay Site. As of the **Date of this Agreement**, the Sand Bay Site is subject to an existing third party interest in Crown Land General Permit #0001537. The Sand Bay Site will be addressed as follows in order to address that third party interest:

(a) The **Land Use Permit** issued by **Manitoba** under Subsection 4.2.1 will not include the land legally described as:

Part NW ¼ 16 and Part NE ¼ 17-65-2 WPM,

which is currently held under Crown Land General Permit #0001537, and will be subject to access being provided by the **Community to Manitoba** and the permittees or their assignee(s), if any, to the land held under the General Permit.

(b) If, after the **Date of this Agreement** and prior to the transfer of lands to the **Community** under Subsection 4.2.16,

(i) the permittees under Crown Land General Permit #0001537 or their assignee(s), if any, surrender the General Permit to **Manitoba**; or

(ii) Crown Land General Permit #0001537 lapses or is cancelled;

the **Land Use Permit** issued by **Manitoba** under Subsection 4.2.1 shall be amended to include the land currently held under Crown Land General Permit #0001537. Where the General Permit is surrendered under (b)(i), immediately following the amendment of the **Land Use Permit**, if requested by the permittees or their assignee(s), if any, the **Community Council** shall assign that portion of the **Land Use Permit** to the permittees or their assignee(s) on the same terms and conditions as in the General Permit.

(c) If, after the transfer of lands to the **Community** under Subsection 4.2.16,

(i) the permittees under Crown Land General Permit #0001537 or their assignee(s), if any, surrender the General Permit to **Manitoba**; or

(ii) Crown Land General Permit #0001537 lapses or is cancelled;

then **Manitoba** shall issue a **Land Use Permit** in respect of the land held under the General Permit to the **Community**. Where the General Permit is surrendered under (b)(i), immediately following the issuance of the **Land Use Permit**, if requested by the permittees or their assignee(s), if any, the **Community Council** shall assign the **Land Use Permit** to the permittees or their assignee(s) on the same terms and conditions as in the General Permit.

- (d) If any of the events described in (b) or (c) occur, the provisions of this Section 4.2, including Subsections 4.2.15 and 4.2.16, shall apply to the land currently held under Crown Land General Permit #0001537 with any necessary modifications.
- (e) If none of the events described in (b) or (c) occur, prior to the transfer of the lands within the Sand Bay Site to the **Community**, **Manitoba** and the **Community** will enter into an easement agreement on reasonable terms that will provide for access by **Manitoba** and the permittees or their assignee(s), if any, to the lands described in Crown Land Permit #0001537, to come into effect immediately following the transfer. If **Manitoba** and the **Community** cannot reach an agreement on the terms of the easement agreement, the terms shall be determined by arbitration in accordance with Part B of Article 9 of this **Agreement**.

4.2.6 Application for Use. Following completion of a plan of subdivision for the Sand Bay Site as provided for in Subsection 4.2.14, the **Community Council** may invite and accept applications from individuals or groups, requesting the use of a lot within the subdivision for residential or recreational purposes.

4.2.7 Assignment of Land Use Permit. Upon receipt of an application under Subsection 4.2.6, the **Community Council** will consider the application and, subject to approval by **Manitoba**, may assign the **Land Use Permit** issued by **Manitoba** to the applicant for the use of a lot within the subdivision. The **Community Council** will advise the applicant of its decision within ninety (90) days.

4.2.8 Assignment is subject to Conditions. In addition to any conditions under Subsection 4.2.7, any assignment by the **Community Council** for the use of a lot under Subsection 4.2.7 shall provide that the use is subject to all of the terms and conditions of the **Land Use Permit** issued by **Manitoba**, including, without limitation, all of the provisions of *The Crown Lands Act* and regulations, the plan of subdivision prepared under Subsection 4.2.14, and any additional conditions that the **Community Council** and the assignee agree to, including any payment to the **Community**.

4.2.9 Monitoring Authorized Use. The **Community Council** shall monitor the use of any lot it has authorized by assignment under Subsection 4.2.7.

4.2.10 Cancellation of Assignment. The **Community Council** shall cancel the use it has authorized by assignment under Subsection 4.2.7 where the lot:

- (a) is not being used for the purposes authorized in the assignment under Subsection 4.2.7 within a prescribed period of time from the date of such authorization; or
- (b) is being used for a purpose other than the purposes authorized in the assignment by the **Community Council**; or
- (c) is not being used in accordance with the terms and conditions of the assignment, including any of the provisions of *The Crown Lands Act* and regulations;

and shall notify **Manitoba** in writing of the cancellation.

4.2.11 Reversion. Where an assignment for the use of a lot is cancelled pursuant to Subsection 4.2.10, the lot will revert to the **Community**.

4.2.12 Renewal of Use. The assignment for the use of a lot within a subdivision of the Sand Bay Site may be renewed for residential or recreational purposes and in this case, Subsections 4.2.7 to 4.2.11, inclusive, will apply.

4.2.13 Request for Preparation of Plan of Subdivision and Transfer in Fee Simple. Following the issuance of a **Land Use Permit** under Subsection 4.2.1, the **Community Council** may request in writing to **Manitoba** that a plan of subdivision for the Sand Bay Site be prepared so that the lands identified within the plan of subdivision to be held by the **Community** in fee simple are able to be transferred by **Manitoba** to the **Community**, in which case Subsections 4.2.14 to 4.2.20, inclusive, will apply.

4.2.14 Preparation of Plan of Subdivision. Where the **Community Council** makes a request under Subsection 4.2.13 within five (5) years of the issuance of a **Land Use Permit**, **Manitoba** will, in consultation with the **Community**,

- (a) undertake the field work necessary to assess the location of the **Development Setback Line** and proposed lots or parcel locations;
- (b) prepare a diagram showing the lands to be surveyed; and

- (c) where the diagram is approved by the **Community**, prepare a plan or plans of subdivision for the Sand Bay Site, which will include legal surveys of the plan of subdivision and public roads within the site.

The **Community** will be responsible for the preparation of any plans of subdivision of the Sand Bay Site not requested within five (5) years of the date on which the **Land Use Permit** was first issued for the Sand Bay Site.

4.2.15 Legal Surveys. In conducting surveys necessary for preparing a plan of subdivision under Subsection 4.2.14, **Manitoba** will

- (a) initiate legal surveys of the plan of subdivision within a reasonable time period taking into account the then current volume of survey work being done by **Manitoba**;
- (b) advise the **Community** of the date on which legal surveys of the plan of subdivision for the Sand Bay Site will commence;
- (c) complete the legal surveys in accordance with the survey instructions set out in Schedule 4.3; and
- (d) if none of the events described in Paragraphs 4.2.5 (b) or (c) have occurred as of the date of survey of the Sand Bay Site, survey the **Development Setback Line** described in Subsection 4.11.2 for the land held under Crown Land General Permit #000157.

Schedule 4.3 will also be applicable to any surveys of the Sand Bay Site conducted by the **Community**.

4.2.16 Registration of Transfer of Title. Subject to Subsection 4.2.17, upon completion of the survey and a plan of subdivision for the Sand Bay Site and confirmation by **Council Resolution** substantially in the form and content of Schedule 4.4 that the lands identified in the plan for transfer are to be transferred to the **Community**, **Manitoba** will register, in the appropriate Land Titles Office, a transfer to the **Community** of fee simple title in relation to the lands within the plan of subdivision.

4.2.17 Authorization of Use by **Community Council** and Amendment or Cancellation of **Land Use Permit** by **Manitoba**. Immediately following the transfer to the **Community** of the lands within a plan of subdivision of the Sand Bay Site in fee simple title under Subsection 4.2.16,

- (a) the **Community Council** may, in accordance with the **Community's** land policies, authorize the individual or group, who had been assigned the use

of a lot under Subsection 4.2.7, to use the same lot within the plan of subdivision; and

- (b) subject to paragraph (c), **Manitoba** will amend the **Land Use Permit** previously issued to the **Community** to exclude the lands within the plan of subdivision transferred in fee simple title to the **Community** from the permitted area; and
- (c) upon the last transfer of lands within a plan of subdivision, at the request of the **Community**, **Manitoba** will cancel the **Land Use Permit** previously issued to the **Community** for the Sand Bay Site.

4.2.18 Costs of Surveys and Transfers. Subject to Subsection 4.2.19, where a request for the preparation of a plan of subdivision and transfer in fee simple title of the Sand Bay Site is made under Subsection 4.2.13 within five (5) years of the date on which the **Land Use Permit** was first issued for the Sand Bay Site, **Manitoba** will complete the plan of subdivision, including legal surveys, and transfers and registrations of title for the site at no cost to the **Community**, including payment of any land transfer tax which may otherwise be payable. The **Community** will be responsible for the costs associated with any future subdivision of the Sand Bay Site not requested within five (5) years of the date on which the **Land Use Permit** was first issued for the Sand Bay Site.

4.2.19 Costs Chargeable. Should the **Community** decline to accept fee simple title of lands within a plan of subdivision of the Sand Bay Site after the approval by the **Community** of a diagram showing the lands to be surveyed and commencement of the legal survey of the subdivision in accordance with Subsection 4.2.14, the cost of the survey, transfer and registration of title in respect of the lands within the plan of subdivision, if incurred by **Manitoba**, plus other reasonable costs, will be paid by the **Community** on demand.

4.2.20 Delay in Transfer of Title. Where there is a request for transfer in fee simple of the Sand Bay Site under Subsection 4.2.13, and there are delays in the transfer of title of the lands within the plan of subdivision due to **Manitoba's** inability to complete the surveys, the **Land Use Permit** issued under Subsection 4.2.1 will continue to be renewable annually without fee to the **Community** until the lands are transferred in fee simple to the **Community**.

### 4.3 JENPEG SITE

4.3.1 Issuance of Land Use Permit. As soon as reasonably practical following the **Date of this Agreement**, **Manitoba** will issue a **Land Use Permit** to the **Community** for the **Community Development Site** called the Jenpeg Site.



- 4.3.2 Renewable. Subject to Subsection 4.3.3, the **Land Use Permit** issued under Subsection 4.3.1 will be renewable annually without fee for a period of ten (10) years.
- 4.3.3 Fees. Subject to Subsection 4.3.20, after ten (10) years from the date the **Land Use Permit** was first issued for the Jenpeg Site under Subsection 4.3.1, **Manitoba** may charge fees in accordance with any law or policy applying generally to Crown land permits.
- 4.3.4 Use of Jenpeg Site. The Jenpeg Site will be used for cottage and other recreational and tourism development purposes.
- 4.3.5 Preparation of Development Plan or Site Plan. Following the issuance of a **Land Use Permit** under Subsection 4.3.1, the **Community** may, in its discretion and in consultation with **Manitoba**, prepare a plan that depicts the boundaries of the largest of the four (4) parcels making up the Jenpeg Site and may depict proposed internal boundaries identifying portions of the parcel for the purpose of assigning permits to individuals or groups under Subsection 4.3.7. This plan may be either a “site plan” or a “development plan”. A “site plan” is prepared based on a physical inspection of the site and will typically display boundaries of the parcel, significant natural and man-made features, such as the water’s edge, roads and transmission lines, as well as the size and location of proposed buildings or structures. A “development plan” is prepared without a physical inspection of the site based on available mapping or aerial photography.
- 4.3.6 Application for Use. Following
- (a) completion of a plan of the largest of the four (4) parcels making up the Jenpeg Site in accordance with Subsection 4.3.5 and approval of the plan by **Manitoba**; or
  - (b) completion of a plan of survey of the smaller three (3) of the four (4) parcels making up the Jenpeg Site as provided for in Subsection 4.3.14;
- the **Community Council** may invite and accept applications from individuals or groups, requesting the use of a portion of that parcel or parcels of the Jenpeg Site for cottage or other recreational or tourism development purposes.
- 4.3.7 Assignment of Land Use Permit. Upon receipt of an application under Subsection 4.3.6, the **Community Council** will consider the application and, subject to approval by **Manitoba**, may assign the **Land Use Permit** issued by **Manitoba** to the applicant for the use of a portion of the Jenpeg Site. The **Community Council** will advise the applicant of its decision within ninety (90) days.

- 4.3.8 Assignment is subject to Conditions. In addition to any conditions under Subsection 4.3.7, any assignment by the **Community Council** for the use of a portion of the Jenpeg Site under Subsection 4.3.7 shall provide that the use is subject to all of the terms and conditions of the **Land Use Permit** issued by **Manitoba**, including, without limitation, all of the provisions of *The Crown Lands Act* and regulations, the development plan or site plan prepared under Subsection 4.3.5 or plan of survey prepared under Subsection 4.3.14, and any additional conditions that the **Community Council** and the assignee agree to, including any payment to the **Community**.
- 4.3.9 Monitoring Authorized Use. The **Community Council** shall monitor any use of the Jenpeg Site it has authorized under Subsection 4.3.7.
- 4.3.10 Cancellation of Assignment. The **Community Council** shall cancel the use it has authorized under Subsection 4.3.7 where the portion of the Jenpeg Site:
- (a) is not being used for the purposes authorized in the assignment under Subsection 4.3.7 within a prescribed period of time from the date of such authorization; or
  - (b) is being used for a purpose other than the purposes authorized in the assignment by the **Community Council**; or
  - (c) is not being used in accordance with the terms and conditions of the assignment, including any of the provisions of *The Crown Lands Act* and regulations;
- and shall notify **Manitoba** in writing of the cancellation.
- 4.3.11 Reversion. Where the assignment for the use of a portion of the Jenpeg Site is cancelled pursuant to Subsection 4.3.10, the portion of the site will revert to the **Community**.
- 4.3.12 Renewal of Use. The assignment for the use of a portion of the Jenpeg Site may be renewed for cottage or other recreational or tourism development purposes and in this case, Subsections 4.3.7 to 4.3.11, inclusive, will apply.
- 4.3.13 Request for Preparation of Plan of Survey and Transfer in Fee Simple. Following the issuance of the **Land Use Permit** under Subsection 4.3.1, the **Community Council** may request in writing to **Manitoba** that a plan of survey of the Jenpeg Site be prepared so that the lands identified within the plan of survey to be held by the **Community** in fee simple are able to be transferred by **Manitoba** to the **Community**, in which case Subsections 4.3.14 to 4.3.20, inclusive, will apply.

4.3.14 Preparation of Plan of Survey. Where the **Community Council** makes a request under Subsection 4.3.13, **Manitoba** will, in consultation with the **Community**,

- (a) undertake the field work necessary to assess the location of the **Development Setback Line** and proposed lots or parcel locations;
- (b) prepare a diagram showing the lands to be surveyed; and
- (c) where the diagram is approved by the **Community**, prepare a plan of survey of the parcel boundaries of the four (4) parcels making up the Jenpeg Site, which will include legal surveys.

4.3.15 Legal Surveys. In conducting surveys necessary for preparing the plan of survey under Subsection 4.3.14, **Manitoba** will

- (a) initiate legal surveys of the four (4) parcels making up the Jenpeg Site within a reasonable time period taking into account the then current volume of survey work being done by **Manitoba**;
- (b) advise the **Community** of the date on which legal surveys of the four (4) parcels making up the Jenpeg Site will commence; and
- (c) complete the legal surveys in accordance with the survey instructions set out in Schedule 4.3.

Schedule 4.3 will also be applicable to any surveys of the Jenpeg Site conducted by the **Community**.

4.3.16 Registration of Transfer of Title. Subject to Subsection 4.3.17, upon completion of the survey of the four (4) parcels making up the Jenpeg Site and confirmation by **Council Resolution** substantially in the form and content of Schedule 4.4 that the lands identified in the plan for transfer are to be transferred to the **Community**, **Manitoba** will register, in the appropriate Land Titles Office, a transfer to the **Community** of fee simple title in relation to the lands.

4.3.17 Authorization of Use by **Community Council** and Cancellation of **Land Use Permit** by **Manitoba**. Immediately following the transfer to the **Community** of the lands within the plan of survey of the Jenpeg Site in fee simple title under Subsection 4.3.16,

- (a) the **Community Council** may, in accordance with the **Community's** land policies, authorize the individual or group, who had been assigned the use of a portion of the Jenpeg Site under Subsection 4.3.7, to use the same portion of the site; and

- (b) **Manitoba** will cancel the **Land Use Permit** previously issued to the **Community**.

4.3.18 Costs of Surveys and Transfers. Subject to Subsection 4.3.19, where a request for preparation of a plan of survey and transfer in fee simple title of the Jenpeg Site is made under Subsection 4.3.13, **Manitoba** will complete the plan of survey, including legal surveys, and transfers and registrations of title for the site at no cost to the **Community**, including payment of any land transfer tax which may otherwise be payable. The **Community** will be responsible for the costs associated with any future subdivision of the Jenpeg Site.

4.3.19 Costs Chargeable. Should the **Community** decline to accept fee simple title of the lands within the Jenpeg Site after the approval by the **Community** of a diagram showing the lands to be surveyed and commencement of the legal survey of the site in accordance with Subsection 4.3.14, the cost of the survey, transfer and registration of title in respect of the site, if incurred by **Manitoba**, plus other reasonable costs, will be paid by the **Community** on demand.

4.3.20 Delay in Transfer of Title. Where there is a request for preparation of plans of survey and transfer in fee simple of the Jenpeg Site under Subsection 4.3.13 and there are delays in the transfer of title of the lands within the development plan or site plan due to **Manitoba's** inability to complete the surveys, the **Land Use Permit** issued under Subsection 4.3.1 will continue to be renewable annually without fee to the **Community** until the lands are transferred in fee simple to the **Community**.

#### 4.4 MINAGO RIVER SITE

4.4.1 Issuance of Land Use Permit. As soon as reasonably practical following the **Date of this Agreement**, **Manitoba** will issue a **Land Use Permit** to the **Community** for the **Community Development Site** called the Minago River Site.

4.4.2 Renewable. Subject to Subsection 4.4.3, the **Land Use Permit** issued under Subsection 4.4.1 will be renewable annually without fee for a period of ten (10) years.

4.4.3 Fees. Subject to Subsection 4.4.8, after ten (10) years from the date a **Land Use Permit** was first issued for the Minago River Site under Subsection 4.4.1, **Manitoba** may charge fees in accordance with any law or policy applying generally to Crown land permits.

4.4.4 Use of Minago River Site. The Minago River Site will be used for campground and tourism development purposes.

- 4.4.5 Preparation of Development Plan or Site Plan. Following the issuance of a **Land Use Permit** under Subsection 4.4.1, the **Community** may, in its discretion and in consultation with **Manitoba**, prepare a plan that depicts the boundaries of the Minago River Site and may depict proposed internal boundaries identifying portions of the site for the purpose of assigning permits to individuals or groups under Subsection 4.4.6. This plan may be either a “site plan” or a “development plan”. A “site plan” is prepared based on a physical inspection of the site and will typically display boundaries of the parcel, significant natural and man-made features, such as the water’s edge, roads and transmission lines, as well as the size and location of proposed buildings or structures. A “development plan” is prepared without a physical inspection of the site based on available mapping or aerial photography.
- 4.4.6 Application for Use. Following completion of a plan in accordance with Subsection 4.4.5 and approval of the plan by **Manitoba**, the **Community Council** may invite and accept applications from individuals or groups, requesting the use of a portion of the Minago River Site for campground or tourism development purposes.
- 4.4.7 Assignment of Land Use Permit. Upon receipt of an application under Subsection 4.4.6, the **Community Council** will consider the application and, subject to approval by **Manitoba**, may assign the **Land Use Permit** issued by **Manitoba** to the applicant for the use of a portion of the Minago River Site. The **Community Council** will advise the applicant of its decision within ninety (90) days.
- 4.4.8 Assignment is Subject to Conditions. In addition to any conditions under Subsection 4.4.7, any assignment by the **Community Council** for the use of a portion of the Minago River Site under Subsection 4.4.7 shall provide that the use is subject to all of the terms and conditions of the **Land Use Permit** issued by **Manitoba**, including, without limitation, all of the provisions of *The Crown Lands Act* and regulations, the development plan or site plan prepared under Subsection 4.4.5, and any additional conditions that the **Community Council** and the assignee agree to, including any payment to the **Community**.
- 4.4.9 Monitoring Authorized Use. The **Community Council** shall monitor any use it has authorized by assignment under Subsection 4.4.7.
- 4.4.10 Cancellation of Assignment. The **Community Council** shall cancel the use it has authorized under Subsection 4.4.7 where the portion of the Minago River Site:
- (a) is not being used for the purposes authorized in the assignment under Subsection 4.4.7 within a prescribed period of time from the date of such authorization; or

- (b) is being used for a purpose other than the purposes authorized in the assignment by the **Community Council**; or
- (c) is not being used in accordance with the terms and conditions of the assignment, including any of the provisions of *The Crown Lands Act* and regulations;

and shall notify **Manitoba** in writing of the cancellation.

4.4.11 Reversion. Where an assignment for the use of a portion of the Minago Site is cancelled pursuant to Subsection 4.4.10, the portion of the site will revert to the **Community**.

4.4.12 Renewal of Use. The assignment for the use of a portion of the Minago River Site may be renewed for campground and tourism development purposes and in this case, Subsections 4.4.7 to 4.4.11, inclusive, will apply.

4.4.13 Request for Preparation of Plan of Survey and Transfer in Fee Simple. Following the issuance of the **Land Use Permit** under Subsection 4.4.1, the **Community Council** may request in writing to **Manitoba** that a plan of survey of the Minago River Site be prepared so that the lands identified within the plan of survey to be held by the **Community** in fee simple are able to be transferred by **Manitoba** to the **Community**, in which case Subsections 4.4.14 to 4.4.20, inclusive, will apply.

4.4.14 Preparation of Plan of Survey. Where the **Community Council** makes a request under Subsection 4.4.13, **Manitoba** will, in consultation with the **Community**,

- (a) undertake the field work necessary to assess the location of the **Development Setback Line** and proposed parcel location;
- (b) prepare a diagram showing the lands to be surveyed; and
- (c) where the diagram is approved by the **Community**, prepare a plan of survey of the boundaries of the Minago River Site, which will include legal surveys.

4.4.15 Legal Surveys. In conducting surveys necessary for preparing the plan of survey under Subsection 4.4.14, **Manitoba** will

- (a) initiate a legal survey of the Minago River Site within a reasonable time period taking into account the then current volume of survey work being done by **Manitoba**;

- (b) advise the **Community** of the date on which the legal survey of the Minago River Site will commence; and
- (c) complete the legal survey in accordance with the survey instructions set out in Schedule 4.3.

Schedule 4.3 will also be applicable to any surveys of the Minago River Site conducted by the **Community**.

4.4.16 Registration of Transfer of Title. Subject to Subsection 4.4.17, upon completion of the survey of the Minago River Site and confirmation by **Council Resolution** substantially in the form and content of Schedule 4.4 that the lands identified in the plan for transfer are to be transferred to the **Community**, **Manitoba** will register, in the appropriate Land Titles Office, a transfer to the **Community** of fee simple title in relation to the lands.

4.4.17 Authorization of Use by **Community Council** and Cancellation of **Land Use Permit**. Immediately following the transfer to the **Community** of the lands within the plan of survey of the Minago River Site in fee simple title under Subsection 4.4.16,

- (a) the **Community Council** may, in accordance with the **Community's** land use policies, authorize the individual or group, who had been assigned the use of a portion of the Minago River Site under Subsection 4.4.7, to use the same portion of the site; and
- (b) **Manitoba** will cancel the **Land Use Permit** previously issued to the **Community**.

4.4.18 Costs of Surveys and Transfers. Subject to Subsection 4.4.19, where a request for preparation of a plan of survey and transfer in fee simple title of the Minago River Site is made under Subsection 4.4.13, **Manitoba** will complete the plan of survey, including the legal survey, and transfer and registration of title for the site at no cost to the **Community**, including payment of any land transfer tax which may otherwise be payable. The **Community** will be responsible for the costs associated with any future subdivision of the Minago River Site.

4.4.19 Costs Chargeable. Should the **Community** decline to accept fee simple title of the lands within the Minago River Site after the approval by the **Community** of a diagram showing the lands to be surveyed and commencement of the legal survey of the site in accordance with Subsection 4.4.14, the cost of the survey, transfer and registration of title in respect of the site, if incurred by **Manitoba**, plus other reasonable costs, will be paid by the **Community** on demand.

4.4.20 Delay in Transfer of Title. Where there is a request for preparation of a plan of survey and transfer in fee simple of the Minago River Site under Subsection 4.4.13 and there are delays in the transfer of title of the lands due to **Manitoba's** inability to complete the surveys, the **Land Use Permit** issued under Subsection 4.4.1 will continue to be renewable annually without fee to the **Community** until the lands are transferred in fee simple to the **Community**.

#### 4.5 PELCOMBE BAY SITE

4.5.1 Issuance of Land Use Permits. As soon as reasonably practical following the **Date of this Agreement**, **Manitoba** will issue a **Land Use Permit** to the **Community** for the **Community Development Site** called the Pelcombe Bay Site.

4.5.2 Renewable. Subject to Subsection 4.5.3, the **Land Use Permit** issued under Subsection 4.5.1 will be renewable annually without fee for a period of ten (10) years.

4.5.3 Fees. Subject to Subsection 4.5.19, after ten (10) years from the date a **Land Use Permit** was first issued for the Pelcombe Bay Site under Subsection 4.5.1, **Manitoba** may charge fees in accordance with any law or policy applying generally to Crown land permits.

4.5.4 Use of Pelcombe Bay Site. The Pelcombe Bay Site will be used for cottage subdivision, and other recreational and tourism development purposes.

4.5.5 Application for Use. Following completion of a plan of subdivision for the Pelcombe Bay Site as provided for in Subsection 4.5.13, the **Community Council** may invite and accept applications from individuals or groups, requesting the use of a lot within the subdivision of the Pelcombe Bay Site for cottage or other recreational or tourism development purposes.

4.5.6 Assignment of Land Use Permit. Upon receipt of an application under Subsection 4.5.5, the **Community Council** will consider the application and, subject to approval by **Manitoba**, may assign the **Land Use Permit** issued by **Manitoba** to the applicant for the use of a lot within the subdivision. The **Community Council** will advise the applicant of its decision within ninety (90) days.

4.5.7 Assignment is subject to Conditions. In addition to any conditions under Subsection 4.5.6, any assignment by the **Community Council** for the use of a lot under Subsection 4.5.6 shall provide that the use is subject to all of the terms and conditions of the **Land Use Permit** issued by **Manitoba**, including, without limitation, all of the provisions of *The Crown Lands Act* and regulations, the plan of subdivision prepared under Subsection 4.5.13, and any additional conditions



that the **Community Council** and the assignee agree to, including any payment to the **Community**.

4.5.8 Monitoring Authorized Use. The **Community Council** shall monitor the use of any lot it has authorized by assignment under Subsection 4.5.6.

4.5.9 Cancellation of Assignment. The **Community Council** shall cancel the use it has authorized by assignment under Subsection 4.5.6 where the lot:

- (a) is not being used for the purposes authorized in the assignment under Subsection 4.5.6 within a prescribed period of time from the date of such authorization; or
- (b) is being used for a purpose other than the purposes authorized in the assignment by the **Community Council**; or
- (c) is not being used in accordance with the terms and conditions of the assignment, including any of the provisions of *The Crown Lands Act* and regulations;

and shall notify **Manitoba** in writing of the cancellation.

4.5.10 Reversion. Where an assignment for the use of a lot is cancelled pursuant to Subsection 4.5.9, the lot will revert to the **Community**.

4.5.11 Renewal of Use. The assignment for the use of a lot within the subdivision of the Pelcombe Bay Site may be renewed for cottage or other recreational or tourism development purposes and in this case, Subsections 4.5.6 to 4.5.10, inclusive, will apply.

4.5.12 Request for Preparation of Plan of Subdivision and Transfer in Fee Simple. Following the issuance of a **Land Use Permit** under Subsection 4.5.1, the **Community Council** may request in writing to **Manitoba** that a plan of subdivision for the Pelcombe Bay Site be prepared so that the lands identified within the plan of subdivision to be held by the **Community** in fee simple are able to be transferred by **Manitoba** to the **Community**, in which case Subsection 4.5.13 to 4.5.19, inclusive, will apply.

4.5.13 Preparation of Plan of Subdivision. Where the **Community Council** makes a request under Section 4.5.12 within ten (10) years of the issuance of a **Land Use Permit**, **Manitoba** will, in consultation with the **Community**,

- (a) undertake the field work necessary to assess the location of the **Development Setback Line** and proposed lots or parcel locations;

- (b) prepare a diagram showing the lands to be surveyed; and
- (c) where the diagram is approved by the **Community**, prepare a plan or plans of subdivision for the Pelcombe Bay Site, which will include legal surveys of the plan of subdivision and public roads within the site.

The **Community** will be responsible for the preparation of any plans of subdivision of the Pelcombe Bay Site not requested within ten (10) years of the date on which the **Land Use Permit** was first issued for the Pelcombe Bay Site.

4.5.14 Legal Surveys. In conducting surveys necessary for preparing a plan of subdivision under Subsection 4.5.13, **Manitoba** will

- (a) initiate legal surveys of the plan of subdivision within a reasonable time period taking into account the then current volume of survey work being done by **Manitoba**;
- (b) advise the **Community** of the date on which legal surveys of the plan of subdivision for the Pelcombe Bay Site will commence; and
- (c) complete the legal surveys in accordance with the survey instructions set out in Schedule 4.3.

Schedule 4.3 will also be applicable to any surveys of the Pelcombe Bay Site conducted by the **Community**.

4.5.15 Registration of Transfer of Title. Subject to Subsection 4.5.16, upon completion of the survey and the plan of subdivision for the Pelcombe Bay Site and confirmation by **Council Resolution** substantially in the form and content of Schedule 4.4 that the lands identified in the plan for transfer are to be transferred to the **Community**, **Manitoba** will register, in the appropriate Land Titles Office, a transfer to the **Community** of fee simple title in relation to the lands within the plan of subdivision.

4.5.16 Authorization of Use by **Community** and Cancellation of **Land Use Permit**. Immediately following the transfer to the **Community** of the lands within the plan of subdivision of the Pelcombe Bay Site in fee simple title under Subsection 4.5.15,

- (a) the **Community Council** may, in accordance with the **Community's** land use policies, authorize the individual or group, who had been assigned the use of a lot under Subsection 4.5.6, to use the same lot within the plan of subdivision; and

- (b) **Manitoba** will cancel the **Land Use Permit** previously issued to the **Community** for the Pelcombe Bay Site.

4.5.17 Costs of Surveys and Transfers. Subject to Subsection 4.5.18, where a request for the preparation of a plan of subdivision and transfer in fee simple title of the Pelcombe Bay Site is made under Subsection 4.5.12 within ten (10) years of the date on which the **Land Use Permit** was first issued for the Pelcombe Bay Site, **Manitoba** will complete the plan of subdivision, including legal surveys, and transfers and registrations of title for the site at no cost to the **Community**, including payment of any land transfer tax which may otherwise be payable. The **Community** will be responsible for the costs associated with any future subdivision of the Pelcombe Bay Site not requested within ten (10) years of the date on which the **Land Use Permit** was first issued for the Pelcombe Bay Site.

4.5.18 Costs Chargeable. Should the **Community** decline to accept fee simple title of lands within the plan of subdivision of the Pelcombe Bay Site after the approval by the **Community** of a diagram showing the lands to be surveyed and commencement of the legal survey of the subdivision in accordance with Subsection 4.5.13, the cost of the survey, transfer and registration of title in respect of the lands within the subdivision, if incurred by **Manitoba**, plus other reasonable costs, will be paid by the **Community** on demand.

4.5.19 Delay in Transfer of Title. Where there is a request for transfer in fee simple of the Pelcombe Bay Site under Subsection 4.5.12 and there are delays in the transfer of title of the lands within the plan of subdivision due to **Manitoba's** inability to complete the surveys, the **Land Use Permit** issued under Subsection 4.5.1 will continue to be renewable annually without fee to the **Community** until the lands are transferred in fee simple to the **Community**.

## 4.6 WALKER LAKE RECREATION SITES

4.6.1 Issuance of Land Use Permits. As soon as reasonably practical following the **Date of this Agreement**, **Manitoba** will issue a **Land Use Permit** to the **Community** for the **Community Development Site** called the Walker Lake Recreation Sites.

4.6.2 Renewable. Subject to Subsection 4.6.3, the **Land Use Permit** issued under Subsection 4.6.1 will be renewable annually without fee for a period of ten (10) years.

4.6.3 Fees. Subject to Subsection 4.6.19, after ten (10) years from the date a **Land Use Permit** was first issued for the Walker Lake Recreation Sites under Subsection 4.6.1, **Manitoba** may charge fees for that site in accordance with any law or policy applying generally to Crown land permits.

- 4.6.4 Use of Walker Lake Recreation Sites. The Walker Lake Recreation Sites will be used for cottage subdivision and recreation purposes.
- 4.6.5 Application for Use. Following completion of a plan of subdivision for the Walker Lake Recreation Sites as provided for in Subsection 4.6.13, the **Community Council** may invite and accept applications from individuals or groups, requesting the use of a lot within the subdivision of the Walker Lake Recreation Sites for cottage or recreation purposes.
- 4.6.6 Assignment of Land Use Permit. Upon receipt of an application under Subsection 4.6.5, the **Community Council** will consider the application and, subject to approval by **Manitoba**, may assign the **Land Use Permit** issued by **Manitoba** to the applicant for the use of the lot within the subdivision. The **Community Council** will advise the applicant of its decision within ninety (90) days.
- 4.6.7 Assignment is subject to Conditions. In addition to any conditions under Subsection 4.6.6, any assignment by the **Community Council** for the use of a lot under Subsection 4.6.6 shall provide that the use is subject to all of the terms and conditions of the **Land Use Permit** issued by **Manitoba**, including, without limitation, all of the provisions of *The Crown Lands Act* and regulations, the plan of subdivision prepared under Subsection 4.6.13, and any additional conditions that the **Community Council** and the assignee agree to, including any payment to the **Community**.
- 4.6.8 Monitoring Authorized Use. The **Community Council** shall monitor the use of any lot it has authorized by assignment under Subsection 4.6.6.
- 4.6.9 Cancellation of Assignment. The **Community Council** shall cancel the use it has authorized by assignment under Subsection 4.6.6 where the lot:
- (a) is not being used for the purposes authorized in the assignment under Subsection 4.6.6 within a prescribed period of time from the date of such authorization; or
  - (b) is being used for a purpose other than the purposes authorized in the assignment by the **Community Council**; or
  - (c) is not being used in accordance with the terms and conditions of the assignment, including any of the provisions of *The Crown Lands Act* and regulations;

and shall notify **Manitoba** in writing of the cancellation.

- 4.6.10 Reversion. Where an assignment for the use of a lot is cancelled pursuant to Subsection 4.6.9, the lot will revert to the **Community**.
- 4.6.11 Renewal of Use. The assignment for the use of a lot within the subdivision of the Walker Lake Recreation Sites may be renewed for cottage or recreation purposes and in this case, Subsections 4.6.6 to 4.6.10, inclusive, will apply.
- 4.6.12 Request for Preparation of Plan of Subdivision and Transfer in Fee Simple. Following the issuance of a **Land Use Permit** under Subsection 4.6.1, the **Community Council** may request in writing to **Manitoba** that a plan of subdivision of the Walker Lake Recreation Sites be prepared so that the lands within the plan of subdivision to be held by the **Community** in fee simple are able to be transferred by **Manitoba** to the **Community**, in which case Subsections 4.6.13 to 4.6.19, inclusive, will apply.
- 4.6.13 Preparation of Plan of Subdivision. Where the **Community Council** makes a request under Subsection 4.6.12 within ten (10) years of the issuance of a **Land Use Permit**, **Manitoba** will, in consultation with the **Community**,
- (a) undertake the field work necessary to assess the location of the **Development Setback Line** and proposed lots or parcel locations;
  - (b) prepare a diagram showing the lands to be surveyed; and
  - (c) where the diagram is approved by the **Community**, prepare a plan of subdivision for the Walker Lake Recreation Sites, which will include legal surveys of the plan of subdivision and public roads within the sites. The plan of subdivision prepared for the Walker Lake Recreation Sites pursuant to this Subsection must take into account environmental, logistical and cost factors.

The **Community** will be responsible for the preparation of any plans of subdivision of the Walker Lake Recreation Sites not requested within ten (10) years of the date on which the **Land Use Permit** was first issued for the Walker Lake Recreation Sites.

- 4.6.14 Legal Surveys. In conducting surveys necessary for preparing a plan of subdivision under Subsection 4.6.13, **Manitoba** will
- (a) initiate legal surveys of the plan of subdivision within a reasonable time period taking into account the then current volume of survey work being done by **Manitoba**;
  - (b) advise the **Community** of the date on which legal surveys of the plan of subdivision for the Walker Lake Recreation Sites will commence; and

- (c) complete the legal surveys in accordance with the survey instructions set out in Schedule 4.3.

Schedule 4.3 will also be applicable to any surveys of the Walker Lake Recreation Sites conducted by the **Community**.

4.6.15 Registration of Transfer of Title. Subject to Subsection 4.6.16, upon completion of the survey and a plan of subdivision for the Walker Lake Recreation Sites and confirmation by **Council Resolution** substantially in the form and content of Schedule 4.4 that the lands identified in the plan for transfer are to be transferred to the **Community, Manitoba** will register, in the appropriate Land Titles Office, a transfer to the **Community** of fee simple title in relation to the lands within the plan of subdivision.

4.6.16 Authorization of Use by **Community Council** and Amendment or Cancellation of **Land Use Permit**. Immediately following the transfer to the **Community** of the lands within a plan of subdivision of the Walker Lake Recreation Sites in fee simple title under Subsection 4.6.15,

- (a) the **Community Council** may, in accordance with the **Community's** land policies, authorize the individual or group, who had been assigned the use of a lot under Subsection 4.6.6, to use the same lot within the plan of subdivision; and
- (b) subject to paragraph (c), **Manitoba** will amend the **Land Use Permit** previously issued to the **Community** to exclude the lands within the plan of subdivision transferred in fee simple title to the **Community** from the permitted area; and
- (c) upon the last transfer of lands within a plan of subdivision, at the request of the **Community, Manitoba** will cancel the **Land Use Permit** previously issued to the **Community** for the Walker Lake Recreation Sites.

4.6.17 Costs of Surveys and Transfers. Subject to Subsection 4.6.18, where a request for the preparation of a plan of subdivision and transfer in fee simple title of the Walker Lake Recreation Sites is made under Subsection 4.6.12 within ten (10) years of the date on which the **Land Use Permit** was first issued for the Walker Lake Recreation Sites, **Manitoba** will complete the plan of subdivision, including legal surveys, and transfers and registrations of title for the site at no cost to the **Community**, including payment of any land transfer tax which may otherwise be payable. The **Community** will be responsible for the costs associated with any future subdivision of the Walker Lake Recreation Sites not requested within ten (10) years of the date on which the **Land Use Permit** was first issued for the Walker Lake Recreation Sites.

4.6.18 Costs Chargeable. Should the **Community** decline to accept fee simple title of lands identified in the plan of subdivision of the Walker Lake Recreation Sites after the approval by the **Community** of a diagram showing the lands to be surveyed and commencement of the legal survey of the subdivision in accordance with Subsection 4.6.13, the cost of the survey, transfer and registration of title in respect of the lands within the plan of subdivision, if incurred by **Manitoba**, plus other reasonable costs, will be paid by the **Community** on demand.

4.6.19 Delay in Transfer of Title. Where there is a request for transfer in fee simple of the Walker Lake Recreation Sites under Subsection 4.6.12 and there are delays in the transfer of title of the lands within the plan of subdivision due to **Manitoba's** inability to complete the surveys, the **Land Use Permit** issued under Subsection 4.6.1 will continue to be renewable annually without fee to the **Community** until the lands are transferred in fee simple to the **Community**.

## **PART B – COMMUNITY DEVELOPMENT SITES (PERMIT LANDS)**

### **4.7 COMMUNITY DEVELOPMENT SITES - PERMIT LANDS**

4.7.1 Issuance of Land Use Permits. As soon as reasonably practical following the **Date of this Agreement**, **Manitoba** will issue a **Land Use Permit** to the **Community** for each of the **Community Development Sites** described in Part B of Schedule 4.1.

4.7.2 Renewable. Subject to Subsection 4.7.3, the **Land Use Permits** issued under Subsection 4.7.1 will be renewable annually without fee for a period of twenty (20) years.

4.7.3 Fees. After twenty (20) years from the date a **Land Use Permit** was first issued under Subsection 4.7.1 for a Site listed in Part B of Schedule 4.1, **Manitoba** may charge fees in accordance with any law or policy applying generally to Crown land permits.

4.7.4 Use of Community Development Sites – Permit Lands. The **Community Development Sites** will be used for the following community purposes:

- (a) Opuskaweek, Kwayskaskipchiwano and Walker River North Shore Sites – traditional uses, recreational and tourism development purposes;
- (b) Carrot River-West Site – traditional uses, and recreational, tourism development and main lodge purposes; and

- (c) Kaspaswaypanik Lake, Carrot River-Central and Carrot River-East Sites – cabin sites.
- 4.7.5 Preparation of Development Plan or Site Plan. Following the issuance of **Land Use Permits** under Subsection 4.7.1, the **Community** may, in its discretion and in consultation with **Manitoba**, prepare a plan for each of the **Community Development Sites** that depicts the boundaries of the **Community Development Site** and may depict proposed internal boundaries identifying portions of the site for the purpose of assigning permits to individuals or groups under Subsection 4.7.6. This plan may be either a “site plan” or a “development plan”. A “site plan” is prepared based on a physical inspection of the site and will typically display boundaries of the parcel, significant natural and man-made features, such as the water’s edge, roads and transmission lines, as well as the size and location of proposed buildings or structures. A “development plan” is prepared without a physical inspection of the site based on available mapping or aerial photography.
- 4.7.6 Application for Use. Following completion of a plan in accordance with Subsection 4.7.5 and approval of the plan by **Manitoba**, the **Community Council** may invite and accept applications from individuals or groups, requesting the use of a portion of a **Community Development Site** listed in Subsection 4.7.4 and Part B of Schedule 4.1 for the purposes described in the same Subsection and Schedule.
- 4.7.7 Assignment of Land Use Permit. Upon receipt of an application under Subsection 4.7.6, the **Community Council** will consider the application and, subject to approval by **Manitoba**, may assign a **Land Use Permit** issued by **Manitoba** to the applicant for the use of a portion a **Community Development Site**. The **Community Council** will advise the applicant of its decision within ninety (90) days.
- 4.7.8 Assignment is subject to Conditions. In addition to any conditions under Subsection 4.7.7, any assignment by the **Community Council** for the use of a portion of a **Community Development Site** listed in Subsection 4.7.4 and Part B of Schedule 4.1, under Subsection 4.7.7 shall provide that the use is subject to all of the terms and conditions of the **Land Use Permit** issued by **Manitoba**, including, without limitation, all of the provisions of *The Crown Lands Act* and regulations, the development plan or site plan prepared under Subsection 4.7.5, and any additional conditions that the **Community Council** and the assignee agree to, including any payment to the **Community**.
- 4.7.9 Monitoring Authorized Use. The **Community Council** shall monitor the use of any portion of a **Community Development Site** listed in Subsection 4.7.4 and Part B of Schedule 4.1 it has authorized by assignment under Subsection 4.7.7.



4.7.10 Cancellation of Assignment. The **Community Council** shall cancel the use it has authorized by assignment under Subsection 4.7.7 where the portion of a **Community Development Site**:

- (a) is not being used for the purposes authorized in the assignment under Subsection 4.7.7 within a prescribed period of time from the date of such authorization; or
- (b) is being used for a purpose other than the purposes authorized in the assignment by the **Community Council**; or
- (c) is not being used in accordance with the terms and conditions of the assignment, including any of the provisions of *The Crown Lands Act* and regulations;

and shall notify **Manitoba** in writing of the cancellation.

4.7.11 Reversion. Where the assignment for the use of a portion of a **Community Development Site** is cancelled pursuant to Subsection 4.7.10, the portion of the **Community Development Site** will revert to the **Community**.

4.7.12 Renewal of Use. The assignment of the use of a portion of a **Community Development Site** listed in Subsection 4.7.4 and Part B of Schedule 4.1 may be renewed for the purposes described in the same Subsection and Schedule, and in this case, Subsections 4.7.7 to 4.7.11, inclusive, will apply.

4.7.13 Request for Lease. The **Community** may apply in writing to **Manitoba** requesting a lease of a portion of a **Community Development Site** listed in Subsection 4.7.4 and Part B of Schedule 4.1 in accordance with the development plan or site plan for the purpose of enabling development. **Manitoba** will consider the application, and subject to *The Crown Lands Act* and regulations and the completion and registration of a survey in accordance with Subsection 4.7.14, **Manitoba** will issue a lease to the **Community** on terms similar to those in the **Land Use Permit** issued to the **Community**.

4.7.14 Survey and registration of survey. Prior to the issuance of a lease under Subsection 4.7.13, the **Community** shall cause to be completed a survey of the boundaries of the lands to be leased and to register the plan of survey in the Land Titles Office at its own expense.

4.7.15 Fees for lease. The **Community** will not be required to pay to **Manitoba** any rent or fees for a lease issued by **Manitoba** under Subsection 4.7.13 for a period of twenty (20) years from the date the **Land Use Permit** was first issued under Subsection 4.7.1. After twenty (20) years, **Manitoba** may charge rent or fees in accordance with any law or policy applying generally to Crown land leases.

4.7.16 Assignment of Lease or Sublease. The **Community Council**, may, subject to the approval of **Manitoba**, such approval not to be unreasonably withheld, assign or sublet the lease issued under Subsection 4.7.13.

4.7.17 Conditions of Assignment or Sublease. Any assignment or sublease shall provide that the person to whom it is assigned or sublet will comply with all the terms of the lease and any additional conditions that the **Community Council** and the assignee agree to, including any payment to the **Community**.

## PART C – QUARRY LEASE SITES

### 4.8 QUARRY LEASE SITES

4.8.1 Grant of Quarry Lease. Within ten (10) days following the **Date of this Agreement**, the **Community** will request and **Manitoba** will grant a quarry lease to the **Community** for sand, gravel, rock or stone (processed stone) and clay for each of the **Quarry Lease Sites** listed in Part C of Schedule 4.1 and described by the following UTM NAD83 coordinates for a ten (10) year term that will automatically renew for a further ten (10) year term, pursuant to subsection 14(6) of *The Mines and Minerals Act*, in the form and content of Schedule 4.5, on the condition that the **Community** pay the rehabilitation levy, but without any royalty, rent, application fee or any other charge:

SITE	UTM NAD83 COORDINATES
Site 13	591426, 6046685 591637, 6046441 591390, 6046237 591181, 6046479
Site 14	600607, 6043714 600600, 6043391 600280, 6043405 600287, 6043724
Site 15	603040, 6044718 603251, 6044474 603004, 6044270 602796, 6044512
Site 16	607012, 6049800 607290, 6049636 607121, 6049364 606846, 6049527
Site 17	610418, 6051062 610645, 6050832 610412, 6050613 610188, 6050841

- 4.8.2 Renewal of Lease on Expiry and Fees. Prior to the expiry of the second term of a quarry lease granted in accordance with Subsection 4.8.1, the **Community** may apply for a renewal of the quarry lease for a **Quarry Lease Site**. After twenty (20) years from the date a quarry lease was first issued for a **Quarry Lease Site**, **Manitoba** may charge fees in accordance with any law or policy applying generally to quarry leases.

## **PART D – CROSS LAKE COMMUNITY BOUNDARY EXPANSION AREA**

### **4.9 CROSS LAKE COMMUNITY BOUNDARY EXPANSION AREA**

- 4.9.1 Cross Lake Community Boundary Expansion Area. The **Cross Lake Community Boundary Expansion Area** has been determined based on consultation between **Manitoba** and the **Community**. These lands are described generally in Part D of Schedule 4.1 and are described more specifically as follows:

The south half of section 27, the north half and the north half of the south half of section 22, the southwest quarter of section 26, and sections 23 and 24 in unsurveyed township 65-3 EPM and sections 19 and 20, the northeast quarter of section 17 and all that portion of the northwest quarter of section 16 in unsurveyed township 65-4 EPM lying east of and contiguous with the government road allowance adjoining the said northeast quarter;

INCLUDING all those portions of unsurveyed government road allowances lying within the above described land and;

EXCLUDING the bed of Walker Lake and all islands contained within the limits of Walker Lake.

Prior to the **Date of this Agreement**, **Manitoba**, in consultation with the **Community**, prepared an administrative boundary plan of the **Cross Lake Community Boundary Expansion Area**. As soon as reasonably practicable after the **Date of this Agreement**, **Manitoba** will file the plan in the Office of the Director of Surveys.

- 4.9.2 Reservation by Manitoba. **Manitoba** will withdraw the **Cross Lake Community Boundary Expansion Area** from disposition from the **Date of this Agreement** until **Manitoba**, by regulation, expands the official boundary of the **Community** to include the **Cross Lake Community Boundary Expansion Area** in accordance with this **Agreement** and until that time, any disposition affecting this area will be limited to those dispositions which have been authorized and approved by the **Community Council**.

- 4.9.3 Expansion of Community Boundary. **Manitoba** will, by regulation under *The Northern Affairs Act*, expand the official boundary of the **Community** to include the **Cross Lake Community Boundary Expansion Area**.
- 4.9.4 Use of Cross Lake Community Boundary Expansion Site. The **Cross Lake Community Boundary Expansion Area** will be used for future community purposes.
- 4.9.5 Preparation of Development Plan. Upon expansion of the official boundary of the **Community** to include the **Cross Lake Community Boundary Expansion Area**, the **Community** will, in consultation with **Manitoba**, prepare a development plan for the area as described in *The Planning Act*.
- 4.9.6 Application for Use. Following completion of a development plan as provided for in Subsection 4.9.5, the **Community Council** may invite and accept applications from individuals or groups, requesting the use of a parcel of land within the **Cross Lake Community Boundary Expansion Area**, but not within the Walker Lake Recreation Sites. The **Community Council** will forward applications approved by the **Community Council** to **Manitoba** for consideration and approval. **Manitoba** will consider an application, and subject to land use policies applicable in the **Community**, fees payable under *The Crown Lands Act* and regulations, approval by **Hydro** and any specific conditions **Hydro** would impose, **Manitoba** will issue a **Land Use Permit** for the use of a parcel of land by the applicant. Section 4.6 of this **Agreement** governs the use by individuals of the Walker Lake Recreation Sites.
- 4.9.7 Permit renewable annually. A **Land Use Permit** issued under Subsection 4.9.6 will be renewable annually in accordance with *The Crown Lands Act* and regulations and *The Northern Affairs Act* and regulations, subject to any applicable fees.

## **PART E – WALKER LAKE TRADITIONAL USE PROTECTED AREAS**

### **4.10 WALKER LAKE TRADITIONAL USE PROTECTED AREAS**

- 4.10.1 Walker Lake Traditional Use Protected Areas. The **Walker Lake Traditional Use Protected Areas** have been determined based on consultation between **Manitoba** and the **Community**. These areas are described in Part E of Schedule 4.1.
- 4.10.2 Reservation by Manitoba. **Manitoba** will withdraw the **Walker Lake Traditional Use Protected Areas** from disposition from the **Date of this Agreement** until **Manitoba**, by Order in Council, sets aside the areas in accordance with Subsection 4.10.3, and until that time, any disposition affecting the areas will be

limited to those dispositions which have been authorized and approved by the **Community Council**.

4.10.3 Preparation of Administrative Plan and Setting Aside of Lands. As soon as reasonably practicable after the **Date of this Agreement**, **Manitoba** will, in consultation with the **Community**, prepare an administrative boundary plan of the **Walker Lake Traditional Use Protected Areas** and file it in the Office of the Director of Surveys, and will, by Order in Council, set aside the Crown (Manitoba) lands as the **Walker Lake Traditional Use Protected Areas**.

4.10.4 Other Rights or Interests not Affected. Nothing in Section 4.10 affects the right of **Hydro** to use land within the boundaries of the **Walker Lake Traditional Use Protected Areas** for **Project** purposes in accordance with any applicable water power licenses then in effect.

4.10.5 Walker Lake Traditional Use Protected Areas. Subject to Subsections 4.10.6 and 4.10.7, the following activities will be prohibited in the **Walker Lake Traditional Use Protected Areas**, without the prior written approval of the **Community** and **Manitoba**:

- (a) logging;
- (b) mining or mineral exploration (including aggregate extraction);
- (c) oil, petroleum, natural gas or hydro-electric infrastructure development; and
- (d) other activities which have an adverse affect on wildlife habitat.

4.10.6 Permitted Activities. The **Walker Lake Traditional Use Protected Areas** established under Subsection 4.10.3 will remain open for other activities, including hunting, trapping, fishing and gathering and other traditional uses or activities of residents of the **Community** and others.

4.10.7 Consideration by Manitoba/Cross Lake Community Resource Management Committee (or Cross Lake Resource Management Board where the **Committee** has been discontinued under Subsection 6.11.2). Where:

- (a) **Manitoba** or the **Community** identify specific proposed uses or activities that may take place in the **Walker Lake Traditional Use Protected Areas**; or
- (b) a proposed resource management plan that applies to all or part of the **Walker Lake Traditional Use Protected Areas** identifies specific

proposed uses or activities that may take place in the **Walker Lake Traditional Use Protected Areas**;

the matter will be referred to the **Committee** (or to the Cross Lake Resource Management Board where the **Committee** has been discontinued under Subsection 6.11.2) for consideration and recommendations in accordance with Article 6.

4.10.8 Plan development. Resource management plans that apply to all or part of the **Walker Lake Traditional Use Protected Areas** will provide that the activities listed in Subsection 4.10.5 will be prohibited, unless the **Community** agrees otherwise.

4.10.9 Restriction on disposition of Resources. **Manitoba** will not dispose of any **Resources** in the **Walker Lake Traditional Use Protected Areas** if the disposition would affect the ability of residents of the **Community** and others to use the areas as set out in Subsection 4.10.6, unless the **Community** agrees otherwise.

**PART F – CRITERIA FOR DETERMINATION OF DEVELOPMENT SETBACK LINE, LOWER BOUNDARIES OF FEE SIMPLE AND PERMIT LANDS, SURVEYS OF FEE SIMPLE BOUNDARIES BY MANITOBA, AND NO RIGHT TO OUTFITTER’S LICENCE OR PERMIT**

**4.11 CRITERIA FOR DETERMINATION OF DEVELOPMENT SETBACK LINE, LOWER BOUNDARIES OF FEE SIMPLE AND PERMIT LANDS, SURVEYS OF FEE SIMPLE BOUNDARIES BY MANITOBA**

4.11.1 Criteria for determination of Development Setback Line. The elevation and setback distance from the **OHWM** criteria listed in Section 4.11.2 for the **Development Setback Line** for the lands has been determined by a professional engineer registered to practise in Manitoba identified by **Hydro** by a process and methodology that:

- (a) considers the flooding, bank erosion and instability and, where appropriate, ice formations and effects;
- (b) is based on a combination of flood and wind events having a probability of occurrence of once every 100 years;
- (c) applies a methodology developed by the United States Army Corps of Engineers in calculating wind setup and wave uprush values; and
- (d) includes estimates of erosion based on geotechnical studies to provide sufficient shoreline offset to accommodate long-term erosion and instability.

4.11.2 Lower Boundaries of Sites 1 to 12. Except as otherwise stated in this Subsection, the lower boundaries, that is, the waterside boundaries, of Sites 1 to 12, inclusive, will be at the **Development Setback Line** for each site, which line will be based either on the elevation criteria or distance-from-**OHWM** criteria for each site, as listed below, depending on which of these criteria results in the **Development Setback Line** being located further inland from the **OHWM**. The eastern lower boundary of the Minago River Site will be 100 feet west of the **Development Setback Line** to provide for public access above the **Development Setback Line**.

SITE	NAME	DEVELOPMENT SETBACK LINE ELEVATION CRITERIA	DEVELOPMENT SETBACK LINE DISTANCE-FROM-OHWM CRITERIA
<b>FEE SIMPLE LANDS</b>			
1	Sand Bay	north and south shores 209.7m, east shore 210.1m	ten (10) metres inland of the <b>OHWM</b> for the shorelines fronting the north and south sides of the bay and twenty (20) metres inland of the <b>OHWM</b> for the shoreline fronting the east end of the bay
2	Jenpeg	210.4 m for exposed shoreline and 209.8 m for sheltered shorelines	twenty (20) metres inland of the <b>OHWM</b> for the shoreline fronting the site
3	Minago River	210.2 m for east shoreline and 209.8 for west shoreline	twenty (20) metres inland of the <b>OHWM</b> for both shorelines fronting the site
4	Pelcombe Bay	209.7 m	ten (10) metres inland of the <b>OHWM</b> for the shoreline fronting the site
5	Walker Lake Recreation	210.0 m for entire shoreline except that for the prominent spit at the most westerly side of the site, elevation will be 210.2 m	ten (10) metres inland of the <b>OHWM</b> for the shorelines fronting the sites
<b>PERMIT LANDS</b>			
6	Opuskaweek	209.7 m	ten (10) metres inland of the <b>OHWM</b> for the shorelines fronting the sites
7	Kwayskaskip-chiwano	209.7 m	ten (10) metres inland of the <b>OHWM</b> for the shorelines fronting the sites
8	Walker River North Shore	210.0 m	ten (10) metres inland of the <b>OHWM</b> for the shorelines fronting the sites
9	Carrot River West	five (5) feet above the <b>OHWM</b>	thirty and one half (30.5) metres inland of <b>OHWM</b> for the shorelines fronting the sites
10	Kapaspway-panik Lake	five (5) feet above the <b>OHWM</b>	thirty and one half (30.5) metres inland of <b>OHWM</b> for the shorelines fronting the sites
11	Carrot River Central	five (5) feet above the <b>OHWM</b>	thirty and one half (30.5) metres inland of <b>OHWM</b> for the shorelines fronting the sites
12	Carrot River East	five (5) feet above the <b>OHWM</b>	thirty and one half (30.5) metres inland of <b>OHWM</b> for the shorelines fronting the sites

- 4.11.3 Lower Boundaries of Sites 18 and 19-22. The lower boundaries of the **Cross Lake Community Boundary Expansion Area** and the **Walker Lake Traditional Use Protected Areas** will be the **OHW**.
- 4.11.4 Survey of boundaries of Fee Simple Lands by Manitoba. Where **Manitoba** is required under this **Agreement** to conduct a legal survey in order to prepare a plan of survey or plan of subdivision of the Fee Simple Lands, **Manitoba** will undertake or cause to be undertaken the survey in accordance with Schedule 4.3 and Article 4. Furthermore, where the **Community** decides to prepare a plan of subdivision of lands held in fee simple, the survey will be conducted in accordance with Schedule 4.3.
- 4.11.5 Approval prior to Registration. **Manitoba**, the **Community** and **Hydro** will review and approve the plans of survey and plans of subdivision, depicting the lower boundary and other boundaries of parcels or lots prior to their registration in Land Titles Office.

#### **4.12 NO RIGHT TO LICENCE OR PERMIT**

- 4.12.1 No Right to Licence or Permit. A **Land Use Permit** issued to the **Community** under Article 4 is not a licence or permit under *The Resource Tourism Operators Act* and does not entitle the **Community** or any **Community Organization** or any individual to obtain a licence or permit under *The Resource Tourism Operators Act*.



Schedule 4.1 Description and Maps of Community Development Sites, Quarry Lease Sites, Cross Lake Community Boundary Expansion Area, and Walker Lake Traditional Use Protected Areas

**SCHEDULE 4.1**

**DESCRIPTION AND MAPS OF COMMUNITY DEVELOPMENT SITES, QUARRY LEASE SITES, CROSS LAKE COMMUNITY BOUNDARY EXPANSION AREA, AND WALKER LAKE TRADITIONAL USE PROTECTED AREAS**

**Part A – Community Development Sites (Fee Simple Lands) (Sections 4.2 to 4.6 of Agreement)**

MAP	SITE	NAME	AREA (approximate area above DSL)	PROPOSED USE	GENERAL LOCATION
<b>FEE SIMPLE LANDS</b>					
4.1.1	1	Sand Bay	470 acres* (190 ha)	Residential and recreational use	Nakow Bay of Cross Lake, within existing Community Boundary
4.1.2	2	Jenpeg	590 acres (240 ha)	Cottage and other recreational and tourism development purposes	East of Jenpeg Generating Station on Cross Lake
4.1.3	3	Minago River	640 acres (260 ha)	Campground and tourism development purposes	East of Hwy #373 and south of Minago River
4.1.4	4	Pelcombe Bay	230 acres (90 ha)	Cottage subdivision and other recreational and tourism development purposes	Cross Lake, North side of Hwy #373, southwest of Pipestone Lake
4.1.5	5	Walker Lake Recreation	345 acres (140 ha)	Cottage subdivision and recreation purposes	South shore of Walker Lake

\*Note: this area includes the area within Crown Land General Permit #0001537 at the **Date of this Agreement**.

**Part B – Community Development Sites (Permit Lands) (Section 4.7 of Agreement)**

MAP	SITE	NAME	AREA (approximate area above DSL)	PROPOSED USE	GENERAL LOCATION
<b>PERMIT LANDS</b>					
4.1.6	6	Opuskaweek	30 acres (12 ha)	Traditional uses, recreational and tourism development purposes	Island on central west area of Walker Lake
4.1.6	7	Kwayskaskip -chiwano	120 acres (48 ha)	Traditional uses, recreational and tourism development purposes	South shore of Walker River
4.1.6	8	Walker River North Shore	85 acres (35 ha)	Traditional uses, recreational and tourism development purposes	North shore of Walker River
4.1.7	9	Carrot River West	460 acres (186 ha)	Traditional uses, recreational, tourism development and main lodge purposes	South of Kapasway-panik Lake
4.1.7	10	Kapasway- panik Lake	20 acres (8 ha)	Cabin sites	North shore of Kapasway-panik Lake
4.1.7	11	Carrot River Central	20 acres (8 ha)	Cabin sites	Carrot River east of Kapasway-panik Lake
4.1.7	12	Carrot River East	20 acres (8 ha)	Cabin sites	East on Carrot River

**Part C – Quarry Lease Sites (Section 4.8 of Agreement)**

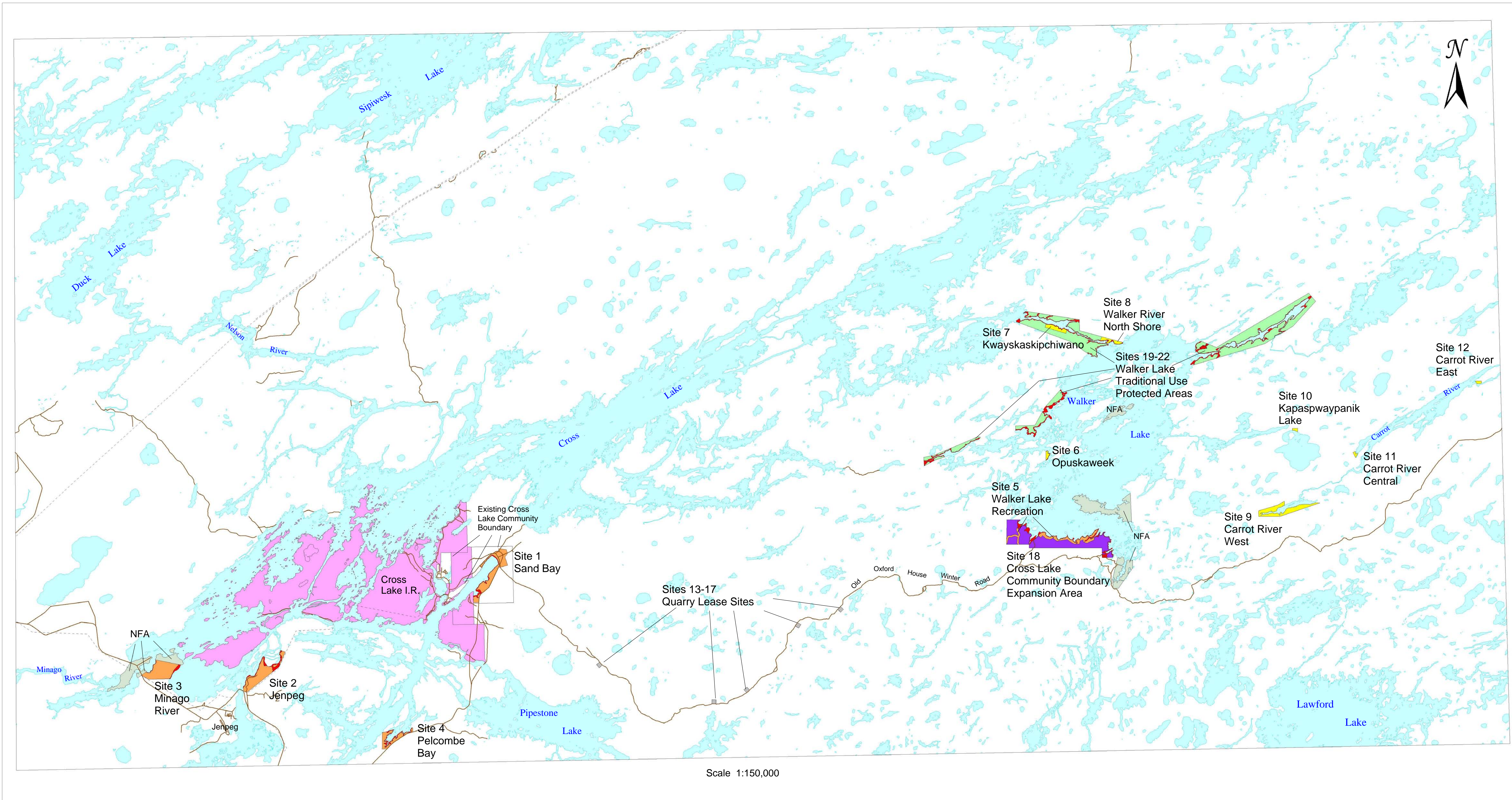
MAP	SITE	NAME	AREA (approximate area)	PROPOSED USE	GENERAL LOCATION
<b>QUARRY LEASE SITES</b>					
4.1.8	13- 17	<b>Quarry Lease Sites</b>  Mile 8, 15, 17, 21 and 24	125 (25 acres (10 ha) each)	Sand, gravel, rock or stone (processed stone) and clay	Along former Oxford House Winter Road

**Part D – Cross Lake Community Boundary Expansion Area (Section 4.9 of Agreement)**

MAP	SITE	NAME	AREA (approximate area inclusive of Site 5 and area below DSL)	PROPOSED USE	GENERAL LOCATION
<b>BOUNDARY EXPANSION</b>					
4.1.9	18	<b>Cross Lake Community Boundary Expansion Area</b>	2,355 acres (954 ha)	Future community purposes	South shore of Walker Lake, including lands within Site 5.

**Part E – Walker Lake Traditional Use Protected Areas (Section 4.10 of Agreement)**

MAP	SITE	NAME	AREA (approximate area inclusive of area below DSL)	PROPOSED USE	GENERAL LOCATION
<b>PROTECTED AREAS</b>					
4.1.10	19- 22	<b>Walker Lake Traditional Use Protected Areas</b>	5,970 acres (2416 ha)	Traditional uses	Four locations on Walker Lake



# Cross Lake Community Land Selections

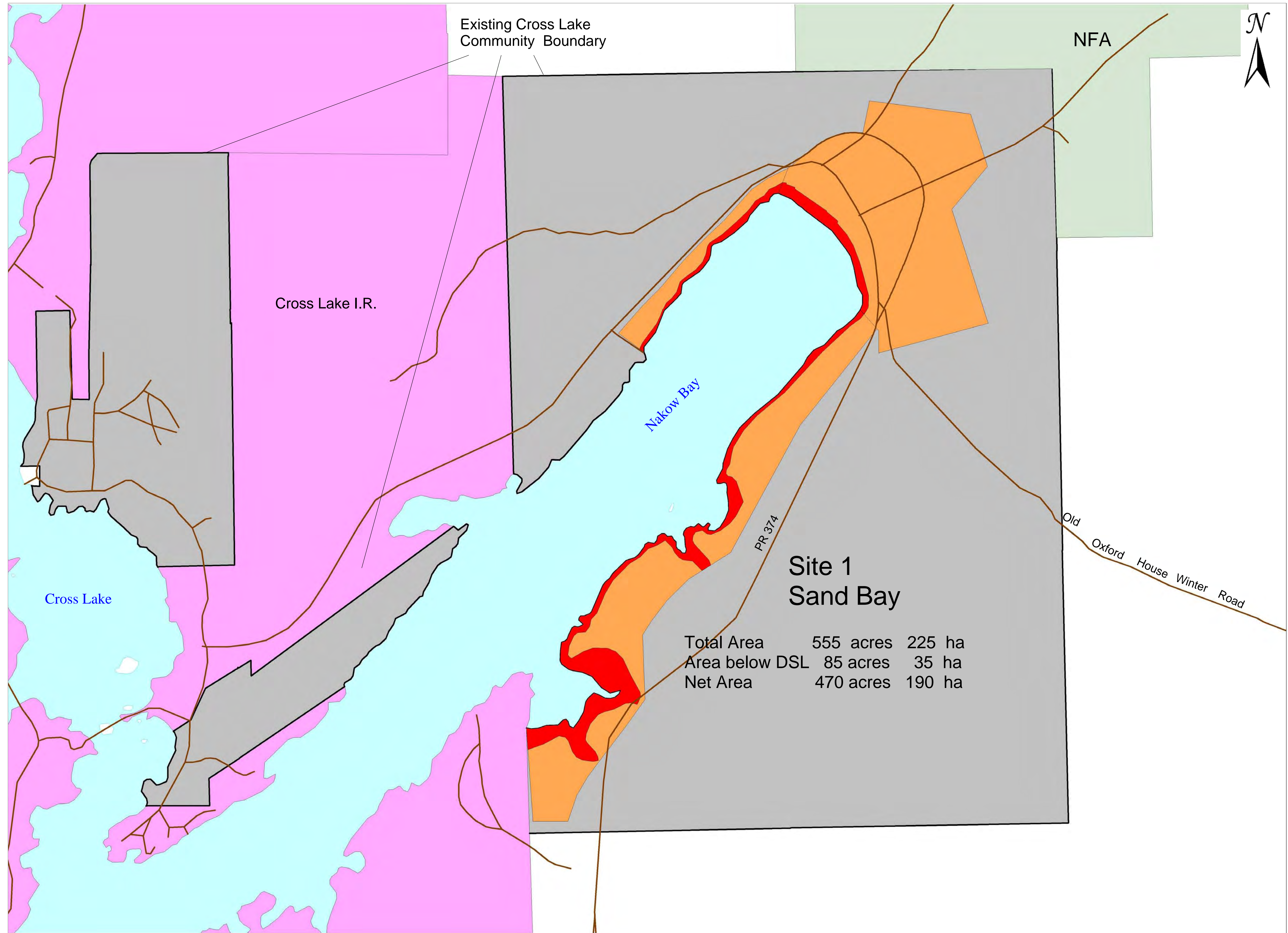
Legend	
Fee Simple Lands	Quarry Lease Sites
Permit Lands	Area Below D.S.L.
Cross Lake Community Boundary Expansion Area	Cross Lake First Nation I.R.
Walker Lake Traditional Use Protected Areas	Cross Lake First Nation N.F.A. Selection
Existing Cross Lake Community Boundary	Lakes, Rivers, Islands
Roads	Transmission Lines

Area below Development Setback Line (DSL) is an estimate only.  
All acreages are estimated.



# Map 4.1.1 Cross Lake Community Land Selections

## Site 1 Sand Bay



### Legend

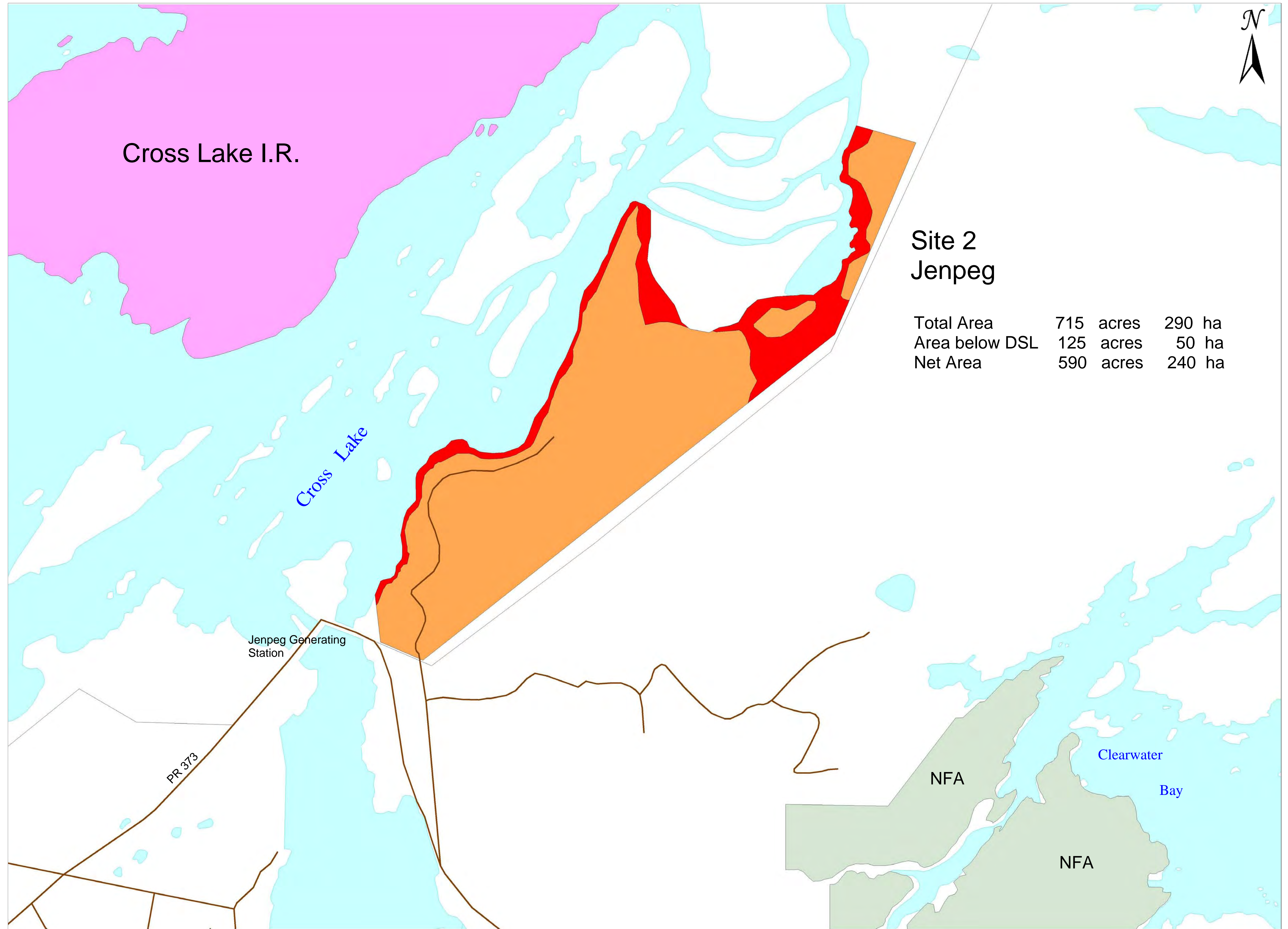
- Fee Simple Land
- Permit Land
- Cross Lake Community Boundary Expansion Area
- Walker Lake Traditional Use Protected Areas
- Quarry Lease Sites
- Cross Lake First Nation I.R.
- Cross Lake First Nation N.F.A. Selection
- Area Below D.S.L.
- Lakes, Rivers, Islands
- Existing Cross Lake Community Boundary
- Roads.....
- Transmission Lines.....

Area below Development Setback Line (DSL) is an estimate only.

All acreages are estimates

# Map 4.1.2 Cross Lake Community Land Selections

## Site 2 Jenpeg



### Site 2 Jenpeg

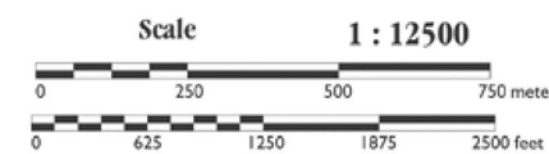
Total Area	715 acres	290 ha
Area below DSL	125 acres	50 ha
Net Area	590 acres	240 ha

### Legend

- Fee Simple Land
- Permit Land
- Cross Lake Community Boundary Expansion Area
- Walker Lake Traditional Use Protected Areas
- Quarry Lease Sites
- Cross Lake First Nation I.R.
- Cross Lake First Nation N.F.A. Selection
- Area Below D.S.L.
- Lakes, Rivers, Islands
- Existing Cross Lake Community Boundary
- Roads.....
- Transmission Lines.....

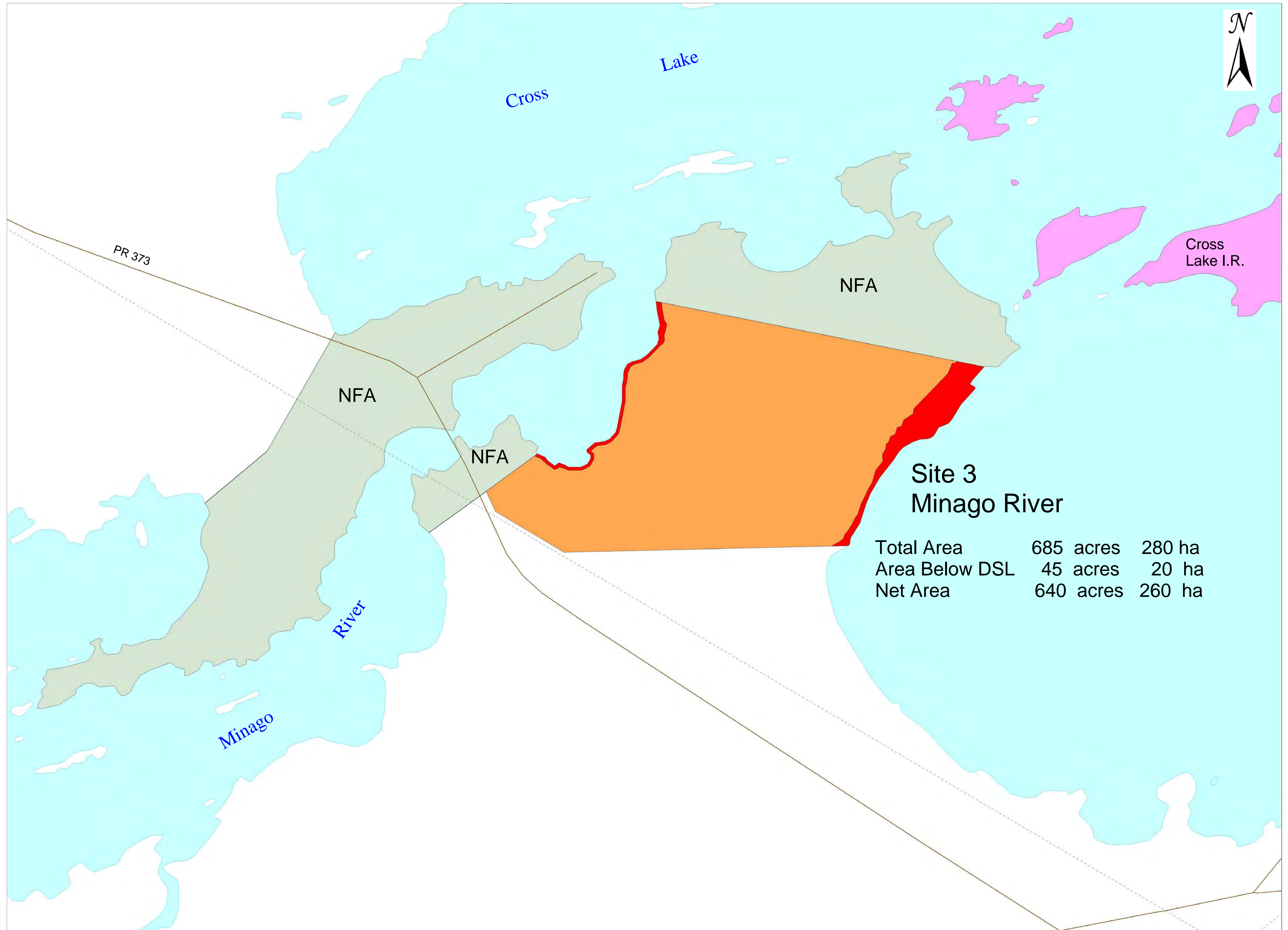
Area below Development Setback Line (DSL) is an estimate only.

All acreages are estimated



# Map 4.1.3 Cross Lake Community Land Selections

## Site 3 Minago River



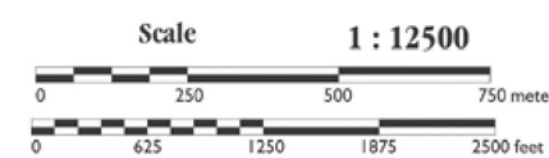
### Legend

- Fee Simple Lands
- Permit Lands
- Cross Lake Community Boundary Expansion Area
- Walker Lake Traditional Use Protected Areas
- Quarry Lease Sites
- Cross Lake First Nation I.R.
- Cross Lake First Nation N.F.A. Selection
- Area Below D.S.L.
- Lakes, Rivers, Islands
- Existing Cross Lake Community Boundary
- Roads
- Transmission Lines

**Site 3  
Minago River**

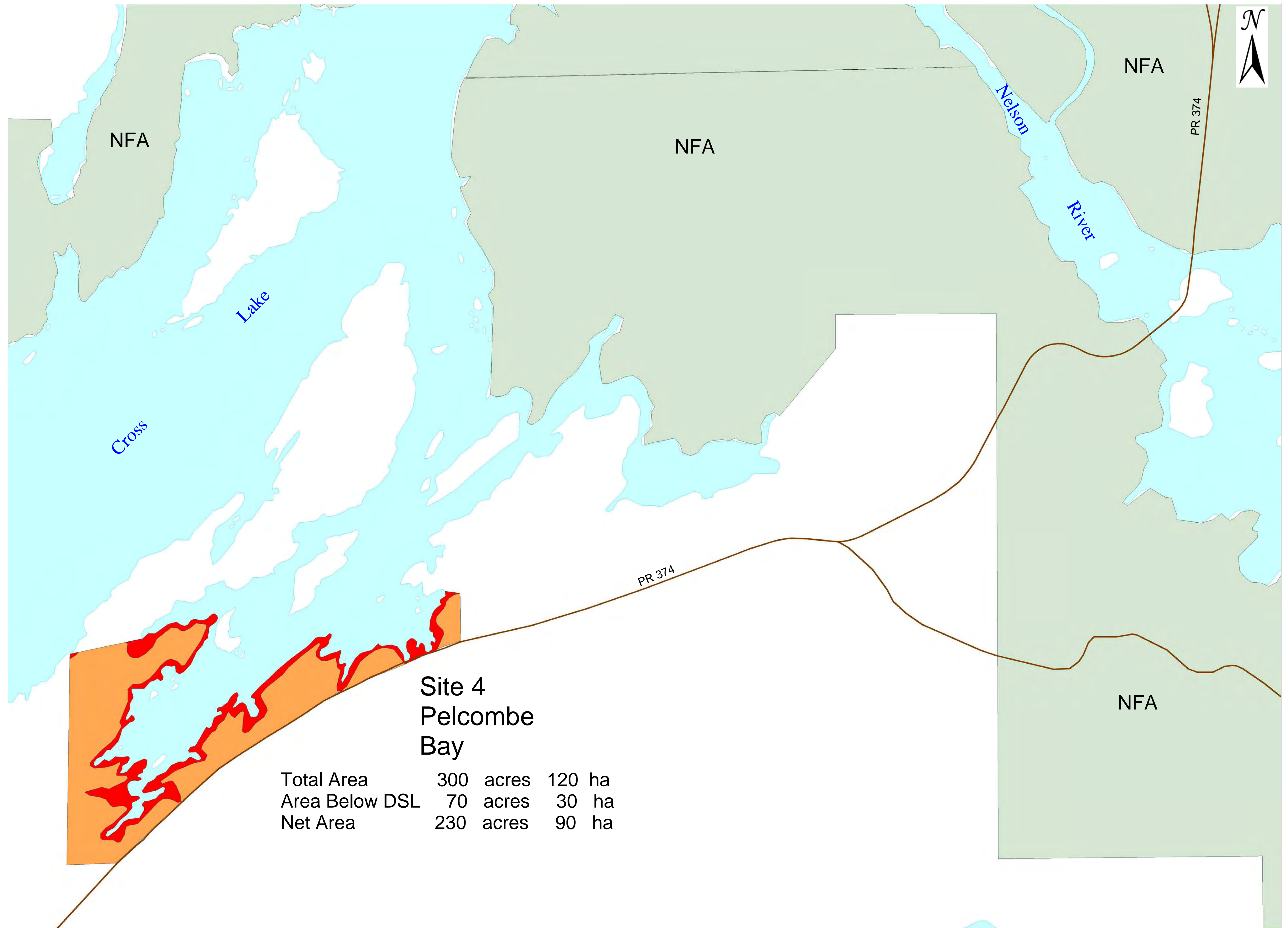
Total Area	685 acres	280 ha
Area Below DSL	45 acres	20 ha
Net Area	640 acres	260 ha

Area below Development Setback Line (DSL) is an estimate only.  
All acreages are estimated.



# Map 4.1.4 Cross Lake Community Land Selections

## Site 4 Pelcombe Bay



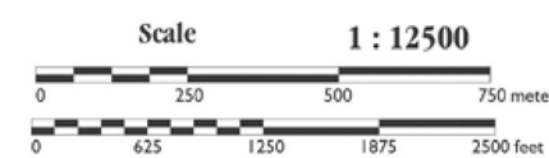
### Legend

- Fee Simple Land
- Permit Land
- Cross Lake Community Boundary Expansion Area
- Walker Lake Traditional Use Protected Areas
- Quarry Lease Sites
- Cross Lake First Nation I.R.
- Cross Lake First Nation N.F.A. Selection
- Area Below D.S.L.
- Lakes, Rivers, Islands
- Existing Cross Lake Community Boundary
- Roads.....
- Transmission Lines.....

<b>Site 4 Pelcombe Bay</b>			
Total Area	300	acres	120 ha
Area Below DSL	70	acres	30 ha
Net Area	230	acres	90 ha

Area below Development Setback Line (DSL) is an estimate only.

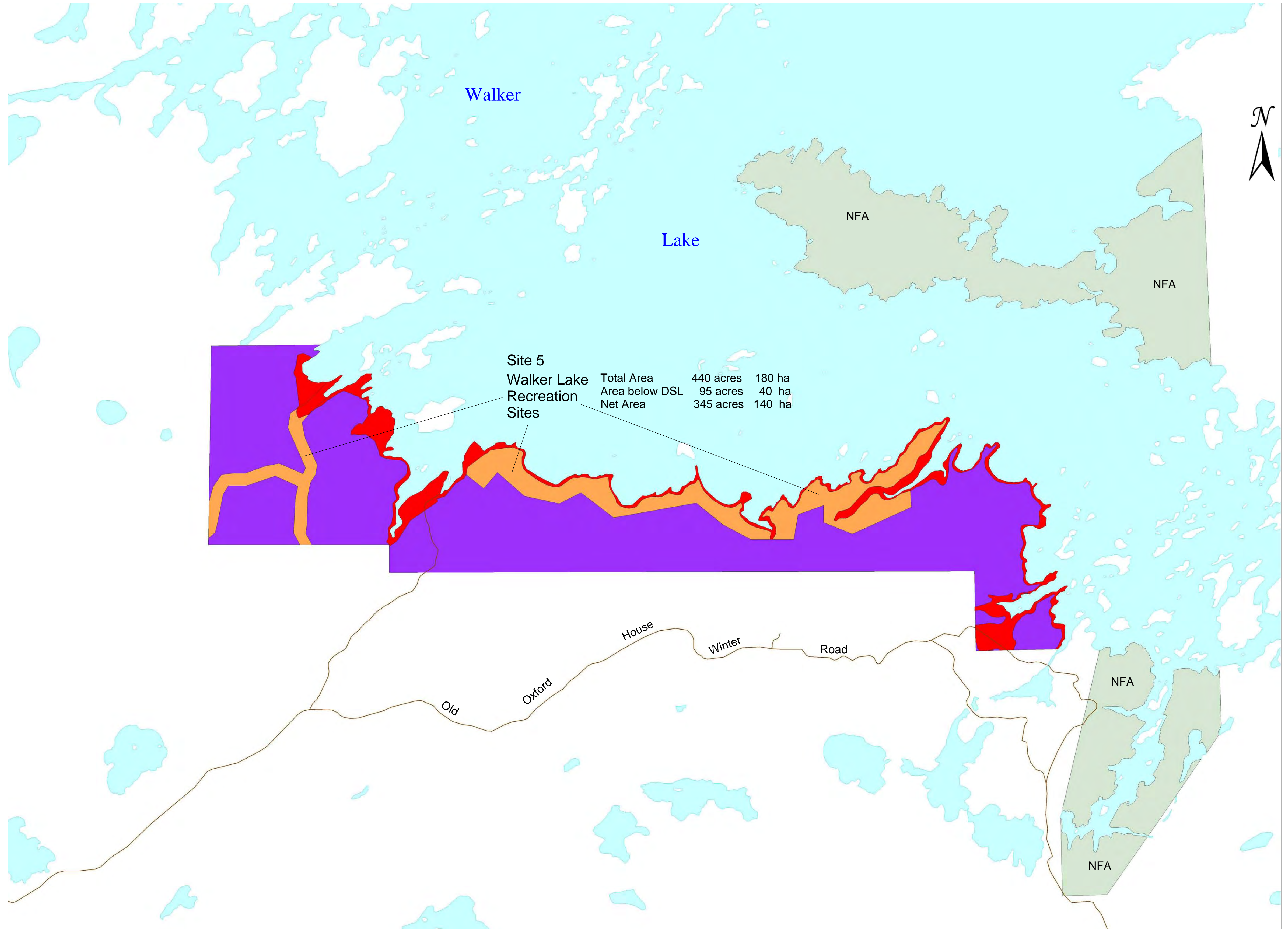
All acreages are estimates





# Map 4.1.5 Cross Lake Community Land Selections

## Site 5 Walker Lake Recreation Sites



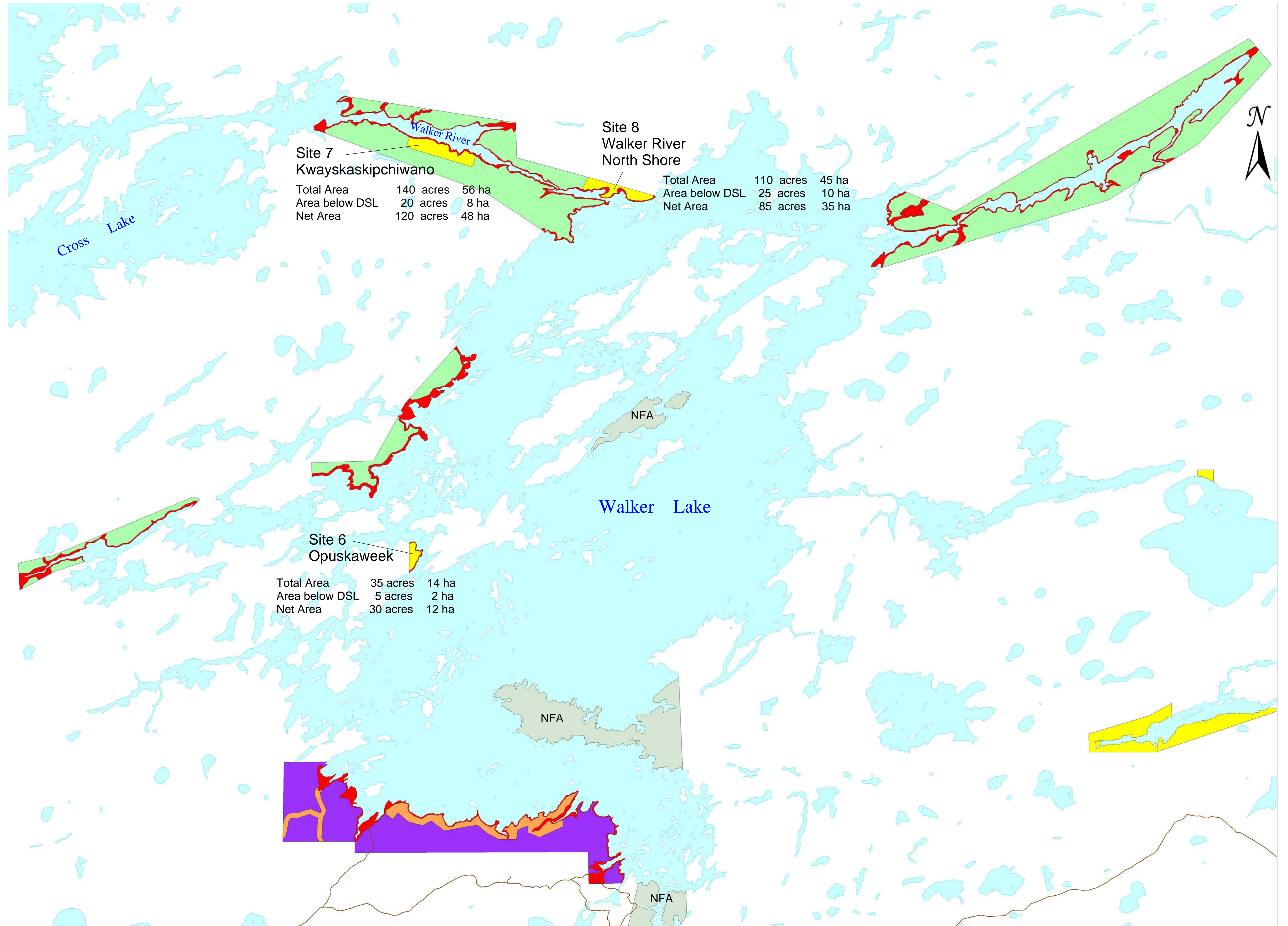
Area below Development Setback Line (DSL) is an estimate only.

All acreages are estimated.

# Map 4.1.6 Cross Lake Community Land Selections

## Sites 6-8

## Walker Lake Sites

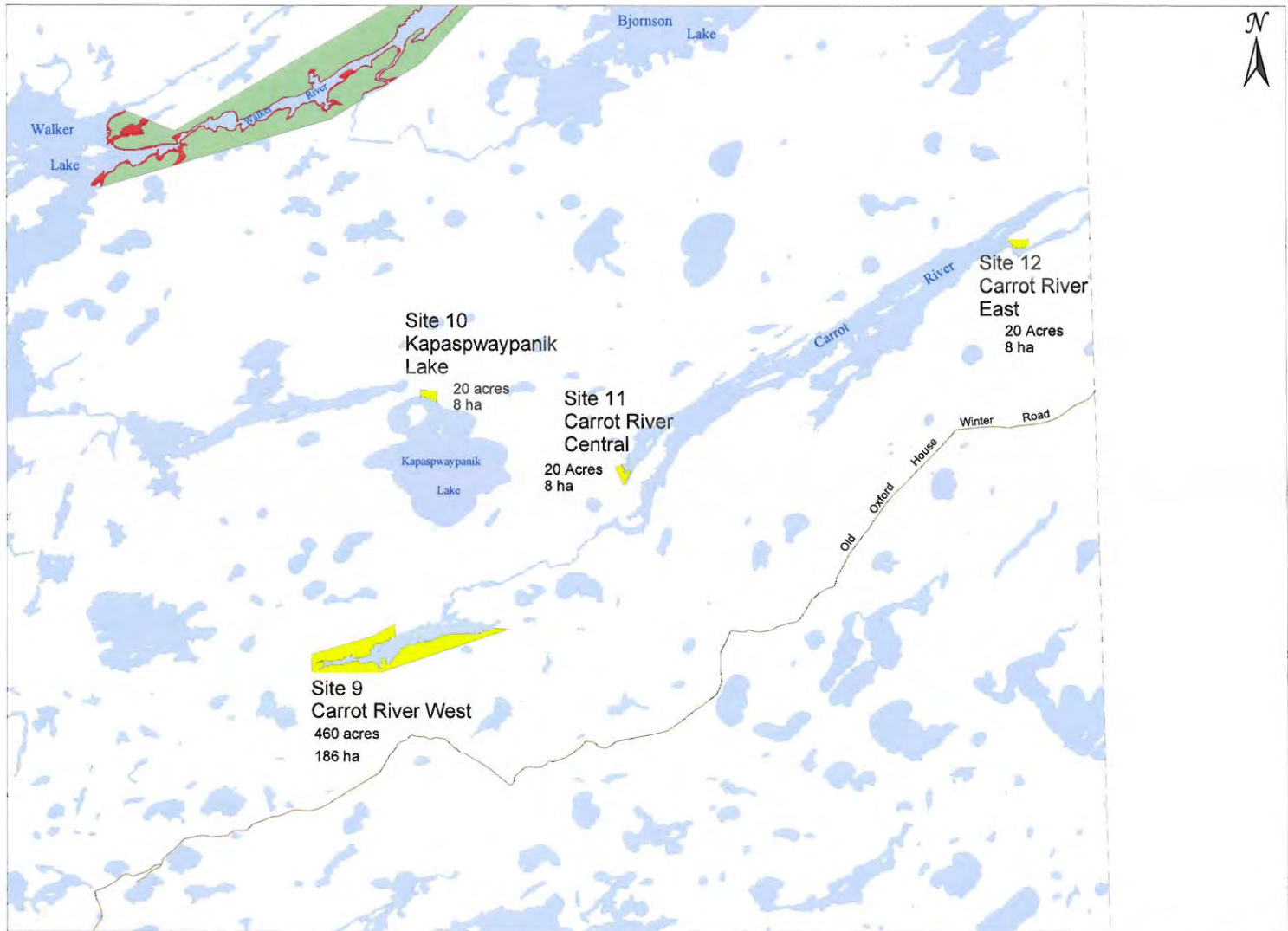


Area below Development Setback Line (DSL) is an estimate only.

All acreages are estimated.

# Map 4.1.7 Cross Lake Community Land Selections

## Sites 9-12 Carrot River Sites



### Legend

- Fee Simple Lands
- Permit Lands
- Cross Lake Community Boundary Expansion Area
- Walker Lake Traditional Use Protected Areas
- Quarry Lease Sites
- Cross Lake First Nation I.R.
- Cross Lake First Nation N.F.A. Selection
- Area Below D.S.L.\*
- Lakes, Rivers, Islands
- Existing Cross Lake Community Boundary
- Roads
- Transmission Lines

\*Area below Development Setback Line (DSL) is not displayed on map for Permit Lands (Sites 9-12).

All acreages are estimated. Acreages shown for Sites are Net Area, not inclusive of area below the DSL.



# Map 4.1.8 Cross Lake Community Land Selections

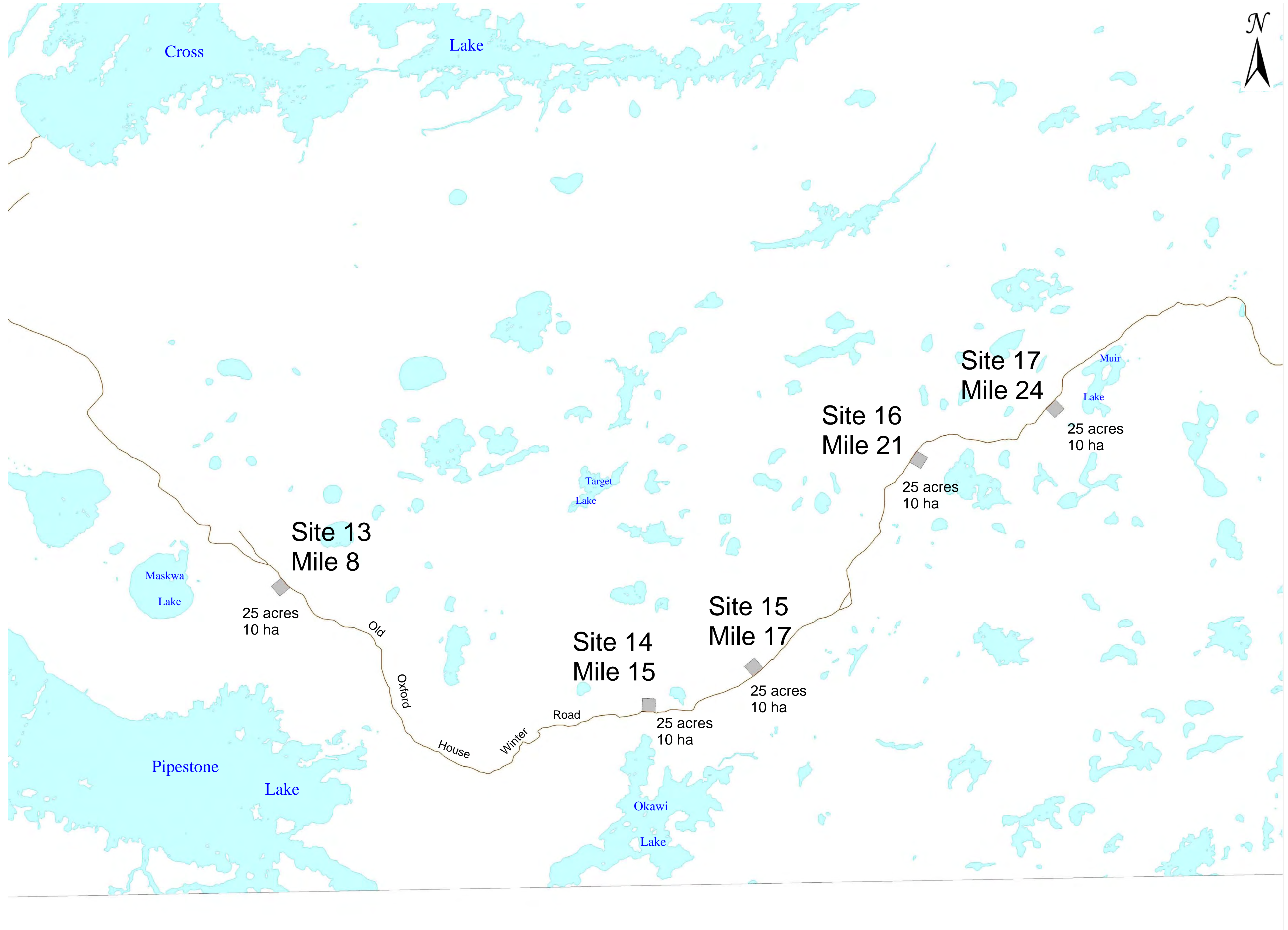
## Sites 13-17

### Quarry Lease Sites

Locations Are Approximate

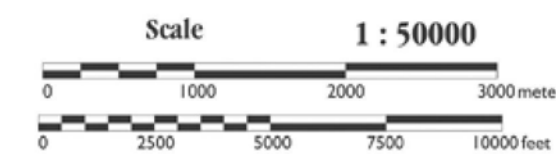
#### Legend

- Fee Simple Lands
- Permit Lands
- Cross Lake Community Boundary Expansion Area
- Walker Lake Traditional Use Protected Areas
- Quarry Lease Sites
- Cross Lake First Nation I.R.
- Cross Lake First Nation N.F.A. Selection
- Area Below D.S.L.
- Lakes, Rivers, Islands
- Existing Cross Lake Community Boundary
- Roads
- Transmission Lines



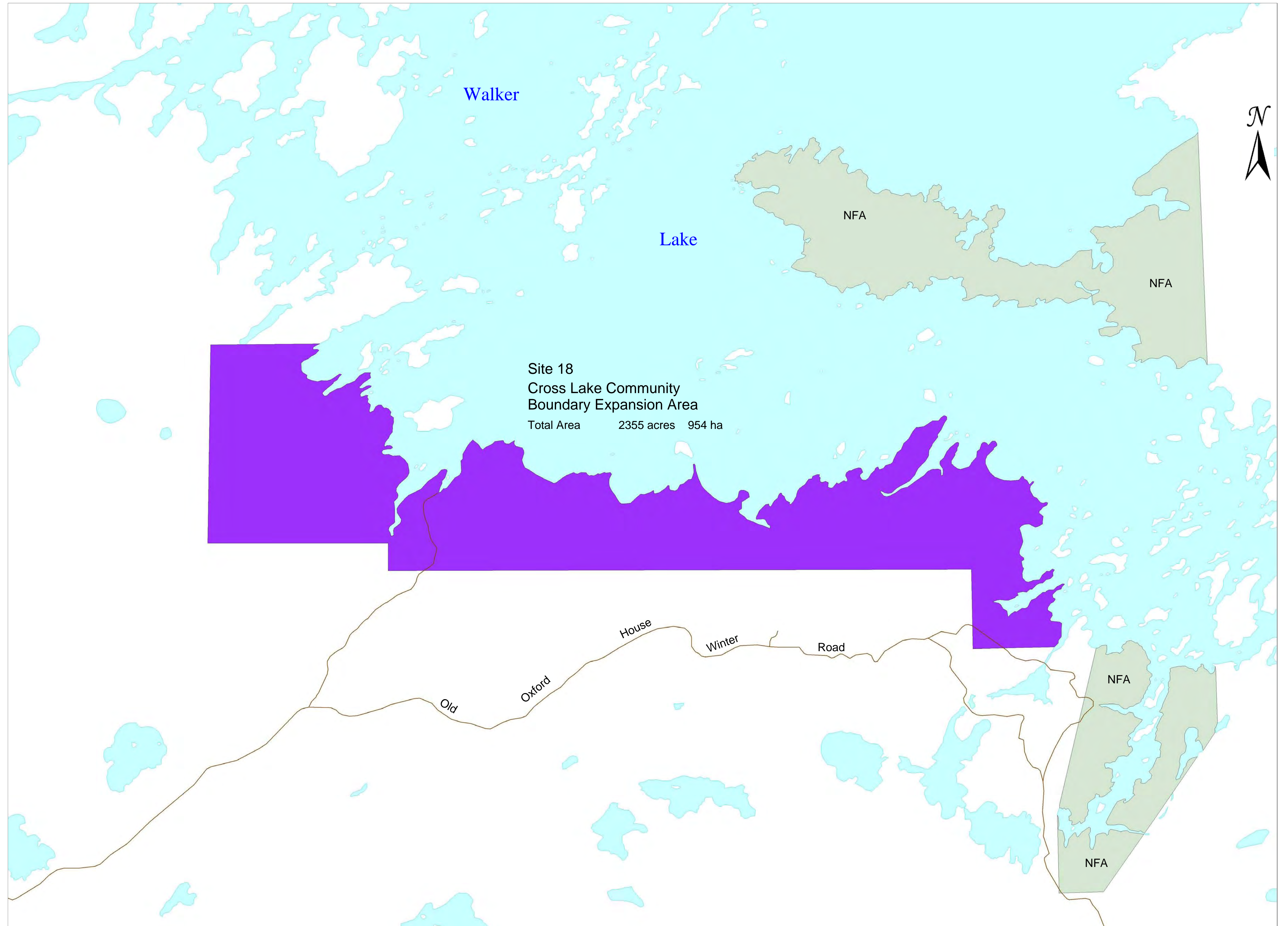
Area below Development Setback Line (DSL) is an estimate only.

All acreages are estimated



# Map 4.1.9 Cross Lake Community Land Selections

## Site 18 Cross Lake Community Boundary Expansion Area

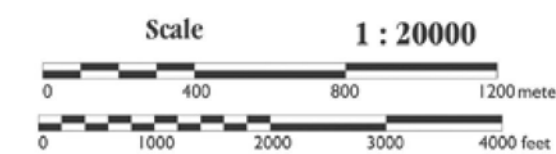


### Legend

- Fee Simple Lands
- Permit Lands
- Cross Lake Community Boundary Expansion Area
- Walker Lake Traditional Use Protected Areas
- Quarry Lease Sites
- Cross Lake First Nation I.R.
- Cross Lake First Nation N.F.A. Selection
- Area Below D.S.L.
- Lakes, Rivers, Islands
- Existing Cross Lake Community Boundary
- Roads
- Transmission Lines

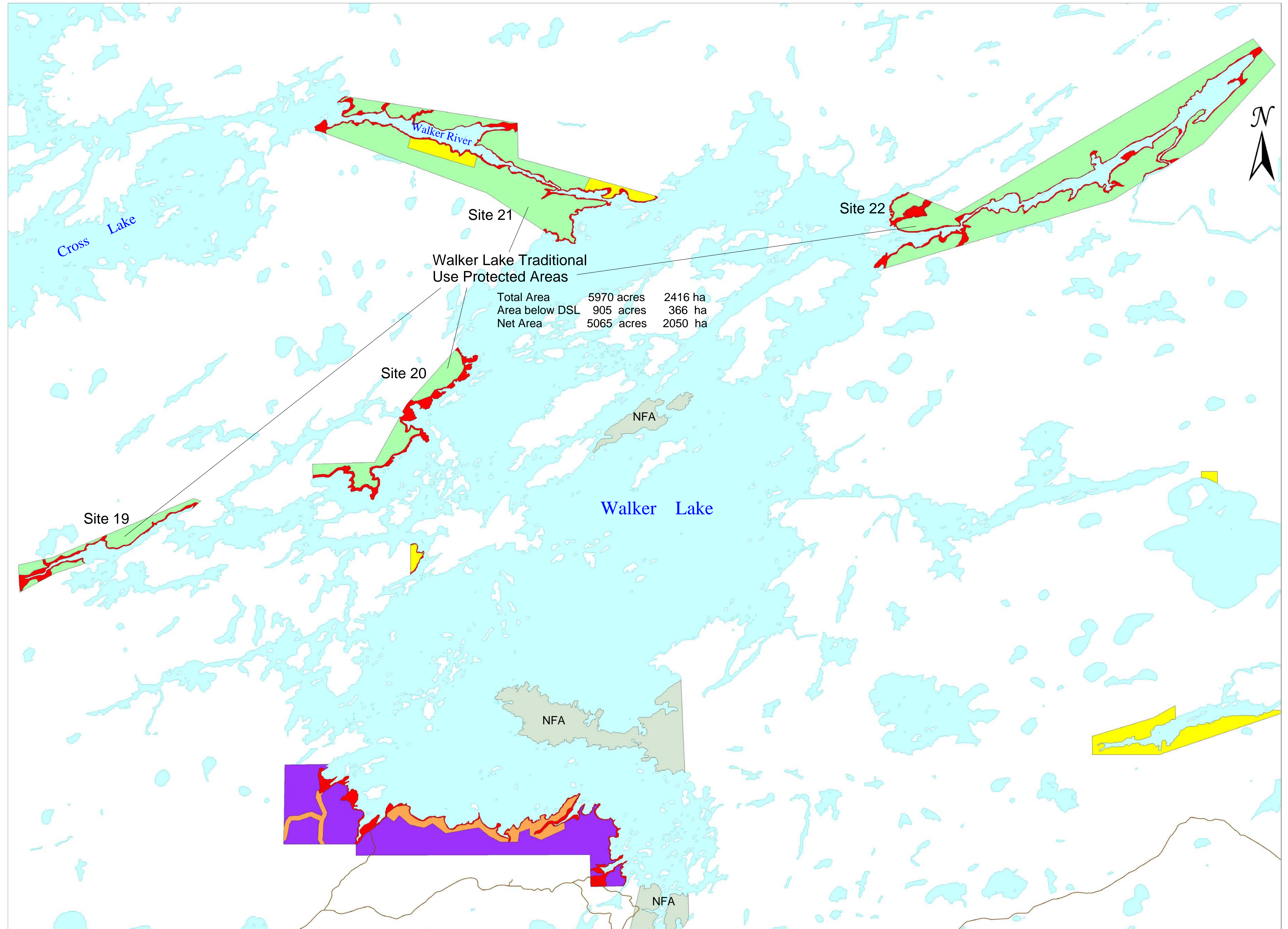
Area below Development Setback Line (DSL) is an estimate only.

All acreages are estimated



# Map 4.1.10 Cross Lake Community Land Selections

## Sites 19-22 Walker Lake Traditional Use Protected Areas

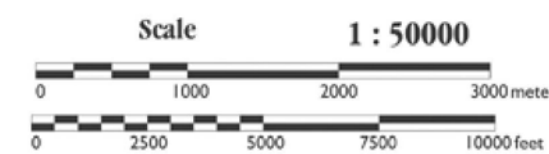


### Legend

- Fee Simple Lands
- Permit Lands
- Cross Lake Community Boundary Expansion Area
- Walker Lake Traditional Use Protected Areas
- Quarry Lease Sites
- Cross Lake First Nation I.R.
- Cross Lake First Nation N.F.A. Selection
- Area Below D.S.L.
- Lakes, Rivers, Islands
- Existing Cross Lake Community Boundary
- Roads
- Transmission Lines

Area below Development Setback Line (DSL) is an estimate only.

All acreages are estimated.



**SCHEDULE 4.2**  
**LAND USE PERMIT**

---

**Crown Land Permit**

Manitoba  
Conservation



---

EFFECTIVE FROM

TO

TAXING AUTHORITY

REGION

---

---

**SECTION 1.00 – STATUTORY REFERENCES**

1.01 The following Acts are referred to in this Permit, and when described by the title set out in this subsection, they shall be interpreted to mean the Act including all regulations made in accordance with that Act and any amendment, re-enactment or replacement from time to time of that Act:

*The Buildings and Mobile Homes Act, C.C.S.M. c. B93*

*The Crown Lands Act, C.C.S.M. c. C340*

*The Forest Act, C.C.S.M. c. F150*

*The Highways and Transportation Act, C.C.S.M. c. H40*

*The Highways Protection Act, C.C.S.M. c. H50*

*The Mines and Minerals Act, C.C.S.M. c. M162.*

**SECTION 2.00 – PERMIT LAND**

2.01 The Permit Land consists of the Manitoba Crown land identified on the Map attached as Schedule “A” located within Section \_\_\_\_\_, Township \_\_\_\_\_, Range \_\_\_\_\_, reserving to the Crown all reservations contained in subsection 4(1) of *The Crown Lands Act*.

**(For Site 1 Sand Bay, change the “.” to “,” and add the following;)**

which excludes the land legally described as:

Part NW ¼ 16 and Part NE ¼ 17-65-2 WPM,

currently held under Crown Land General Permit #0001537.

***(Insert the following subsection 2.02 for Permit Lands that have a waterside boundary – ie, Sites 1-12 inclusive.)***

2.02 The lower boundary, that is, the waterside boundary, of the Permit Land will be at a development setback line, which line will be based either on the elevation criteria or horizontal distance criteria for the Permit Land, as listed below, depending on which of these criteria results in the development setback line being located further inland from the ordinary high water mark:

***(Insert development setback elevation and horizontal distance criteria that are set out in Subsection 4.11.2 of the Settlement Agreement).***

### **SECTION 3.00 – EXCLUSIVE USE FOR AUTHORIZED PURPOSES**

3.01 Subject to the interests set out in section 4.00 and subject to the conditions set out in section 5.00, **Manitoba** hereby provides the **Community** the exclusive right to use and occupy the Permit Land, free and clear of all encumbrances, reservations, caveats, estates, rights and interests, in favour of any person, for the following purpose:

The land is to be used for the purposes set out in Subsection 4.2.4, 4.3.4, 4.4.4, 4.5.4, 4.6.4 or 4.7.4 of the Cross Lake Community Settlement Agreement (the “**Agreement**”) dated \_\_\_\_\_. ***(delete all but the one provision that is applicable)***

### **SECTION 4.00 – OTHER INTERESTS**

4.01 The exclusive right to use and occupy the Permit Land set out in subsection 3.01 is provided by **Manitoba** to the **Community**, subject to the following existing third party interests:

***(Include a description of all third party interests, including any mining interests. Insert “nil” if there are no third party interests.)***

***(For Site 1 Sand Bay, in addition to any others, the following interest will be inserted.)***

Access to **Manitoba** and the permittees or their assignee(s), if any, under Crown Land General Permit #0001537 to the land held under the General Permit, which is described as follows:

Part NW ¼ 16 and Part NE ¼ 17-65-2 WPM.



**SECTION 5.00 – CONDITIONS**

5.01 The exclusive right to use and occupy the Permit Land set out in section 3.00 is provided by **Manitoba** to the **Community**, subject to the following conditions:

- a. **Compliance with Laws** – The **Community** shall, at the **Community's** expense, promptly observe, perform, execute and comply with all municipal, provincial or federal laws, orders and regulations that have application to the **Community** and the Permit Land; and without limiting the generality of the foregoing:
  - i. **Construction** – Any structure constructed on the Permit Land by the **Community** shall be constructed in accordance with The Manitoba Building Code established pursuant to *The Buildings and Mobile Homes Act*, applicable municipal by-laws and regulations,
  - ii. **Highway Protection** – The **Community** shall not erect, build, or place or cause to be erected, built or placed, a structure or fixture on, under, or above the surface of the ground, within 125 feet of a department road outside a city, town or village or such further distance as determined by The Highway Traffic Board in accordance with *The Highways Protection Act*, or plant or place or cause to be planted or placed, any tree, shrub or hedge upon or within 50 feet of a departmental road outside a city, town, village or unincorporated village district, in accordance with *The Highways and Transportation Act*,
  - iii. **Environmental Laws** – The **Community** shall comply with all laws and guidelines respecting environmental matters, and in the event that the **Community** contributes to any detrimental biophysical environmental change to the Permit Land, contrary to such laws or guidelines, the **Community** will remedy such damage, at the **Community's** expense,
  - iv. **Timber** – The **Community** shall not cut or remove timber from the Permit Land without a licence or permit from the Forestry Branch of Manitoba pursuant to *The Forest Act*, and
  - v. **Sand and Gravel** – The **Community** shall not remove, explore for, mine or produce quarry minerals, including sand, gravel and clay from the Permit Land without obtaining a quarry permit or quarry lease from the Director of Mines for Manitoba pursuant to *The Mines and Minerals Act*,

- b. **Other Natural Resources** - The **Community** shall not remove soil or any other natural resources from the Permit Land without the prior written permission of **Manitoba**;
- c. **Waste** – The **Community** shall not commit or permit the commission of any voluntary waste, spoilage or destruction, nor dump any rubbish or any other matter of an offensive nature anywhere on the Permit Land, except in a designated dump area or as directed by **Manitoba**;
- d. **Access to Permit Land** – **Manitoba** and any employee, officer or agent of **Manitoba**, including the Royal Canadian Mounted Police, shall be entitled to enter onto the Permit Land as required to enforce the conditions of this Permit and municipal, provincial or federal laws, orders and regulations;
- e. **Legal and Control Survey Monuments** – The **Community** will ensure that all legal and control survey monuments are protected and not disturbed, damaged or destroyed, and will replace, at its expense, any monuments that are disturbed, damaged or destroyed, by a duly qualified land or geodetic surveyor, to the satisfaction of **Manitoba**, and shall not interfere with the survey work conducted by **Manitoba**;
- f. **Indemnification** – The **Community** shall at all times save harmless and indemnify and keep **Manitoba** indemnified against and be responsible for all claims, demands, actions, suits and other legal proceedings brought against **Manitoba** by reason or arising out of:
  - i. any exercise by the **Community** of its rights pursuant to this Permit, including any use and development on the Permit Land, or
  - ii. any act or omission on the part of the **Community** in respect of or in relation to the carrying on of any activities permitted by this Permit;
- g. **Liability in Respect of Mining Operations** – **Manitoba** shall not be liable in any way for injury or damage that is caused to the surface of the Permit Land as a result of mining operations on the Permit Land or adjacent land;
- h. **Liability for Damage Occurring outside Permit Land** – This Permit does not authorize the **Community** to construct or place any structures or property on lands outside the Permit Land, including on lands below the lower boundary of the Permit Land as described in Section 2.02. **Manitoba** and **Hydro** shall not be liable under this Permit for any loss or damage to any structures or property constructed by the **Community** on lands outside the boundaries of the Permit Land;

- i. **Conduct of Mining Operations** – Any third party with an interest in mines and minerals may exercise its rights in mines and minerals in accordance with *The Mines and Minerals Act*;
- j. **Services** – The issuing of this Permit does not imply that **Manitoba** will provide any services;
- k. **Assignment** – The **Community** may, with the written permission of **Manitoba**, assign this Permit;
- l. **Notice** – Notice affecting the **Community** or **Manitoba** will be sufficiently served, if mailed by regular mail to the applicable address for that party, as follows:

To: **Community**  
Cross Lake Incorporated Community  
P.O. Box 208  
Cross Lake, Manitoba R0B 0J0

To: **Manitoba**  
Manitoba Conservation Lands and Geomatics Branch  
Box 20,000  
123 Main Street  
Neepawa, Manitoba R0J 1H0  
Attn: Director of Lands

## **SECTION 6.00 – TERM OF PERMIT**

- 6.01 Subject to subsections 6.03 and 6.04, this Permit comes into effect on its execution and will remain in effect for one year or until transfer of the Permit Land in fee simple to the **Community**, if applicable.
- 6.02 Subject to subsections 6.03 and 6.04, this Permit will be automatically renewed by **Manitoba**, without fee, at the expiry of the one year term on the same terms and conditions.
- 6.03 **Manitoba** may cancel this Permit where:
  - a. the Permit Land is being used for a purpose other than that authorized in subsection 3.01; or
  - b. the Permit is not being used in accordance with *The Crown Lands Act* and regulations.

***(This following section to be used for Community Development Sites – Permit Lands (Sites 6 - 12).)***

6.04 Twenty (20) years from the date a Permit was first issued to the **Community** for the Permit Land, **Manitoba** may charge fees for the issuance or renewal of the Permit in accordance with any law or policy applying generally to land use permits.

***(This following section to be used for Community Development Lands - Fee Simple Lands (sites 1 - 5), prior to transfer.)***

6.04 \_\_\_\_\_ years (*“Five (5) years” for the Sand Bay Site and “Ten (10) years” for the other fee simple sites*) from the date a Permit was first issued to the **Community** for the Permit Land, **Manitoba** may charge fees for the issuance or renewal of the Permit in accordance with any law or policy applying generally to land use permits, except that where there is a request for transfer in fee simple of the Permit Land and there are delays in the transfer of title due to **Manitoba’s** inability to complete the surveying, this Permit will continue to be renewable annually without fee to the **Community** until the parcels making up the Permit Land are transferred in fee simple to the **Community**.

**7.00 AMENDMENT**

7.01 This Permit may be varied only by written agreement of both parties.

IN WITNESS WHEREOF **Manitoba** has executed this Permit this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ and the **Community** has executed this Permit this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

HER MAJESTY THE QUEEN IN RIGHT OF  
THE PROVINCE OF MANITOBA

Per: \_\_\_\_\_  
Minister of Conservation or designate

THE INCORPORATED COMMUNITY OF  
CROSS LAKE

Per: \_\_\_\_\_  
Community’s authorized signatory

**SCHEDULE TO LAND USE PERMIT**

**MAP**

## **SCHEDULE 4.3**

### **SURVEY INSTRUCTIONS OF PARCEL BOUNDARIES AND EXCLUSIONS**

1. General:

- (a) To conduct surveys as required, prepare plans and survey reports of lands in accordance with Land Titles Office guidelines and these survey instructions; and
- (b) To prepare subdivision and parcel plans of areas at a suitable scale, being not less than 1:20,000 for larger parcels and not less than 1:10,000 for smaller parcels.

2. Surveys of Parcel and Subdivision Lot Boundaries and Exclusions:

(a) Datum:

UTM grid line values referred to in parcel and lot descriptions are referenced to North American Datum 1983, Canadian Spatial Reference System.

(b) Angles:

Angular values, not bearings, will show between all surveyed boundaries.

(c) Monuments:

Monuments along surveyed boundaries will be inter-visible and the maximum distance between each will be 1 km. The monuments will be 0.025 m x 0.025 m x 0.914 m iron posts set a minimum of 0.8 m in surfaces that are not solid rock or short iron rock posts in solid rock which will be cemented into place. Ties will be shown to all permanent water bodies.

(d) Reference Monumentation:

Each monument will be marked with a marker post (T-iron marker with plaque indicating survey marker nearby).

(e) Cut Lines:

The inland boundary will be surveyed on true line and line cut to ensure a visible skyline, with the following exception for the **Development Setback Line**. If requested by the **Community Council**, instead of line cutting to ensure a visible skyline, the **Development Setback Line** will be line cut only to the extent necessary for surveying purposes.

(f) Enclosed Parcels:

Enclosed parcels will be identified by letter with areas of each shown.

(g) Plan of Subdivision:

The survey and plan of subdivision will include, in addition to monumentation of the perimeter boundary and any other necessary monumentation, monumentation of individual lot boundaries.

(h) Control:

Horizontal survey control will be established as required with permanent monuments and geographic and UTM coordinate values referenced to NAD83 (CSRS) to the satisfaction of the Director of Surveys. The monuments and values so established shall be shown on the survey plan and may be established by GPS methodology in accordance with the "Guidelines and Specifications for GPS Surveys Release 2.1" published by Natural Resources Canada, Geodetic Survey Division in December 1992. The network and relative accuracies of the survey will meet third order as specified in "Specifications And Recommendations For Control Surveys And Survey Markers, 1978" published by the Natural Resources Canada, Geodetic Survey Division.

(i) **OHWM Boundaries:**

All pertinent **OHWM** boundaries shall be located to the satisfaction of the Examiner of Surveys and the Director of Surveys.

(j) **Road Allowances:**

All projected or surveyed road allowances contained within the bounds of lands described in this **Agreement** will form part of the said lands.

(k) **Water Beds:**

The beds of all water bodies located fully within the bounds of lands described in this **Agreement** will form part of said lands excepting those water bodies which are specifically excluded herein. The beds of all water bodies which may be determined to intersect the boundaries of said lands will be excluded therefrom.

(l) **Bench Marks:**

Permanent bench marks will be established on the ground, confirmed by a geodetic or Manitoba land surveyor. The permanent and supporting bench marks will be identified in the Field Notes and shown on the Plan.

(m) **Survey Reports:**

Written survey reports will be compiled by the surveyor-in-charge for each survey completed. These reports will speak to experiences and occurrences encountered during the course of the field survey such as those cited in the Manitoba Regional Surveyor's Directive No. 13 entitled DIRECTIVE FOR STANDARDS OF REPORT WRITING, dated June 1987.

(n) **Exclusions:**

Excluded lands for public purposes will be surveyed with all boundary lines to be line cut to ensure a visible skyline. The Plan of Survey or Plan of Subdivision will show angles and distances along these boundaries of the excluded lands.



(o) Lower boundaries of Sites 1 - 12:

The lower boundary of the parcels and subdivision lots for Sites 1 to 12 will be at the **Development Setback Line**, which for each Site shall be located on-the-ground on the basis of either the elevation criteria or distance-from **OHWM** criteria set out in Subsection 4.11.2 of the **Agreement**, depending on which of the elevation or distance-from-**OHWM** criteria results in the **Development Setback Line** being located further inland from the **OHWM**.

**SCHEDULE 4.4**  
**COUNCIL RESOLUTION**

**WHEREAS:**

- A. On \_\_\_\_\_, 2010, The Incorporated Community of Cross Lake, being an incorporated community pursuant to *The Northern Affairs Act*, C.C.S.M. c. N100, as represented by the **Community Council** (the "**Community**"), Her Majesty the Queen in Right of the Province of Manitoba ("**Manitoba**") and The Manitoba Hydro-Electric Board entered into an agreement to resolve the issues between and among the parties in relation to and arising out of the **Project** (the "**Agreement**");
- B. The **Agreement** provides, among other things, that **Manitoba** will issue a **Land Use Permit** to the **Community** for the \_\_\_\_\_ Site, and that **Manitoba** will, upon written request of the Cross Lake Community Council (the "**Community Council**"), transfer the land identified in a plan for transfer to the **Community** under Schedule "A";
- C. **Manitoba** has, in accordance with the **Agreement**, issued a **Land Use Permit** to the **Community** for \_\_\_\_\_ Site;
- D. **Manitoba** has, in accordance with the **Agreement**, completed a legal survey of the \_\_\_\_\_ Site and has prepared a plan of survey/plan of subdivision of that Site and the lands identified in the plan for transfer are described in Schedule "A";
- E. The **Community Council** has reviewed the plan of survey/plan of subdivision and is satisfied that the lands described in Schedule "A" are acceptable for transfer in fee simple;

Therefore:

THE MAYOR AND COUNCIL of THE INCORPORATED COMMUNITY OF CROSS LAKE hereby confirms that the lands described in Schedule "A" are to be transferred to the **Community** pursuant to the **Agreement**.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Councillor

\_\_\_\_\_  
Councillor

\_\_\_\_\_  
Councillor

\_\_\_\_\_  
Councillor

On the    day of *[month]* , *[year]*

**SCHEDULE "A"**  
**To Council Resolution**

*Include legal description of lands to be transferred*

*Note: it is expected that the schedule will include a copy of the plan of survey or plan of subdivision and the legal description of the land to be transferred (eg, Lots 1-14, parcel X, plan ABCDE*

**SCHEDULE 4.5**

**QUARRY LEASE**

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF MANITOBA,**  
as represented by the Minister of Innovation, Energy and Mines  
(**"Manitoba"**)

-and-

**THE INCORPORATED COMMUNITY OF CROSS LAKE**  
as represented by the Community Council  
(**"Lessee"**)

1. In this Lease:
  - (a) "Act" means *The Mines and Minerals Act*, C.C.S.M. c. M162 as amended from time to time or any Act replacing that Act from time to time;
  - (b) "quarry mineral" has the same meaning as in the Act;
  - (c) "regulations" means regulations made pursuant to the Act, and as amended, revised or substituted from time to time.
2. Subject and pursuant to the Act and regulations, **Manitoba** conveys to the **Lessee** the exclusive right to explore for, develop, and produce sand, gravel, rock or stone (processed stone) and clay that are the property of the Crown and are found on or under the land described as:

***[Note to Manitoba Innovation, Energy and Mines - Insert one of the following sets of coordinates for each lease:]***

SITE	UTM NAD83 COORDINATES
Site 13	591426, 6046685 591637, 6046441 591390, 6046237 591181, 6046479
Site 14	600607, 6043714 600600, 6043391 600280, 6043405

600287, 6043724

Site 15 603040, 6044718  
603251, 6044474  
603004, 6044270  
602796, 6044512

Site 16 607012, 6049800  
607290, 6049636  
607121, 6049364  
606846, 6049527

Site 17 610418, 6051062  
610645, 6050832  
610412, 6050613  
610188, 6050841

(the "Lands")

for a ten (10) year term commencing on \_\_\_\_\_, 2010 and ending on \_\_\_\_\_, 2020, and for a further ten (10) year term which shall be automatically renewed without the need for application by the **Lessee** commencing on \_\_\_\_\_, 2020 and ending on \_\_\_\_\_, 2030.

3. The sand, gravel, rock or stone (processed stone) and clay granted to the **Lessee** by this Lease shall be used for purposes of the **Lessee** or for economic development purposes.

4. Subject to paragraph 5, the **Lessee** shall comply with the Act and regulations, including the requirement to pay the rehabilitation levy prescribed under the Act or regulations from time to time.

5. The **Lessee** shall not be required to pay any rent or royalty prescribed under the Act or regulations.

6. The **Lessee** agrees to indemnify and save harmless **Manitoba** against any and all actions, suits, claims or demands that may be brought or made against **Manitoba** for or by reason of any act or thing done or omitted to be done by the **Lessee** or its agents with respect to the Lands.

7. Any waiver by **Manitoba** of a breach by the **Lessee** of any term or condition of this Lease, the Act or the regulations must be in writing. Any such waiver shall extend only to the events of breach enumerated therein and shall not limit or affect **Manitoba's** rights with respect to any other breach.

8. If the **Lessee** defaults, breaches, fails to perform or observe any term or condition of this Lease, the Act or the regulations, and any such event is not remedied within such notice period as **Manitoba** may give, **Manitoba** may cancel this Lease. Notwithstanding any such cancellation by **Manitoba**, the rights of **Manitoba** against the **Lessee** shall not be prejudiced and **Manitoba** shall have the full remedies against the **Lessee** as if the Lease remained in full force and effect.

9. Any notice or other communication to the parties under this Agreement shall be in writing and shall be delivered personally or sent by registered mail, postage prepaid, or by way of facsimile as follows:

**TO MANITOBA:**

Mines Branch  
Manitoba Innovation,  
Energy and Mines  
Unit 360-1395 Ellice Avenue  
Winnipeg, MB R3G 3P2  
Attention: Director of Mines  
Ph: (204) 945-6505  
Fax: (204) 948-2578

**TO THE LESSEE:**

The Incorporated Community of Cross  
Lake  
P.O. Box 208  
Cross Lake, MB R0B 0J0  
Attention: Community Administrative  
Officer  
Ph: (204) 696-2465  
Fax: (204) 676-2945

10. This Lease shall be interpreted in accordance with the laws of Manitoba.

11. Any amendments to this Lease shall be in writing and signed by both parties.

12. The **Lessee** shall not assign this Lease except with the prior written consent of **Manitoba** which shall not be unreasonably withheld. Any obligations of the **Lessee** outstanding at the date of any assignment shall remain the responsibility of the **Lessee**, to the extent the obligations are not performed by the permitted assignee.

13. This Lease shall enure to the benefit of and be binding upon the heirs, executors, administrators, successors and permitted assigns of the parties.

14. Prior to the expiry of the twenty (20) year term of this Lease, the **Lessee** may apply for a renewal of the Lease. Any renewal of this Lease shall be granted in accordance with the form prescribed in Schedule D of Manitoba Regulation 65/92 or any successor to that Schedule and Regulation, and the renewal Lease shall provide for fees in accordance with any law or policy applying generally to quarry leases.

Signed by the Minister of Innovation, Energy and Mines, or his duly authorized representative, on behalf of **Manitoba**, and by the duly authorized representative of The Incorporated Community of Cross Lake, the **Lessee**, on the dates noted below.

HER MAJESTY THE QUEEN IN RIGHT  
OF THE PROVINCE OF MANITOBA

\_\_\_\_\_  
Minister of Innovation, Energy and  
Mines or designate

DATE: \_\_\_\_\_

\_\_\_\_\_  
Witness

THE INCORPORATED COMMUNITY  
OF CROSS LAKE

\_\_\_\_\_  
Incorporated Community of Cross  
Lake's authorized signatory

DATE: \_\_\_\_\_

\_\_\_\_\_  
Witness



## ARTICLE 5 – COMPENSATION FOR CLAIMS

### 5.1 INTRODUCTION

- 5.1.1 Introduction. Article 5 deals with **Claims** that may be advanced against the **Claims Account**, the procedure for advancing such **Claims** against the **Claims Account**, and the relationship of such **Claims** to other programs funded by payments from the **Trust**, and makes provision for payments of the **Claims**.
- 5.1.2 Loss or Damage and Claims Made Prior to the Date of this Agreement. This Article does not apply to any loss or damage to **Personal Property** due to **Adverse Effects** or any **Claims** regarding **Personal Property** due to **Adverse Effects** prior to the **Date of this Agreement** and the **Community** is not responsible for such loss or damage, or **Claims** made prior to the **Date of this Agreement**.
- 5.1.3 Claims. Subject to the provisions of this Article, and without limitation, subject to Subsection 5.1.8, a **Claim** may be advanced against the **Claims Account** by a **Claimant** for compensation for loss or damage to **Personal Property** suffered by that **Claimant** due to **Adverse Effects**, but no **Claim** may be advanced by or on behalf of a subrogating insurer or by a **Claimant** to the extent that such loss or damage is insured. Compensation payable:
- (a) to a **Resident** shall be limited to the extent that such loss or damage has not been previously compensated or is not compensable by virtue of such individual **Claimant's** membership in or participation in a **Community Organization**; or
  - (b) to a **Community Organization** shall be limited to the extent that individual members thereof have previously not been compensated for such loss or damage.
- 5.1.4 Period of Residence. In order to advance a **Claim**, a **Resident** must have had his or her place of residence within the boundaries of the **Community** for a minimum of five consecutive years at any time, including before the **Date of this Agreement**, before the loss or damage to **Personal Property** due to an **Adverse Effect**.
- 5.1.5 Claims Excluded. No **Claim** may be advanced:
- (a) where loss or damage results from any intentional or criminal act by the **Claimant** or at the direction of the **Claimant**; or

- (b) where loss or damage arises because the **Claimant** operated equipment, such as snowmobiles, boats, or other recreational vehicles contrary to law; or
- (c) where the **Claimant** does not own the **Personal Property** to which the loss or damage occurs; or
- (d) where the **Claimant** may bring a claim under The Northern Flood Agreement or any Northern Flood Implementation Agreement entered into with **Hydro**; or
- (e) where loss or damage is incurred by commercial trappers or their helpers, or commercial fishers or their helpers, while engaged in a commercial trapping or fishing activity.

5.1.6 Cross Lake First Nation Claims. Nothing in Article 5 shall be construed to permit Cross Lake First Nation members to advance **Claims** under this Article. **Claims** being advanced by members of Cross Lake First Nation shall continue to be subject to compensation as addressed under The Northern Flood Agreement.

5.1.7 Limitation. A right to advance a **Claim** under Subsection 5.1.3 shall expire two (2) years from the later of:

- (a) the date the cause of the alleged loss or damage becomes evident to the **Claimant**; and
- (b) the date the **Claimant** becomes an adult.

5.1.8 Claims by representative. A person who meets the criteria of a **Claimant**, but who:

- (a) is not yet eighteen (18) years of age; or
- (b) is incompetent to handle his or her legal affairs;

may not advance a **Claim** on his or her own behalf, but a **Claim** may be brought on behalf of a person described in (a) or (b) by a parent, guardian, committee or attorney or other **Resident** who is eighteen (18) years of age or older, and who the **Community Council** has confirmed to the **Trustees**, in writing, as being a person responsible for the financial affairs of such **Claimant**. References to **Claimant** in this **Agreement** shall mean the representative of the **Claimant**, where a representative is advancing a **Claim** on behalf of a person described in (a) or (b).

## 5.2 CLAIMS DECISIONS

5.2.1 Claims Decisions. **Claims** under this Article shall be decided by a **Claims Officer** selected under Subsection 5.3.2. In accordance with Section 5.6, the decision of a **Claims Officer** shall, upon application, be reconsidered by way of mediation under Section 9.2, and if the dispute is not resolved by mediation, by arbitration under Section 9.3.

## 5.3 CLAIMS OFFICERS

5.3.1 List of Claims Officers. The **Community Council** shall appoint and maintain a list of not fewer than three (3) **Claims Officers**, qualified in accordance with Subsection 5.3.3, to decide **Claims** under Article 5. An up-to-date copy of this list shall be supplied by the **Community Council** to any **Resident** or **Community Organization** upon request.

5.3.2 Selection of Claims Officer. From the **Claims Officers** appointed from time to time under Subsection 5.3.1, the **Community Council** shall select one (1) **Claims Officer** to decide each **Claim**.

5.3.3 Qualifications. A **Claims Officer** shall meet all qualifications and requirements of eligibility for a **Trustee**, but neither a **Trustee** nor the Mayor or other member of the **Community Council** may serve as a **Claims Officer**.

5.3.4 Term. Subject to Subsection 5.3.5, the appointment of a **Claims Officer** may be revoked at any time at the sole discretion of the **Community Council** and shall be automatically revoked should such person cease at any time to meet the qualifications under Subsection 5.3.3.

5.3.5 Revocation While Claim Under Reconsideration. When seized of a **Claim**, the appointment of a **Claims Officer** may be revoked only for cause. In such case the subject **Claimant** shall be notified by the **Community Council** and the subject **Claimant** may elect to proceed directly to arbitration under Section 9.3 or have the **Claim** resubmitted to a new **Claims Officer** selected by the **Community Council** in accordance with Subsection 5.4.2.

5.3.6 Undertaking. Prior to assuming office, all **Claims Officers** shall execute an undertaking in the form and content of Schedule 5.5 and file that executed form with the **Community Council**.

5.3.7 Liability. **Claims Officers** shall be responsible for the fair, prudent and impartial administration of the **Claims** procedures set out in Article 5 and provided that they act in good faith shall incur no liability arising out of their administration of such **Claims**.

- 5.3.8 Conflict. No **Claims Officer** who has any interest in a **Claim** or relationship with a **Claimant** that could impair the impartiality of such **Claims Officer** may make any decisions with respect to such **Claim**.
- 5.3.9 Disclosure. Upon discovery of any conflict or relationship contemplated under Subsection 5.3.8, the **Claims Officer** shall, in writing, forthwith notify the **Community Council** and the **Claimant**, and the provisions of Subsection 5.4.2 shall apply.
- 5.3.10 Payment of Claims Officer's Costs. Reasonable costs incurred by a **Claims Officer** in investigating and deciding **Claims** shall be paid by the **Trustees** to the **Community Council** for payment to the **Claims Officer** from the capital of the **Claims Account** for the purposes set out in Article 14 of the **Indenture**. The **Community Council** shall each year determine the amount of compensation to be paid to a **Claims Officer** for his or her services hereunder. The **Community Council** shall make such determination no later than November 30 each year and shall duly inform the **Claims Officers** of same in writing.
- 5.3.11 Payment of Administrative Costs. The **Community Council** shall submit an annual accounting of the administration costs incurred in respect of the administration of **Claims** under this **Agreement** to the **Trustees**. The **Trustees** shall pay reasonable administration costs incurred by the **Community Council** to the **Community Council** within thirty (30) days of receipt of the accounting from the **Claims Account**.

#### 5.4 SUBMISSION OF CLAIMS AND REPLACEMENT OF CLAIMS OFFICER

- 5.4.1 Submission of Claims to Claims Officer. All **Claims** shall be submitted to the **Claims Officer** selected by the **Community Council** pursuant to Subsection 5.3.2.
- 5.4.2 Replacement of Claims Officer. In the event that a **Claims Officer** is unable or unwilling to act, or upon disclosure by the **Claims Officer** under Subsection 5.3.8, the **Community Council** shall select a replacement **Claims Officer** from the list of **Claims Officers** maintained under Subsection 5.3.1.

#### 5.5 CLAIMS PROCEDURE

- 5.5.1 Form of Claims. **Claims** shall be filed with the **Community Council** in the form and content of Schedule 5.1.
- 5.5.2 Obligations of the Community Council upon Receiving a Claim. Forthwith upon receipt of a **Claim**, the **Community Council** shall:
- (a) select a **Claims Officer** as it is its obligation to select;

- (b) retain a copy of the **Claim** for the records of the **Community Council**;
- (c) forward a copy of the **Claim** and a completed notice in the form and content of Schedule 5.2 to the selected **Claims Officer**; and
- (d) post the notice in three public locations in the **Community**.

5.5.3 Notice Period. Prior to commencing any investigation under Subsection 5.5.4, the notice under Paragraph 5.5.2(d) in the form and content of Schedule 5.2 shall be posted and available to public view for not less than three (3) business days.

5.5.4 Action on Claims. Upon receipt of the **Claim**, the **Claims Officer** shall conduct or cause to be conducted such investigation as he or she considers appropriate to make a decision and decide the matter, and, subject to the right of the **Claimant** under Subsection 5.5.6 to make oral or written submissions, a hearing need not be held where it is reasonable to proceed without one.

5.5.5 Process. Subject to Subsection 5.5.6, the **Claims Officer** may adopt such policies, procedures and practices as he or she deem appropriate to assess the **Claim** on its merits and to arrive at a speedy and just decision.

5.5.6 Minimum Procedural Requirements. When considering a **Claim**, the **Claims Officer** shall:

- (a) prior to any decision, give the **Claimant** the right to make oral or written submissions in relation to the **Claim**;
- (b) prior to any decision, provide the **Claimant** with copies of all written submissions in relation to the **Claim**, advise the **Claimant** of all representations in relation to the **Claim**, and give the **Claimant** the right to respond to same in accordance with Paragraph 5.5.6(a);
- (c) receive and accept such evidence and information on oath, affidavit, or otherwise, as in his or her discretion he or she sees fit, whether admissible in evidence in a court of law or not;
- (d) if the **Claims Officer** holds a hearing, give the **Claimant**:
  - (i) written notice of the date, time, and place of that hearing within a reasonable period of time in advance of the hearing, and
  - (ii) the right to attend and make representations in accordance with Paragraph 5.5.6(a); and
- (e) give the **Claimant** a copy of the written decision in the form and content of Schedule 5.3.

5.5.7 Preliminary Decisions. Upon completion of the investigation carried out pursuant to Section 5.5, and after considering any comments in relation to the **Claim**, the **Claims Officer** shall decide if:

- (a) the person or entity advancing the **Claim** meets the criteria of a **Claimant** or the person or entity advancing the **Claim** is doing so on behalf of a person or entity who meets the criteria of a **Claimant**;
- (b) the **Claim** is being brought by or on behalf of an insurer by way of subrogation;
- (c) the **Claim** is for loss or damage to **Personal Property** arising out of **Adverse Effects**;
- (d) the **Claim**, or part of the **Claim**, must be advanced against **Hydro** under Subsection 10.4.1 and, if so, the **Claims Officer** shall provide a copy of such decision and the **Claim** to **Hydro**; and
- (e) the **Claim** has been brought within the time limit imposed under Subsection 5.1.7.

5.5.8 Further Decision Process. If it is determined under Subsection 5.5.7 that:

- (a) the **Claim** is not referable to **Hydro** under Subsection 10.4.1;
- (b) the person or entity advancing the **Claim** meets the criteria of a **Claimant** or the person or entity advancing the **Claim** is doing so on behalf of a person or entity who meets the criteria of a **Claimant**;
- (c) the **Claim** has been brought within the time specified; and
- (d) the **Claim** meets the requirements of Subsection 5.1.2;

the **Claims Officer** shall:

- (e) assess the amount of compensation taking into account the criteria set out in Paragraphs 5.1.3(a) and (b) and any prior benefit received by the **Claimant**, or compensation or insurance proceeds paid for that **Claim** to the **Claimant** including, without limitation, any general compensation payment received by the **Claimant**;
- (f) in assessing the quantum of compensation for that **Claim**, consider any evidence of mitigatory or remedial measures relevant to the **Claim** which have been implemented on a group or community basis;

- (g) determine the quantum of compensation for that **Claim** by assessing the actual cash value of the **Personal Property**, taking into account such factors as the cost of replacement less depreciation, normal life expectancy, and resale value and by further deducting a deductible for which the **Claimant** is responsible, in the amount of 25% of the compensation payable, to a maximum of \$200.00 per **Claim**;
- (h) deliver a written decision in the form and content of Schedule 5.3 to the **Claimant** with a copy to the **Community Council** and any **Resident** who provided written comments; and
- (i) retain a copy of the written decision on file for review by any **Resident** on request.

5.5.9 Payment Following Decision. If compensation is awarded under Subsection 5.5.8 or agreed upon by the parties to a mediation under Section 9.2 or by a decision of an arbitrator under Section 9.3, the **Claims Officer** shall, upon the expiry of the time to reconsider or appeal, if no application to reconsider or appeal is filed, deliver to the **Trustees** a copy of:

- (a) any **Claim** or submission made by a **Claimant** to whom money is to be paid;
- (b) the written decision delivered pursuant to Paragraph 5.5.8(h) in relation to that **Claim**;
- (c) any agreement as to compensation pursuant to mediation under Section 9.2, or relevant written decision made by the arbitrator or a judicial body with jurisdiction in relation to that **Claim**; and
- (d) the **Claimant** Release and Acknowledgment for Compensation for **Adverse Effects** in the form and content of Schedule 5.4, signed by the **Claimant** or the **Resident** who brought the **Claim** on the **Claimant's** behalf.

Upon receipt of the said documentation, the **Trustees**, pursuant to Section 14 of the **Indenture**, shall promptly pay such compensation and any costs awarded from the **Claims Account**.

5.5.10 Rejection of Claim by Delay. Except where the preliminary decision under Subsection 5.5.7 is to refer the **Claim** to **Hydro**, if a decision is not delivered within forty (40) days of the date the **Claim** is filed with the **Community Council**, or within forty (40) days of being resubmitted in accordance with the provisions of Subsection 5.3.5 or this Subsection 5.5.10, that **Claim** shall be deemed to be rejected and the **Claims Officer** shall be deemed to be unable or unwilling to act, and the **Claimant** may have the **Claim** proceed directly to arbitration under

Section 9.3 or have the **Claim** resubmitted to a new **Claims Officer** selected in accordance with Subsection 5.4.2.

- 5.5.11 Reimbursement. Subject to **Hydro** disputing the decision under Paragraph 5.5.7(d), and forthwith upon receipt of an invoice and all relevant supporting material, **Hydro** will reimburse the **Community Council** and the **Trust** for their reasonable expenses incurred in investigating and reaching a preliminary decision under Subsection 5.5.7 with respect to a **Claim** for which **Hydro** has continuing liability under Subsection 10.4.1. If **Hydro** disputes the validity or reasonableness of expenses incurred in investigating and reaching a preliminary decision under Subsection 5.5.7, **Hydro** may refer such dispute first to a mediator and second to an arbitrator in accordance with Part B of Article 9.
- 5.5.12 Substantial Compliance. No **Claim** shall be dismissed for failure on the part of the **Claimant** to use a specified form or procedure, and no reports, notices, decisions, releases or undertakings contemplated in Schedules 5.1 to 5.5 inclusive shall be invalid for failure to follow or be in the specified form, provided there has been substantial compliance and no prejudice results therefrom.
- 5.5.13 Amend Forms. Provided any such amendment is not prejudicial to the other **Parties** and is consistent with this **Agreement** the forms appended as Schedules 5.1 to 5.5, inclusive, may be amended by the **Community Council**.

## 5.6 REFERRAL TO MEDIATION AND ARBITRATION

- 5.6.1 Referral to Mediation and Arbitration. Where a **Claimant** or the **Community Council** disputes a decision under Section 5.5, other than a decision under Paragraph 5.5.7(d) that the **Claim** should be advanced against **Hydro**, either may, within twenty-one (21) days of receipt of the decision, refer that **Claim** firstly to mediation and then to arbitration in accordance with Subsections 9.2 and 9.3.
- 5.6.2 Posting of Referrals. The **Community Council** shall post, in the manner set forth in Paragraph 5.5.2(d) and Subsection 5.5.3, a Referral to Mediation (Cross Lake Community) filed in accordance with Subsection 9.2.3 or a Referral to Arbitration (Cross Lake Community) filed in accordance with Sections 9.2 and 9.3.



## SCHEDULE 5.1

### CLAIM FOR COMPENSATION

*Note: The bolded words in this Claim form are defined in the Cross Lake Community Settlement Agreement between Cross Lake Community (the "**Community**"), Her Majesty the Queen in Right of the Province of Manitoba ("**Manitoba**") and The Manitoba Hydro-Electric Board ("**Hydro**").*

#### CLAIMANT

##### Individual

- Name: \_\_\_\_\_
- Address: \_\_\_\_\_
- City/Town: \_\_\_\_\_
- Telephone: \_\_\_\_\_
- Have you been a resident of the community of Cross Lake for five consecutive years at any point in time? Yes \_\_\_\_\_ No \_\_\_\_\_
- Have you been a resident of the community of Cross Lake at least six months prior to the date of the loss or damage to your **Personal Property**? Yes \_\_\_\_\_ No \_\_\_\_\_
- Are you a member of the Cross Lake First Nation or any other Northern Flood Agreement First Nation? Yes \_\_\_\_\_ No \_\_\_\_\_

##### Community Organization

- Name: \_\_\_\_\_
- Address: \_\_\_\_\_
- City/Town: \_\_\_\_\_
- Contact person: \_\_\_\_\_
- Telephone: \_\_\_\_\_
- Is the organization a corporation or unincorporated association that is wholly owned or controlled by the **Community** or are its members or shareholders substantially comprised of **Residents**? Yes \_\_\_\_\_ No \_\_\_\_\_

#### DETAILS OF CLAIM

Loss/damage caused by **Hydro's Project** is covered by this **Claims** process.

• Amount of **Claim**: \_\_\_\_\_

• Date & time of loss/damage: \_\_\_\_\_

• Was the loss/damage caused by **Hydro's Project**? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, what date did you first become aware that the loss/damage was caused by **Hydro's Project**? \_\_\_\_\_

• Activity at time of loss/damage: \_\_\_\_\_

• Cause of loss/damage: \_\_\_\_\_

• Nature of loss/damage: \_\_\_\_\_

• **Personal Property** lost or damaged:

General Description: \_\_\_\_\_

Make: \_\_\_\_\_

Model: \_\_\_\_\_

Serial No.: \_\_\_\_\_

Year Manufactured: \_\_\_\_\_

Year Purchased: \_\_\_\_\_

Name of Vendor where **Personal Property** purchased: \_\_\_\_\_

Purchase Price: \_\_\_\_\_

Name of Registered Owner: \_\_\_\_\_

• Location where loss/damage occurred (attach sketch or map): \_\_\_\_\_

\_\_\_\_\_

• Names of witnesses to loss/damage: \_\_\_\_\_

• Have you been compensated or are you eligible for compensation by virtue of membership in a **Community Organization**? Yes \_\_\_\_\_ No \_\_\_\_\_

• Is the **Claim** covered by insurance in whole or in part? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, give details of insurance: \_\_\_\_\_

Name, address & telephone number of insurance company: \_\_\_\_\_

\_\_\_\_\_

Name, address & telephone number of insurance agent: \_\_\_\_\_

\_\_\_\_\_

- Has a claim been made under the insurance policy? Yes \_\_\_\_\_ No \_\_\_\_\_

If no, why not? \_\_\_\_\_

If yes, have you received any insurance money? Yes \_\_\_\_\_ No \_\_\_\_\_

If you have, when and how much? \_\_\_\_\_

If not, do you know why you have not received any payment? \_\_\_\_\_

\_\_\_\_\_

**CLAIMANT'S STATEMENT:**

I believe the loss or damage described above was caused by **Hydro's Project** because: (INSERT DETAILS)

I understand that my **Claim** is subject to a deductible for which I am responsible, equal to 25% of the compensation payable to me, to a maximum of \$200.00 per **Claim**.

I hereby certify that the above information is correct.

\_\_\_\_\_  
Signature of **Claimant**

\_\_\_\_\_  
Date

**DATE CLAIM RECEIVED BY COMMUNITY COUNCIL:** \_\_\_\_\_

## SCHEDULE 5.2

### NOTICE OF RECEIPT OF CLAIM FOR COMPENSATION

*Note: The bolded words in this Claim form are defined in the Cross Lake Community Settlement Agreement between Cross Lake Community (the "**Community**"), Her Majesty the Queen in Right of the Province of Manitoba ("**Manitoba**") and The Manitoba Hydro-Electric Board ("**Hydro**").*

\_\_\_\_\_ (INSERT NAME), **CLAIMS OFFICER** IS CURRENTLY INVESTIGATING THE ATTACHED **CLAIM** FOR COMPENSATION, AND A DECISION ON THIS MATTER WILL BE MADE ON OR AFTER \_\_\_\_\_ (INSERT DATE) . ANY **RESIDENT** OF THE **COMMUNITY** WHO WISHES TO COMMENT ON THIS **CLAIM** SHOULD DIRECT COMMENTS TO THE **CLAIMS OFFICER** REFERRED TO ABOVE, BEFORE THAT DATE.

IF YOU WISH TO RECEIVE A COPY OF THE DECISION, YOU MUST PROVIDE YOUR ADDRESS TO THE ABOVE-NAMED **CLAIMS OFFICER**, IN WRITING, C/O THE CROSS LAKE COMMUNITY COUNCIL OFFICE, AT THE TIME YOU SUBMIT YOUR COMMENTS.

Signed at the Cross Lake Community, Manitoba, this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

\_\_\_\_\_  
**Claims Officer**

### SCHEDULE 5.3

#### REPORT, DECISION AND RIGHT TO ARBITRATION

*Note: The bolded words in this Claim form are defined in the Cross Lake Community Settlement Agreement between Cross Lake Community (the "**Community**"), Her Majesty the Queen in Right of the Province of Manitoba ("**Manitoba**") and The Manitoba Hydro-Electric Board ("**Hydro**").*

A **Claim** for compensation from the **Claims Account** of the Ketetowenow Trust was filed by (INSERT NAME OF **CLAIMANT**), on (INSERT DATE):

I, the **Claims Officer**, Report and Decide as follows:

From the investigation of the **Claim**:

- (a) Does the applicant meet the criteria of a **Claimant**? Yes \_\_\_\_ No \_\_\_\_
- (b) Was the applicant a member of an existing **Community Organization** at the time the **Adverse Effect** occurred? Yes \_\_\_\_ No \_\_\_\_
- (c) Was the loss or damage the result of any intentional or criminal act by the **Claimant** or at the direction of the **Claimant**? Yes \_\_\_\_ No \_\_\_\_
- (d) Did the loss or damage arise because of the operation of **Personal Property** contrary to law by the **Claimant**? Yes \_\_\_\_ No \_\_\_\_
- (e) Does the **Claimant** own the **Personal Property** to which the loss or damage occurred? Yes \_\_\_\_ No \_\_\_\_
- (f) Can the **Claimant** bring a claim under The Northern Flood Agreement? Yes \_\_\_\_ No \_\_\_\_
- (g) Was the loss or damage incurred by a commercial trapper or helper, or commercial fisher or helper, while engaged in a commercial trapping or fishing activity? Yes \_\_\_\_ No \_\_\_\_
- (h) Is the **Claimant** an insurer claiming by way of subrogation? Yes \_\_\_\_ No \_\_\_\_
- (i) Has the **Claim** been brought within two (2) years of the date the cause of the loss or damage became evident to the **Claimant** or if the **Claimant** was not yet eighteen (18) years of age at the time of the loss or damage, within two (2) years of the date the **Claimant** became an adult? Yes \_\_\_\_ No \_\_\_\_

(j) Has a **Claim** already been brought by, or on behalf of, the **Claimant** for all or a portion of the same loss or damage? Yes \_\_\_\_ No \_\_\_\_

(k) Is *all* of the loss or damage the result of, or attributable to, an **Adverse Effect** of the **Project**? Yes \_\_\_\_ No \_\_\_\_

Is *part* of the loss or damage the result of, or attributable to, an **Adverse Effect** of the **Project**? Yes \_\_\_\_ No \_\_\_\_

Is *none* of the loss or damage the result of, or attributable to, an **Adverse Effect** of the **Project**? Yes \_\_\_\_ No \_\_\_\_

(l) Is the loss or damage compensable *in full* from the **Claims Account** of the Ketetowenow Trust? Yes \_\_\_\_ No \_\_\_\_

Is the loss or damage compensable *in part* from the **Claims Account** of the Ketetowenow Trust? Yes \_\_\_\_ No \_\_\_\_

(m) Is the loss or damage not compensable *in full* from the **Claims Account** of the Ketetowenow Trust because the **Claim** appears to be one that should be dealt with as an ongoing liability of **Hydro**, under Subsection 10.4.1 of the **Agreement**? Yes \_\_\_\_ No \_\_\_\_  
(If yes, a copy of this **Claim** must be forwarded to **Hydro**)

Is the loss or damage not compensable *in part* from the **Claims Account** of the Ketetowenow Trust because the **Claim** appears to be one that in part should be dealt with as an ongoing liability of **Hydro**, under Subsection 10.4.1 of the **Agreement**? Yes \_\_\_\_ No \_\_\_\_  
(If so, a copy of this **Claim** has been forwarded to **Hydro**)

Is the loss or damage not compensable from the **Claims Account** of the Ketetowenow Trust because the **Claimant** otherwise has been *fully* compensated? Yes \_\_\_\_ No \_\_\_\_

Is the loss or damage not compensable *in full* from the **Claims Account** of the Ketetowenow Trust because the **Claimant** otherwise has been *partially* compensated? Yes \_\_\_\_ No \_\_\_\_

List **Party** which partially compensated the **Claimant**

and amount of partial compensation:

\_\_\_\_\_

- (n) The reasonable compensation payable from the Ketetowenow Trust is \$\_\_\_\_\_ and \$\_\_\_\_\_ for costs.

Additional reasons:

The **Claims Officer** warrants that he or she does not have an interest in this **Claim** that could have affected his or her impartiality.

Signed at the Cross Lake Community, Manitoba, this \_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

\_\_\_\_\_  
**Claims Officer**

NOTICE: THE **CLAIMANT** MAY REFER THIS MATTER TO DISPUTE RESOLUTION UNDER ARTICLE 9 BY MAKING A WRITTEN REFERRAL IN THE FORM AND CONTENT OF SCHEDULE 9.1 WITHIN 21 DAYS OF THE DELIVERY OF THIS DECISION.

NOTICE: THE **COMMUNITY COUNCIL** MAY REFER THIS MATTER TO DISPUTE RESOLUTION UNDER ARTICLE 9 BY MAKING A WRITTEN REFERRAL IN THE FORM AND CONTENT OF SCHEDULE 9.1 WITHIN 21 DAYS OF THE DELIVERY OF THIS DECISION.

## SCHEDULE 5.4

### CLAIMANT RELEASE AND ACKNOWLEDGEMENT FOR COMPENSATION FOR ADVERSE EFFECTS

*Note: The bolded words in this Claim form are defined in the Cross Lake Community Settlement Agreement between Cross Lake Community (the "**Community**"), Her Majesty the Queen in Right of the Province of Manitoba ("**Manitoba**") and The Manitoba Hydro-Electric Board ("**Hydro**").*

I, \_\_\_\_\_, (name of **Claimant**, or "on behalf of \_\_\_\_\_ Association or Corporation") \_\_\_\_\_, filed a **Claim** dated \_\_\_\_\_, under Article 5 of the Cross Lake Community Settlement Agreement (the "**Agreement**") in respect of damage or loss that I was aware of at the date of filing the **Claim**, arising from an **Adverse Effect**.

A decision on the **Claim** was made by the **Claims Officer** or arbitrator appointed under the **Agreement**, or the Manitoba Court of Queen's Bench, dated \_\_\_\_\_, a copy of which is attached. \_\_\_\_

or

An agreement was reached by mediation (the "agreement") between me \_\_\_\_\_ (**Claimant**) and The Incorporated Community of Cross Lake (the "**Community**"), a copy of which is attached. \_\_\_\_ (check applicable sentence).

That decision or agreement is a fully satisfactory settlement of the damage or loss referenced in the **Claim** dated \_\_\_\_\_.

In consideration of the payment of \_\_\_\_\_ (amount), I hereby fully and finally release the **Community** \_\_\_\_\_, the Cross Lake Community Council (the "**Community Council**") \_\_\_\_\_ (check applicable words), the Ketetowenow Trust, the **Claims Officer** and the Ketetowenow **Trustees** with respect to this **Claim**, and I will bring no further claim for the same damage or loss against any other person.

I have been advised by \_\_\_\_\_, the **Claims Officer** \_\_\_\_\_, or a member of the **Community Council** \_\_\_\_\_, or a Ketetowenow **Trustee** \_\_\_\_\_ (check applicable words), that I have the right to obtain the advice of legal counsel in connection with the execution of this release at my own expense.

I have obtained \_\_\_\_ or I hereby waive my right to \_\_\_\_ (check applicable words) the advice of legal counsel in connection with this release.

Dated at \_\_\_\_\_, Manitoba, this \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_,

\_\_\_\_\_  
Witness

\_\_\_\_\_  
**Claimant**



## SCHEDULE 5.5

### UNDERTAKING OF CLAIMS OFFICER

*Note: The bolded words in this Claim form are defined in the Cross Lake Community Settlement Agreement between Cross Lake Community (the "**Community**"), Her Majesty the Queen in Right of the Province of Manitoba ("**Manitoba**") and The Manitoba Hydro-Electric Board ("**Hydro**").*

I, \_\_\_\_\_, being an appointee of the **Community Council** of the Incorporated Community of Cross Lake to serve as a **Claims Officer**, state and undertake as follows:

1. I am qualified to be appointed a **Claims Officer** and in particular, I confirm that:
  - a. I am aged 18 years or older;
  - b. I have resided continuously within the boundaries of the **Community** for the past six months;
  - c. I have not been convicted under the *Criminal Code* for municipal corruption or for an indictable offense for which I was/am liable to imprisonment for five years or more, or have been so convicted, but have received a pardon for that conviction;
  - d. I am not an elected official of a "band" as defined in the *Indian Act* [i.e. not a Chief or Councillor of a First Nation];
  - e. I am not an employee or paid consultant of the **Community**; and
  - f. I am not an undischarged bankrupt within the meaning of the *Bankruptcy and Insolvency Act*.
2. I will promptly disclose in writing to the **Community Council** any change or circumstance in the status of qualifications noted in #1 above.
3. I have read \_\_\_\_, or I had explained to me \_\_\_\_ (check applicable words), the terms of the Cross Lake Community Settlement Agreement and **Indenture** with particular reference to the provisions relating to the processes for administering and deciding **Claims** for compensation.
4. I hereby accept and will honestly and faithfully discharge the duties and responsibilities of a **Claims Officer** during my term in such office.
5. I have been advised by \_\_\_\_\_, an employee of the **Community**, that I have the right to obtain the advice of legal counsel in connection with the execution of this undertaking. I understand that a reasonable fee for me to obtain the advice of legal counsel for this purpose will be paid from the **Claims Account** provided I obtain the approval of the **Community Council** of the fee for legal advice prior to obtaining this advice.
6. I have obtained \_\_\_\_ or I hereby waive my right to \_\_\_\_ (check applicable words) the advice of legal counsel in making this undertaking.

7. I will promptly disclose in writing to the **Community Council** any conflict of interest in a **Claim**, or any relationship to a **Claimant** that could affect my impartiality in serving as a **Claims Officer**.

Dated at the Cross Lake Community on the \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

\_\_\_\_\_  
**Claims Officer**

## ARTICLE 6 - RESOURCE MANAGEMENT

### 6.1 INTRODUCTION

6.1.1 Introduction. Article 6 sets out a role for the **Community** in **Resource** management matters in the **Cross Lake Registered Trapline District**.

6.1.2 Description of **Cross Lake Registered Trapline District**. The **Cross Lake Registered Trapline District** is the area described in the Plan of Registered Trapline for Cross Lake, Plan No. 22, a copy of which is attached as Schedule 6.1.

### 6.2 MANITOBA/CROSS LAKE COMMUNITY RESOURCE MANAGEMENT COMMITTEE

6.2.1 Establishment of **Committee**. Within thirty (30) days of the **Date of this Agreement**, the **Community** and **Manitoba** will each appoint two (2) persons to constitute the **Committee**.

6.2.2 **Committee** meetings. The **Committee** will meet as often as the **Committee** members consider necessary but will meet at least three (3) times per year unless the **Committee** agrees otherwise. Meetings will be held in the **Community** unless the **Committee** agrees otherwise.

6.2.3 Change in numbers of members. The number of **Committee** members may be changed by agreement between the **Community** and **Manitoba** provided that there is always an equal number of members appointed by each and no fewer than four (4) members in total.

6.2.4 Alternate Members. The **Community** and **Manitoba** may each appoint one or more alternate members who may act in place of a member of the **Committee** appointed by that **Party**.

6.2.5 Replacing Members. The **Community** and **Manitoba** may, at any time, by providing at least thirty (30) days notice in writing to the other, change a member or an alternate member appointed by it.

6.2.6 Rules and Procedures, and Selection of Chairperson. The **Committee** may establish its own rules and procedures for the conduct of the business of the **Committee**. A chairperson will be selected from among the members of the **Committee**.

6.2.7 Decisions. Decisions of the **Committee** will be made by consensus.

6.2.8 Sharing of costs. The **Community** and **Manitoba** will pay the costs of their own representatives on the **Committee**. The **Community Council** shall each year determine the amount of compensation to be paid to their representatives on the **Committee** for their services hereunder. The **Community Council** shall make such determination no later than November 30 each year and shall duly inform their **Committee** members of same in writing.

### 6.3 OBJECTIVE AND ACTIVITIES OF COMMITTEE

6.3.1 Objective of Committee. The **Committee** will serve as a mechanism for **Manitoba** and the **Community** to consult about **Resource** management issues in the **Cross Lake Registered Trapline District**.

6.3.2 Committee Activities. In order to consult about **Resource** management issues in the **Cross Lake Registered Trapline District**, the **Committee** may:

- (a) consider matters relating to potential **Resource** allocations or dispositions in the **Cross Lake Registered Trapline District**;
- (b) consider any requests or applications for **Resource** allocation or disposition where they are referred to the **Committee** in accordance with Section 6.4;
- (c) provide advice to **Manitoba** and the **Community** about **Resource** management issues including advice about **Resource** planning and regulatory matters relating to **Resources** in the **Cross Lake Registered Trapline District**; and
- (d) carry out other responsibilities as agreed by the **Community** and **Manitoba**.

### 6.4 CONSULTATION ABOUT PROPOSED RESOURCE ALLOCATIONS OR DISPOSITIONS

6.4.1 Forwarding of Requests to Committee. **Manitoba** will forward a copy of any request or application for a **Resource** allocation or disposition in the **Cross Lake Registered Trapline District** to the **Committee** for its consideration.

6.4.2 Consideration of Requests by Committee. The **Committee** will consider requests or applications forwarded to it under Subsection 6.4.1 within forty-five (45) days of receiving the request or application.

6.4.3 Recommendation by Committee. Where the **Committee** considers a request or application under Subsection 6.4.2, the **Committee** may submit recommendations to **Manitoba**, in which case the procedures set out in Subsections 6.5.1 to 6.5.8, inclusive, will apply.

## 6.5 RECOMMENDATIONS

- 6.5.1 Submission of Recommendation to Manitoba. The **Committee** may submit a recommendation about a request or application forwarded to the **Committee** by **Manitoba** under Subsection 6.4.1 to **Manitoba** within forty-five (45) days of the **Committee** receiving the request or application, accompanied by written reasons supporting the recommendation.
- 6.5.2 Time Periods for Consideration of Recommendation. **Manitoba** will consider any recommendation submitted by the **Committee** within the time period specified under Subsection 6.5.1 within ninety (90) days of receiving the recommendation.
- 6.5.3 Adoption of Recommendation. Where **Manitoba** advises the **Committee** that a recommendation submitted under Subsection 6.5.1 is acceptable for adoption, **Manitoba** will promptly take all appropriate steps to give the recommendation full effect and will promptly provide the **Committee** with documentation evidencing that the effect has been given.
- 6.5.4 Non-Adoption of Recommendation. If **Manitoba** does not adopt a recommendation of the **Committee** submitted to **Manitoba** under Subsection 6.5.1, **Manitoba** will, within the period referred to in Subsection 6.5.2:
- (a) refer the matter to the **Committee** for further consideration; and
  - (b) provide written reasons for its decision not to adopt the recommendation to the **Committee**.
- 6.5.5 Resubmission of Recommendation to Manitoba. Where **Manitoba** has referred a matter to the **Committee** for further consideration under Subsection 6.5.4, the **Committee** may, within thirty (30) days following its next meeting, submit to **Manitoba**:
- (a) a revised recommendation; or
  - (b) a request that the recommendation first submitted under Subsection 6.5.1 be reconsidered, including such additional information as the **Committee** may consider relevant.
- 6.5.6 Final Decision. **Manitoba** will, within forty-five (45) days of receiving a recommendation or request under Subsection 6.5.5, advise the **Committee** in writing of its decision on whether it adopts the recommendation.
- 6.5.7 No Further Submission. Where a recommendation submitted under Subsection 6.5.5 is not adopted by **Manitoba**, the **Committee** may not make a further

submission under Subsection 6.5.5 of the same recommendation without first having obtained the approval of **Manitoba**.

- 6.5.8 Extensions. The time limit set forth in Subsection 6.5.2 may be extended by agreement in writing between the **Community** and **Manitoba**.

## 6.6 WHERE NO RECOMMENDATION BY COMMITTEE

- 6.6.1 No Recommendation. In the absence of a recommendation being submitted to **Manitoba** by the **Committee** within the time period provided under Subsection 6.5.1, **Manitoba**, in its sole discretion, may act within its jurisdiction upon a request or application and will advise the **Committee** of its actions.

## 6.7 TRANSITIONAL MEASURES

- 6.7.1 Transitional Measures. Where **Manitoba** has, prior to the **Date of this Agreement**, received a request or application for a **Resource** allocation or disposition, and deferred such request or application pending the execution of this **Agreement**, **Manitoba** will provide such request or application together with any requests or applications received after the **Date of this Agreement** to the **Committee**. The **Committee** will submit its recommendation on any such request or application within forty-five (45) days of the appointment of the last member of the **Committee**. The procedures set out in Sections 6.4 and 6.5 will apply with necessary modifications.

## 6.8 ASSISTANCE AND INFORMATION

- 6.8.1 Requesting Assistance. **Manitoba** will, upon the written request of the **Committee**, provide assistance in drafting any recommendation from the **Committee**. This will not imply that **Manitoba** will adopt the recommendation.
- 6.8.2 Requesting Information. **Manitoba** will, upon the written request of the **Committee** or the **Community**, provide
- (a) information within its control about matters being dealt with by, or of interest to, the **Committee**; and
  - (b) information concerning the application of existing laws, policies, procedures and plans affecting management or use of **Resources** in the **Cross Lake Registered Trapline District**.
- 6.8.3 Disclosure subject to Legislation. The provision of information by **Manitoba** under Subsection 6.8.2 will be subject to the restrictions on access and disclosure of information set out in *The Freedom of Information and Protection of Privacy Act*.

## 6.9 AUTHORITY

- 6.9.1 No Derogation. Nothing in Article 6 will derogate from any jurisdiction of **Manitoba** relating to **Resources** in the **Cross Lake Registered Trapline District**.
- 6.9.2 Recommendations of No Force or Effect. Unless adopted by **Manitoba**, no recommendation of the **Committee** will have any force or effect.
- 6.9.3 Access to Lands. Article 6 does not restrict the right of any person to enter on Crown (Manitoba) lands for any lawful purpose.
- 6.9.4 Existing Rights not Affected. Nothing in Article 6 will affect any rights or privileges granted under any licences, permits, leases or approvals issued by or on behalf of **Manitoba** prior to the **Date of this Agreement**.
- 6.9.5 No Revenue Sharing. The functions and purposes of the **Committee** under Article 6 do not extend to consideration of royalties, income or other revenue derived from or attributable to **Resources**, and nothing in Article 6 entitles the **Community** to share in the royalties, income or other revenue derived from **Resources** within **Manitoba's** jurisdiction, ownership or administration and control.
- 6.9.6 Powers and Prerogatives. Nothing in Article 6 will be interpreted to bind or infringe upon the powers and prerogatives of the Legislative Assembly of Manitoba.
- 6.9.7 Statutory Requirements. Nothing in this **Agreement**:
- (a) requires either **Manitoba** or the **Community** to take any actions not otherwise provided for in this **Agreement**, or required by statute or regulation;
  - (b) exempts either **Manitoba** or the **Community** from any requirement arising under statute or regulation; or
  - (c) will be deemed or interpreted to modify any requirement arising under statute or regulation.

## 6.10 ESTABLISHMENT OF RESOURCE MANAGEMENT BOARD

- 6.10.1 Manitoba Position in Negotiations. **Manitoba** will take the position in any negotiations about an agreement to establish a resource management board for

the **Cross Lake Registered Trapline District**, that it is appropriate for the **Community** to have a fair, meaningful and effective representation on the board.

6.10.2 Consultation by **Manitoba** with **Community**. **Manitoba** will consult with the **Community** during the development of any agreement establishing a resource management board for the **Cross Lake Registered Trapline District**.

6.10.3 Information to be provided to **Community Council**. Following the establishing of a resource management board, for the purpose of sharing information with the **Community**, **Manitoba** will provide a copy of any requests or applications for a **Resource** allocation or disposition provided to the resource management board, to the **Community Council**.

## 6.11 DISCONTINUANCE AND AMENDMENT

6.11.1 Discontinuance by **Community** and **Manitoba**. The **Community** and **Manitoba** may, by agreement in writing:

- (a) discontinue the **Committee** and its activities; or
- (b) assign the functions of the **Committee** to other entities, including the **Community Council**.

6.11.2 Discontinuance on establishment of Resource Management Board. Subject to Subsections 6.11.3, upon the signing and effective implementation of an agreement establishing a resource management board for the **Cross Lake Registered Trapline District** providing for the **Community** to have a fair, meaningful and effective role on the board, Article 6, with the exception of Subsection 6.10.3, will no longer apply and **Resource** management issues will be addressed as provided in that agreement.

6.11.3 Continuation of **Committee** during Dispute Resolution Process. The **Committee** will continue during the period in which any dispute as to:

- (a) whether the agreement for the establishment of the board provides fair, meaningful and effective role on the board; or
- (b) whether that agreement is being effectively implemented in accordance with Subsection 6.11.2;

is being addressed by mediation or arbitration in accordance with Subsection 6.11.5.

6.11.4 Re-establishment of **Committee** on Discontinuance of Resource Management Board. The **Committee** will be established and Article 6 will apply again:



- (a) where the resource management board for the **Cross Lake Registered Trapline District** is discontinued; or
- (b) where the agreement establishing the resource management board for the **Cross Lake Registered Trapline District** is no longer being effectively implemented.

6.11.5 Dispute Resolution. Any dispute about

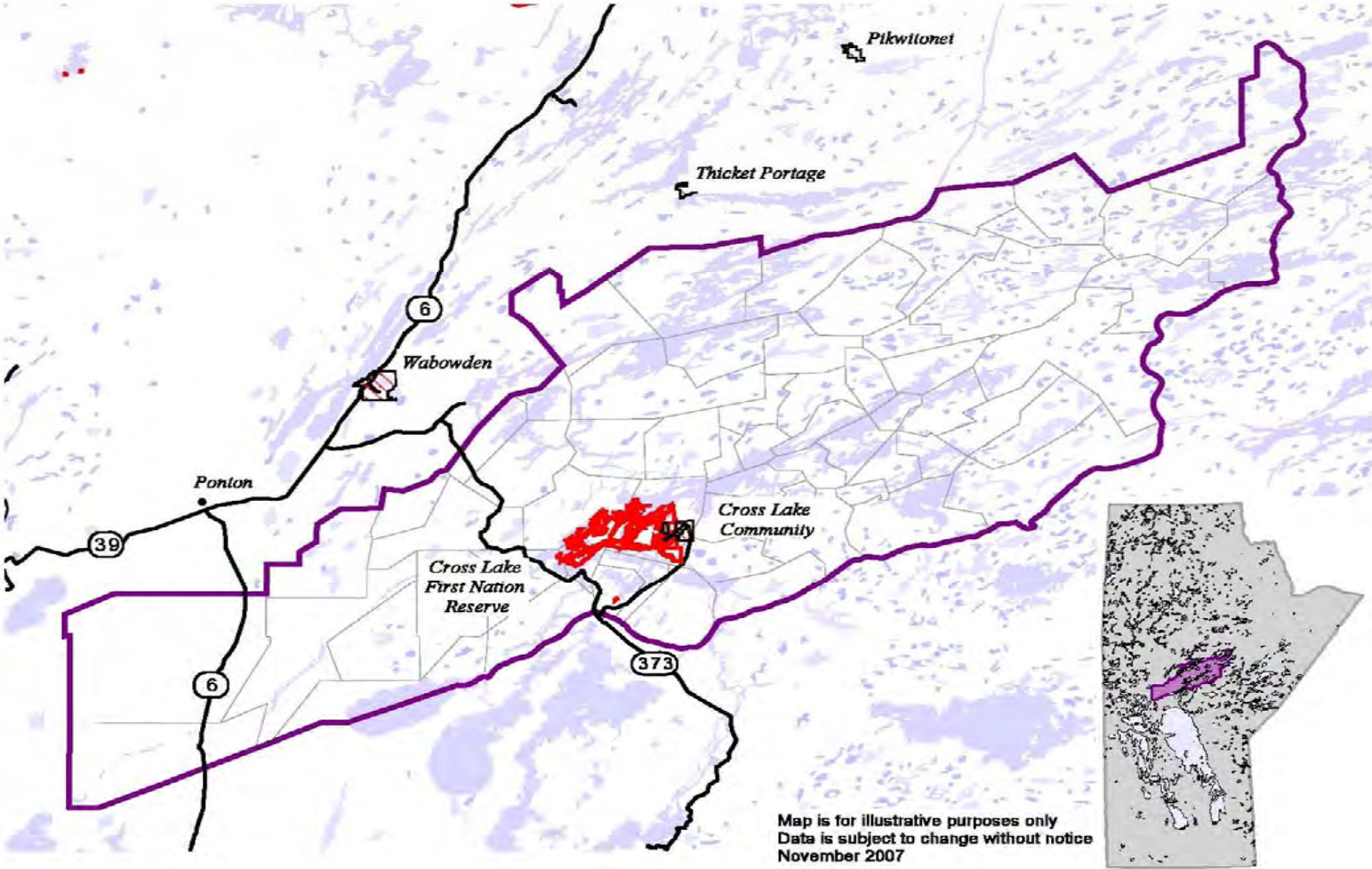
- (a) whether the agreement for the establishment of the board provides for the **Community** to have a fair, meaningful and effective role on the board in accordance with Subsection 6.11.2;
- (b) whether that agreement is being effectively implemented in accordance with Subsection 6.11.2; or
- (c) whether the agreement establishing the resource management board is no longer being effectively implemented in accordance with Subsection 6.11.4;

may be determined by mediation or arbitration in accordance with Part B of Article 9.

6.11.6 Amendment. The **Community** and **Manitoba** may, by agreement in writing, amend any provision of Article 6.

**SCHEDULE 6.1**

**PLAN OF REGISTERED TRAPLINE FOR CROSS LAKE (PLAN NO. 22)**



## ARTICLE 7 - FUTURE DEVELOPMENT

### 7.1 INTRODUCTION

7.1.1 Introduction. Article 7 sets forth cooperative planning principles and processes for the analysis, discussion and resolution of potential **Future Development Adverse Effects** caused by and in relation to **Future Development**.

### 7.2 NOTICE

7.2.1 Future Development. **Hydro** and the **Community** acknowledge that **Hydro** may, within the foreseeable future, undertake **Future Development** and initiate further preparatory and other work related to such **Future Development**.

7.2.2 Notice. **Hydro** will, at the annual meeting provided for in Subsection 8.2.1, indicate to the **Community** whether or not it is actively considering a **Future Development**. If at any time, a **Future Development** is being actively considered, in addition to so advising in the annual meeting or at a special meeting provided for in Article 8, **Hydro** will give written notice to the **Community**, as early as practicable in the planning stages of the **Future Development**, of its intention to commence the planning process outlined in Section 7.3.

7.2.3 Agreement to Begin Future Development Adverse Effects Compensation Process. After notice is provided in accordance with Subsection 7.2.2, **Hydro** and the **Community** agree to conduct the process outlined in Section 7.3 to consider the issue of compensation for potential **Future Development Adverse Effects**.

### 7.3 PROCESS TO ADDRESS ADVERSE EFFECTS OF FUTURE DEVELOPMENT

7.3.1 Future Development Compensation Process. As part of the planning process for **Future Development**, **Hydro** will:

- (a) with respect to each option for **Future Development** being considered by **Hydro**, provide to the **Community**:
  - (i) maps showing potential sites,
  - (ii) descriptions of each option for **Future Development** including anticipated impacts on water levels and flows, and rates of change in water levels and flows of Cross Lake, Pipestone Lake, Walker Lake, Sipiwesk Lake, and Nelson River East Channel and West Channel,

- (iii) maps showing the anticipated extent of inundation, if any,
  - (iv) an outline of anticipated effects on water bodies identified in Subparagraph 7.3.1(a)(ii) above, and
  - (v) as changes are made, up-dates of the maps, descriptions and outlines referred to in Subparagraphs 7.3.1(a)(i) to (iv);
- (b) in consultation with the **Community**, identify any issues of particular concern or importance to the **Community** related to **Future Development**;
  - (c) in consultation with the **Community**, identify and review potential **Future Development Adverse Effects** on the **Community** which could result from each option for **Future Development**;
  - (d) undertake such studies and investigations, to be conducted jointly wherever reasonably possible, as are necessary to obtain a reasonable assessment and understanding of such potential **Future Development Adverse Effects** which have been identified, and after consultation with the **Community**, consider reasonable design modifications which could eliminate or alleviate any identified **Future Development Adverse Effects**;
  - (e) after consultation with the **Community**, identify, design and determine costs for mitigatory and remedial works which are reasonable, to alleviate anticipated **Future Development Adverse Effects** which cannot be eliminated by design modifications;
  - (f) consult with the **Community** to determine which option for **Future Development**, if any, is preferred by the **Community**; and
  - (g) in accordance with Subsection 7.3.2, and in consultation with the **Community**, endeavour to develop, negotiate and conclude an agreement to compensate the **Community** for residual unmitigated **Future Development Adverse Effects** which are known and foreseeable.

7.3.2 **Community Interests.** In order to reach the agreement contemplated in Paragraph 7.3.1(g), the **Community** and **Hydro** will work together to fully assess the cost and methods of compensating the **Community** for residual unmitigated **Future Development Adverse Effects**. In relation to such matters, the **Community** will:

- (a) participate in compiling and providing data and information about potential **Future Development Adverse Effects** within the knowledge of the **Community**;

- (b) participate in the design, implementation and analysis of alternative compensation approaches for resolving issues of concern to the **Community**; and
- (c) conduct polls or referenda of **Residents** with respect to a **Future Development Adverse Effects** agreement.

7.3.3 Costs of the **Community**. **Hydro** will reimburse the pre-approved reasonable costs of the **Community** which are incurred by the **Community** to participate in the processes described in Subsection 7.3.1. Where **Hydro** and the **Community** agree that a **Future Development** is likely to cause **Future Development Adverse Effects** on the **Community**, **Hydro** will reimburse the pre-approved reasonable costs of the **Community** which are incurred by the **Community** to participate, as required to develop, negotiate and finalize the **Future Development Adverse Effects** agreement referred to in Paragraph 7.3.1(g).

7.3.4 Resolving **Future Development Adverse Effects** Agreement. In the event that the **Community** and **Hydro** are not able to conclude an agreement to compensate the **Community** for residual unmitigated **Future Development Adverse Effects** which are known and foreseeable in accordance with Paragraph 7.3.1(g), the **Community** and **Hydro** may address the issue by any method that **Hydro** and the **Community** agree, which may include mediation, fact-finding, non-binding arbitration and binding arbitration, but if the **Community** and **Hydro** do not conclude an agreement, the rights of the **Community** and **Hydro** will not be affected.

## 7.4 OPPORTUNITIES ARISING FROM FUTURE DEVELOPMENT

7.4.1 Opportunities Arising From **Future Development**. The **Community** and **Hydro** will, separate and apart from the **Future Development Adverse Effects** compensation process outlined in Section 7.3, but in a reasonably timely manner, identify:

- (a) any employment and training opportunities related to **Future Development** of which the **Community** may take advantage; and
- (b) any business opportunities related to **Future Development** of which the **Community** and its **Residents** may take advantage.

**ARTICLE 8 – MEETINGS AND ONGOING COMMUNICATION AND  
INFORMATION SHARING ON PROJECT-RELATED ACTIVITIES AND PROGRAMS,  
ENVIRONMENTAL MONITORING AND INVESTIGATION, AND TRANSPORTATION  
AND SAFETY MEASURES**

**8.1 INTRODUCTION**

8.1.1 Purpose. Article 8 sets out the commitment of the **Parties** to meetings and ongoing communications and information sharing in order to promote the continuation of a positive relationship between the **Community, Manitoba and Hydro**.

**8.2 ANNUAL AND SPECIAL MEETINGS**

8.2.1 Annual Meeting. The **Parties** will hold an annual meeting on or before April 1<sup>st</sup> each year to discuss the implementation of this **Agreement** and the items set out under Sections 8.3, 8.4 and 8.5.

8.2.2 Special Meetings. Recognizing the importance of information sharing, the **Parties** will hold a special meeting in addition to the annual meeting under Subsection 8.2.1 where required to address issues associated with the implementation of this **Agreement** or any of the items set out under Sections 8.3, 8.4 and 8.5.

8.2.3 Agenda. The **Parties** agree that each of them shall provide a list of agenda items that they wish to address at a meeting under this Section to each of the other **Parties** no later than fourteen (14) business days prior to the scheduled meeting. Without limiting the foregoing, the agenda shall include the following items:

- (a) review of work undertaken by **Hydro** since the **Date of this Agreement** or the last annual meeting in relation to **Future Development**;
- (b) review of any physical works related to **Future Development** which **Hydro** intends to construct in the coming year; and
- (c) discussion of issues and concerns relevant to **Future Development** and decommissioning.

8.2.4 Location of Meetings. The meetings will be held in the **Community** or other mutually acceptable location.

8.2.5 Information Package for Meeting. At least seven (7) days prior to a meeting under this Section, **Manitoba** and **Hydro** will provide to the **Community Council**, a written information package containing a description of all known and

planned programs and activities under Subsection 8.3.1 and other relevant information to assist in discussions at the meeting.

- 8.2.6 Costs Borne by Each Party. Each **Party** shall be responsible for any costs incurred by it to participate in a meeting under this Section.

### 8.3 PROJECT-RELATED ACTIVITIES AND PROGRAMS

- 8.3.1 Programs and Activities. **Manitoba** and **Hydro** agree to provide the **Community** with information on an ongoing basis concerning **Project**-related programs and activities within the **Cross Lake Registered Trapline District**, including mitigation or remedial works and construction and maintenance works.

- 8.3.2 Opportunity to Benefit from Project-Related Programs and Activities. **Manitoba** and **Hydro** agree that the **Community**, its **Residents** and businesses in the **Community** should have the opportunity to benefit on an equitable basis, where reasonably practicable, from employment and other economic opportunities related to the activities and programs referred to in Subsection 8.3.1.

- 8.3.3 Type of Information to be Shared. **Manitoba** and **Hydro** agree to provide sufficient information concerning the programs and activities referred to in Subsection 8.3.1 to enable the **Community** to understand the scope of work being planned and to pursue any employment or business opportunities arising from such works. Information to be provided by **Manitoba** and **Hydro** will include:

- (a) the purposes and objectives of the program or activity;
- (b) the location of the program or activity;
- (c) a description of the work that is planned;
- (d) the timing and schedule for the program or activity;
- (e) a description of potential employment, equipment rental, and other business services that will be required to complete the work; and
- (f) the name and telephone number of a person whom the **Community** may contact for further information.

- 8.3.4 Community Information. The **Community** agrees to:

- (a) apprise **Manitoba** and **Hydro** of its capabilities and services to participate in any **Project**-related activities, programs and potential economic opportunities; and

- (b) provide **Manitoba** and **Hydro** with a list containing the names, services, labour skills of employees, and equipment of businesses owned by **Residents**, capable of performing the various types of work likely to be required for the programs and activities referred to in Subsection 8.3.1.

#### 8.4 ENVIRONMENTAL MONITORING AND INVESTIGATION

8.4.1 Environmental Information Sharing. **Manitoba** and **Hydro** agree to provide information to the **Community** about environmental monitoring and investigation on an ongoing basis, including:

- (a) the plans of any **Party** to conduct investigations of environmental conditions in or near the **Cross Lake Registered Trapline District**;
- (b) any contemplated environmental monitoring or investigations of any **Party** in or near the **Cross Lake Registered Trapline District** pursuant to the provisions of this **Agreement** or any statute or regulation;
- (c) whether, and to what extent, it is practical to adjust any activities under Paragraphs 8.4.1 (a) or (b);
- (d) the results of any environmental monitoring studies, audit, impact statement or impact assessment to the extent they may be made available to other **Parties**; and
- (e) any other relevant information.

8.4.2 Requests for Environmental Information. Upon a request in writing by the **Community**, **Manitoba** and **Hydro** will provide environmental information of contemporary relevance to the **Community** subject to restrictions on disclosure as provided under *The Freedom of Information and Protection of Privacy Act*.

#### 8.5 TRANSPORTATION AND SAFETY MEASURES

8.5.1 Existing and Updated Transportation and Safety Measures. As of the **Date of this Agreement**, **Hydro** maintains the transportation and safety measures described in Schedule 8.1. After changes have been made by **Hydro** to transportation and safety measures as set forth in Subsections 8.5.2 and 8.5.3, Schedule 8.1 will be updated to reflect current measures and a copy will be provided to the **Community**.

8.5.2 Sharing of Information about Transportation and Safety Measures. The **Parties** agree to exchange information, on an ongoing basis, as follows:



- (a) **Manitoba** and **Hydro** will provide the **Community** with information about any proposed changes to the transportation and safety measures described in Schedule 8.1;
- (b) the **Community** will provide **Manitoba** and **Hydro** with information about any enhancements which the **Community** believes should be made to the transportation and safety measures described in Schedule 8.1;
- (c) **Manitoba** and **Hydro** will provide the **Community** with information about employment and other economic opportunities associated with the transportation and safety measures; and
- (d) where any **Party** so requests, a special meeting will be held in accordance with Subsection 8.2.2 to discuss any of the foregoing matters, review relevant information and consider accommodation of the **Community's** concerns.

8.5.3 Changes to Transportation and Safety Measures. Recognizing that transportation and safety measures are important to both **Hydro** and the **Community**, **Hydro** agrees that it will not eliminate or downgrade any of the transportation and safety measures described in Schedule 8.1 until:

- (a) **Hydro** has given the **Community** reasonable written notice of its intention including a statement describing the reasons for the proposed change and any assessment by **Hydro** of the potential effects on safety of the proposed change; and
- (b) if requested by either **Hydro** or the **Community**, a special meeting has been held in accordance with Subsection 8.2.2 to discuss the proposed change, review relevant information and consider accommodation of the **Community's** concerns.

## 8.6 END OF OBLIGATIONS UNDER THIS ARTICLE

8.6.1 End of Obligation. The arrangements contemplated in Article 8 may be held in abeyance or terminated by the mutual agreement of all **Parties**, and shall, unless otherwise agreed, terminate at the end of the **Project**.

## SCHEDULE 8.1

### EXISTING TRANSPORTATION AND SAFETY MEASURES

As a matter of Corporate policy, the following safety measures are currently implemented by **Hydro** within the **Cross Lake Registered Trapline District**.

- Build and mark a network of approximately 35 snowmobile ice trails including an ice bridge covering approximately 500kms of trails on **Hydro**-impacted waterways. The majority of marking poles use reflective tape to enhance visibility.
- Monitor the safety of snowmobile ice trails when reasonably required in the winter period.
- Mark and fence hazardous ice and winter open water areas near the **Community** when necessary.
- Maintain caution sign upstream of the Cross Lake Weir.
- Maintain a network of up to ten (10) **Hydro** Emergency Cabins to provide shelter to stranded travelers in case of emergency.
- Place and maintain navigation aids to mark a safe channel for boat travel and to mark reef hazards in the vicinity of the **Community** in accordance with Coast Guard regulations.
- Provide 60-day Water Level Forecast Notices to the **Community Council** Office at the start of each month.
- Maintain a network of eighteen (18) portages along water routes affected by **Hydro** development.
- Maintain three (3) helicopter landing pads at various portages to facilitate emergency travel.
- Conduct boat patrols on **Hydro**-impacted waterways.
- Remove woody debris from areas on **Hydro**-impacted waterways which pose a hazard to boat travel in accordance with Corporate policy.
- Provision of an ERTS (Emergency Radio Telecommunications System) tower at Cross Lake.

## ARTICLE 9 - DISPUTE RESOLUTION

### 9.1 INTRODUCTION

9.1.1 Purpose. Article 9 sets out methods of dispute resolution:

- (a) in Part A, for disputes relating to
  - (i) **Claims** and matters relating to the **Trust**, or
  - (ii) the interpretation of the **Indenture** or use or administration of **Assets** or payments from the **Trust**; and
- (b) in Part B, for disputes among the **Parties** relating to the application, interpretation or implementation of this **Agreement**.

### PART A – DISPUTES RELATING TO CLAIMS AND MATTERS RELATING TO THE TRUST (CROSS LAKE COMMUNITY)

#### 9.2 CROSS LAKE COMMUNITY MEDIATION

9.2.1 Mediation. Any dispute

- (a) by a **Claimant** or the **Community Council** regarding a decision made under Section 5.5 about a **Claim** other than a dispute about a decision under Paragraph 5.5.7(d); or
- (b) by a **Resident**, the **Community**, a member of the **Community Council**, or a **Trustee** regarding the interpretation of the **Indenture** or use or administration of **Assets** or payments from the **Trust**;

shall be referred first to mediation in accordance with Section 9.2 prior to proceeding to binding arbitration in accordance with Section 9.3.

9.2.2 List of Mediators/Arbitrators. After consultation with persons it considers advisable, the **Community Council** shall establish and maintain an up-dated list of not fewer than three (3) **Residents** who are eighteen (18) years of age or older, have qualities and experience suitable to be a mediator/arbitrator for a dispute described in Subsection 9.2.1 and who are willing to act as a mediator/arbitrator, but who are not

- (a) **Claims Officers**;
- (b) members of the **Community Council**; or

(c) **Trustees.**

The **Community Council** shall make the list available to any person referring a matter to mediation under Section 9.2.

9.2.3 Referral to Mediation. The person referring the matter to mediation shall provide the **Community Council** and any person against whom any relief, remedy or redress may be sought under Section 9.2 with a referral to mediation in the form and content of Schedule 9.1, which referral shall contain:

- (a) a description of the matters in dispute; and
- (b) the relief, remedy or redress sought.

Unless the parties to the dispute agree otherwise, a mediator shall then be appointed by the **Community Council** by rotation, using the list established under Subsection 9.2.2.

9.2.4 Non-Resident Mediator/Arbitrator. In the event the **Community Council** deems a dispute falling within Paragraph 9.2.1(a) or (b) to be one requiring a mediator/arbitrator with a particular area of expertise, or in the event a mediator/arbitrator cannot be appointed from the list maintained under Subsection 9.2.2 due to a conflict of interest of every person on the list, the **Community Council** may appoint a mediator/arbitrator who is not a **Resident** for that dispute. All other provisions of Subsections 9.2 and 9.3 shall apply to the person appointed under this Subsection with any necessary modifications.

9.2.5 Location of Mediation. Unless the parties to the dispute agree otherwise, the mediation shall be held at the **Community**.

9.2.6 Costs of Mediation. The parties to the dispute shall pay their own costs of mediating the dispute, but

- (a) the mediator's costs of investigating and mediating a dispute under Paragraph 9.2.1(a) shall be paid from the **Claims Account**, and
- (b) the mediator's costs of investigating and mediating a dispute under Paragraph 9.2.1(b) shall be paid from the **Community Development Account**.

The **Community Council** shall each year determine the amount of compensation to be paid to the mediators/arbitrators for their services hereunder. The **Community Council** shall make such determination no later than November 30 each year and shall duly inform the mediators/arbitrators of same in writing. For mediators/arbitrators appointed under Subsection 9.2.4, the amount of compensation to be paid to such mediators/arbitrators for their

services shall be agreed upon by the **Community Council** and the mediator/arbitrator prior to the mediator/arbitrator being appointed.

- 9.2.7 Mediator to consider matters in Article 5. In any mediation under Section 9.2 in relation to a dispute described in Paragraph 9.2.1(a), the mediator shall consider the factors and determine the matters that the **Claims Officer** is to consider or determine under Article 5.
- 9.2.8 Proceeding Without Delay. The mediator shall consult with the parties to the dispute and arrange for the commencement of mediation without delay.
- 9.2.9 Report of Mediator. At the end of mediation proceedings, the mediator shall submit a mediation report, including the degree to which the parties to the dispute reached any agreement, to the parties to the dispute. If an agreement as to compensation to be paid for a **Claim** is reached, the mediator will provide a report on the agreement, including the amount of compensation to be paid on a **Claim**, to the **Claims Officer**.

### 9.3 CROSS LAKE COMMUNITY ARBITRATION

- 9.3.1 Binding Arbitration. In the event that any dispute remains unresolved after mediation in accordance with Section 9.2, the person who referred the matter to mediation may refer the dispute to binding arbitration by providing, within twenty-one (21) days of the receipt of the report of the mediator in accordance with Subsection 9.2.9, a notice in writing in the form and content of Schedule 9.2 to every person against whom any relief, remedy or redress may be sought under Section 9.3 and the mediator containing:
- (a) a statement that the person is submitting the dispute to binding arbitration in accordance with Section 9.3;
  - (b) a description of the matters in dispute; and
  - (c) the relief, remedy or redress sought.
- 9.3.2 Mediator to act as Arbitrator in Disputes. In the event of a dispute being referred to binding arbitration, the person who acted as mediator in the mediation shall act as arbitrator, unless he or she is unable to act, or unless a party to the dispute objects to that person acting.
- 9.3.3 Alternate Arbitrator in Disputes. In the event that the mediator is unable to act as arbitrator, or a party to the dispute objects to the mediator acting, an arbitrator shall be appointed pursuant to *The Arbitration Act*.
- 9.3.4 The Arbitration Act to Apply. Except as varied by this **Agreement**, *The Arbitration Act* shall apply to all arbitrations pursuant to Section 9.3.

9.3.5 Jurisdiction and Powers for Disputes. From the date of acceptance of the appointment, the arbitrator shall have jurisdiction over the conduct of the proceedings brought under Section 9.3 and may make such orders as are necessary to ensure that the dispute is dealt with fairly and expeditiously, with regard to the real substance of the matter in dispute. Subject to the other provisions of this **Agreement**, in order to resolve the dispute, the arbitrator shall have power to:

- (a) determine any facts;
- (b) decide whether any **Claimant** is entitled to receive compensation pursuant to this **Agreement**;
- (c) award compensation from the **Claims Account** in accordance with the principles set out in Paragraphs 5.5.8 (e), (f) and (g), which will place the **Claimant** in no worse position than the **Claimant** would have been in the absence of the **Adverse Effect**;
- (d) interpret this **Agreement**;
- (e) determine the rights and obligations of **Claimants** and the **Community Council** under this **Agreement**;
- (f) determine the rights and obligations of a **Resident**, the **Community**, a member of the **Community Council**, or a **Trustee** under the **Indenture** or otherwise interpret the **Indenture**;
- (g) award damages or restitution in relation to the use or administration of **Assets** or payments from the **Trust**;
- (h) award interest; and
- (i) award costs.

9.3.6 Costs. Any award of costs under Paragraph 9.3.5(i) may include reasonable fees, travelling allowances and other ancillary expenses for lawyers, consultants, experts or other witnesses participating in such arbitration, and in relation to a party to the dispute,

- (a) for disputes under Paragraph 9.2.1(a), may, in the discretion of the arbitrator, be paid from the **Claims Account**, and
- (b) for disputes under Paragraph 9.2.1(b), may, in the discretion of the arbitrator, be paid from the **Community Development Account**.

- 9.3.7 Costs of Arbitration. All costs of arbitrating a dispute shall be shared equally by the parties participating in the arbitration unless the arbitrator orders otherwise.
- 9.3.8 Arbitrator to consider matters in Article 5. In any arbitration under Section 9.3 in relation to a dispute described in Paragraph 9.2.1(a), the arbitrator shall consider the factors and determine the matters that the **Claims Officer** is to consider or determine under Article 5.
- 9.3.9 Intervenors at Arbitration. The arbitrator may authorize any interested person to appear as an interested party in any arbitration under Section 9.3.
- 9.3.10 Continuing Jurisdiction. The arbitrator shall retain jurisdiction to resolve any outstanding issues arising from the decision.

## **PART B – DISPUTES BETWEEN THE PARTIES**

### **9.4 MEETING PRIOR TO MEDIATION OF DISPUTES BETWEEN THE PARTIES**

- 9.4.1 Meeting of Parties. Except as otherwise provided in Section 9.7, should any dispute between the **Parties** or any of them arise about:
- (a) the application, interpretation or implementation of this **Agreement**; or
  - (b) any matter between the **Parties** or any of them that this **Agreement** specifically provides may be referred to dispute resolution under this Article;

the **Parties** will first meet and seek to resolve the dispute prior to proceeding to mediation and binding arbitration in accordance with Sections 9.5 and 9.6. If the **Parties** are unable, as a result of such a meeting, to resolve the dispute, the **Parties** shall identify the issues arising from the dispute to the extent possible.

- 9.4.2 Mediation. Where a dispute referred to in Subsection 9.4.1 is not resolved by a meeting among the **Parties** as contemplated in Subsection 9.4.1, a **Party** may refer the dispute to mediation in accordance with Section 9.5.

### **9.5 MEDIATION OF DISPUTES BETWEEN THE PARTIES**

- 9.5.1 List of Mediators/Arbitrators for Mediation of Disputes between Parties. Unless the **Parties** mutually agree otherwise, the **Community, Manitoba** and **Hydro** shall establish, by agreement, and maintain, a list of not fewer than three (3) persons, who have qualities and experience suitable to be mediators/arbitrators for disputes arising between **Parties** to this **Agreement**.

9.5.2 Referral to Mediation. Disputes shall be referred to mediation by a **Party** providing to the other **Parties**, a referral to mediation in the form and content of Schedule 9.3, which referral shall contain:

- (a) the name of the **Party** or **Parties** against whom relief, remedy or redress is sought;
- (b) a description of the matters in dispute; and
- (c) the relief, remedy or redress sought.

Unless the **Parties** agree otherwise, a mediator shall then be appointed by the **Community Council** by rotation, using the list established under Section 9.5.1.

9.5.3 Location of Mediation. The mediation shall be held at a location agreed by the **Parties** or as determined by the mediator.

9.5.4 Costs of Mediation for Disputes Between Parties. In the case of any dispute between **Parties** to this **Agreement**, all costs of mediating a dispute shall be shared equally by the **Parties** participating in the mediation.

9.5.5 Proceeding Without Delay. The mediator shall consult with the **Parties** to this **Agreement** participating in the mediation and arrange for the commencement of mediation without delay.

9.5.6 Report of Mediator. At the end of mediation proceedings, the mediator shall submit a mediation report, including the degree to which the **Parties** to the dispute reached any agreement, to the **Parties**.

## 9.6 ARBITRATION OF DISPUTES BETWEEN THE PARTIES

9.6.1 Binding Arbitration. In the event that any dispute remains unresolved after mediation in accordance with Section 9.5, a **Party** may refer the issue to binding arbitration by providing, within twenty-one (21) days of the receipt of the report of the mediator in accordance with Subsection 9.5.6, a notice in writing in the form and content of Schedule 9.4 to the other **Parties** containing:

- (a) a statement that the **Party** is submitting the matter to binding arbitration in accordance with Section 9.6;
- (b) a description of the matters in dispute; and
- (c) the relief, remedy or redress sought.



9.6.2 Arbitrator Appointment. An arbitrator shall be appointed by agreement of the **Parties**. If the **Parties** can not agree, an arbitrator shall be appointed in accordance with *The Arbitration Act*.

9.6.3 Jurisdiction and Powers for Disputes Between Parties. From the date of appointment, the arbitrator shall have jurisdiction over the conduct of the proceedings and may make such orders as are necessary to ensure that the dispute is dealt with fairly and expeditiously, with regard to the real substance of the matter in dispute. Subject to the other provisions of this **Agreement**, in order to resolve the dispute, the arbitrator shall have power to:

- (a) determine any dispute as to facts and the application of this **Agreement** thereto;
- (b) interpret all provisions of this **Agreement**;
- (c) determine the rights or obligations under this **Agreement** of any **Party**;
- (d) award damages, restitution or other compensation;
- (e) award interest;
- (f) award costs; and
- (g) carry out duties specifically assigned to the arbitrator by this **Agreement**.

9.6.4 Costs of Arbitration. All costs of arbitrating a dispute shall be shared equally by the **Parties** participating in the arbitration unless the arbitrator orders otherwise.

9.6.5 Participation by Parties to the Agreement. Any **Party**, whether named as a respondent or not, has the right to participate in the arbitration hearing by notifying the participating **Parties** within twenty-one (21) days of receiving the referral.

9.6.6 Continuing Jurisdiction. The arbitrator shall retain jurisdiction to resolve any outstanding issues arising from the decision.

## **9.7 DISPUTES RELATING TO CONTINUING LIABILITY OF HYDRO UNDER SUBSECTION 10.4.1**

9.7.1 Disputes between Hydro and Claimant. If a **Claims Officer** decides under Paragraph 5.5.7(d) that a **Claim** must be advanced against **Hydro** because **Hydro** has a continuing liability under Subsection 10.4.1 and **Hydro** disputes that decision, **Hydro** may, by providing the **Claimant** with a notice in writing in the form and content of Schedule 9.5 within thirty (30) days of the receipt of the decision of the **Claims Officer**, refer the dispute to arbitration and the dispute

shall be resolved as a preliminary issue and Sections 9.6 and 9.7 shall apply with necessary modifications.

9.7.2 Process on Preliminary Issue under Subsection 10.4.1. Where the determination of the preliminary issue of the continuing liability of **Hydro** under Subsection 10.4.1 requires the determination of whether an **Adverse Effect** was caused by or contributed to by the **Project** or operation of the **Project**, the ultimate onus shall be on the person alleging that the **Project** or the operation of the **Project** by **Hydro** caused or contributed to the **Adverse Effect** to prove the effect. **Hydro** agrees that if a dispute is referred to arbitration under this Subsection, it will forthwith disclose to the **Claimant** all relevant information, other than privileged information, concerning **Project** operations relevant to the consideration of the preliminary issue. The arbitrator appointed to determine the preliminary issue may determine any issue in dispute about disclosure of information under this Subsection.

9.7.3 Where there is Continuing Liability. If it is determined under Subsection 9.7.1 that **Hydro** has continuing liability under Subsection 10.4.1, the continuing liability may be addressed:

- (a) in accordance with any method that **Hydro** and the **Claimant** agree, which may include arbitration as under Subsection 9.6 with necessary modifications; or
- (b) by legal proceedings in a court of competent jurisdiction.

9.7.4 Referral Back. If the arbitrator determines that **Hydro** has no continuing liability under Subsection 10.4.1 in relation to any part of a **Claim** advanced under Article 5, then the **Claim** shall be referred back for determination by a **Claims Officer** under Subsection 5.5.8.

## 9.8 GENERAL PROVISIONS

9.8.1 Applicability. The provisions of this Section 9.8 are applicable to arbitrations under Sections 9.3, 9.6 and 9.7.

9.8.2 The Arbitration Act to Apply. Except as varied by this **Agreement**, *The Arbitration Act* shall apply to all arbitrations pursuant to Sections 9.3, 9.6 and 9.7.

9.8.3 Copies of Decisions. Copies of all arbitration decisions shall be delivered by the arbitrator to:

- (a) in the case of a **Community** arbitration under Section 9.3:
  - (i) the person who referred the matter to arbitration,

- (ii) each person against whom any relief, remedy or redress was sought under Section 9.3,
  - (iii) the **Community Council**,
  - (iv) the **Trustees**,
  - (v) the **Claims Officer** in respect of any **Claim**, and
  - (vi) any intervenor;
- (b) in the case of an arbitration between the **Parties** under Section 9.6:
- (i) each of the **Parties**, and
  - (ii) the **Trustees**; and
- (c) in the case of an arbitration under Section 9.7 relating to the continuing liability of **Hydro** under Subsection 10.4.1:
- (i) the **Claimant**, if any,
  - (ii) the **Trustees**,
  - (iii) each of the **Parties**, and
  - (iv) the **Claims Officer**, if the **Claim** is referred back to the **Claims Officer** under Subsection 9.7.4.

9.8.4 No Derogation. The provisions of Article 9 do not apply to actions of the Lieutenant Governor in Council, Ministers or other servants of Her Majesty in Right of Manitoba, where such actions are taken specifically pursuant to provincial statute. Nothing in Article 9 shall derogate from specific obligations of **Manitoba** pursuant to this **Agreement**.

**SCHEDULE 9.1**

**REFERRAL TO MEDIATION (CROSS LAKE COMMUNITY)**

To: (names of respondents)

Take notice that the following matter is being referred to mediation under Section 9.2 of the 2010 Cross Lake Community Settlement Agreement (the "**Agreement**"):

(describe matter in dispute)

Further take notice that the following relief, remedy, redress is being sought:

(describe relief, remedy, or redress sought)

Further take notice that the following person from the list maintained by the **Community Council** under Subsection 9.2.2 of the **Agreement** has been appointed to act as Mediator:

(name of person appointed)

DATED at Cross Lake Community the      day of                      , 20 .

---

Signature of party referring matter to mediation

**SCHEDULE 9.2**  
**REFERRAL TO ARBITRATION (CROSS LAKE COMMUNITY)**

To: (names of respondents)

Take notice that the following matter is being referred to arbitration under Section 9.3 of the 2010 Cross Lake Community Settlement Agreement (the “**Agreement**”):

(describe matter in dispute)

Further take notice that the following relief, remedy, or redress is being sought:

(describe relief, remedy, or redress sought)

Further take notice that:

(name of Arbitrator)

has been appointed to act as Arbitrator.

\_\_\_\_\_  
Signature of party referring matter to  
arbitration

DATED at Cross Lake Community the      day of      , 20 .

**SCHEDULE 9.3**  
**REFERRAL TO MEDIATION (PARTIES' MEDIATION)**

To: (names of respondents)

Take notice that the following matter is being referred to mediation under Section 9.5 of the 2010 Cross Lake Community Settlement Agreement (the "**Agreement**"):

(describe matter in dispute)

Further take notice that the following relief, remedy, redress is being sought:

(describe relief, remedy, or redress sought)

Further take notice that the following person from the list maintained by the **Parties** under Subsection 9.5.1 of the **Agreement** has been appointed to act as Mediator:

(name of person appointed)

DATED at \_\_\_\_\_ the \_\_\_\_\_ day of \_\_\_\_\_, 20 .

\_\_\_\_\_  
Signature of **Party** referring matter  
to mediation

**SCHEDULE 9.4**  
**REFERRAL TO ARBITRATION (PARTIES' ARBITRATION)**

To: (names of respondents)

Take notice that the following matter is being referred to arbitration under Section 9.6 of the 2010 Cross Lake Community Settlement Agreement (the "**Agreement**"):

(describe matter in dispute)

Further take notice that the following relief, remedy, or redress is being sought:

(describe relief, remedy, or redress sought)

Further take notice that:

(name of Arbitrator)

has been appointed to act as Arbitrator.

---

Signature of **Party** referring  
matter to arbitration

DATED at \_\_\_\_\_ the \_\_\_\_\_ day of \_\_\_\_\_, 20 .

**SCHEDULE 9.5**

**REFERRAL TO ARBITRATION (HYDRO ARBITRATION – SUBSECTION 10.4.1)**

To: (names of respondents)

Take notice that the following matter is being referred to arbitration under Section 9.7 of the 2010 Cross Lake Community Settlement Agreement (the “**Agreement**”) to determine as a preliminary matter the issue of **Hydro’s** continuing liability under Subsection 10.4.1 of the **Agreement**.

Further take notice that the following person from the list maintained by the **Parties** under Subsection 9.5.1 of the **Agreement** has been appointed to act as Arbitrator:

(name of person appointed)

DATED at                      the        day of                      , 20 .

---

Signature of **Party** referring  
matter to arbitration



## ARTICLE 10 - RECIPROCITY

### 10.1 INTRODUCTION

10.1 Introduction. Article 10 sets forth the general releases and indemnities, and the exceptions to both the general and specific releases contained in this **Agreement**.

### 10.2 RELEASES

10.2.1 Release - Manitoba. The **Community Council** hereby releases and forever discharges **Manitoba** of and from any and all actions, causes of action, suits, claims, demands, losses or damages of any nature or kind whatsoever, at law or in equity, which the **Community**, its successors, assigns or those it represents, have had, now have or hereafter can, shall or may have, for, or by reason of, any cause, matter or thing whatsoever to the extent attributable to the **Project**, save and except as set forth in this **Agreement**, and including claims, if any, of a fiduciary nature which may have arisen in respect of **Manitoba's** obligations to the **Community** for anything done or omitted to be done by **Manitoba** to the **Date of this Agreement** to the extent attributable to the **Project**, save and except as set forth in this **Agreement**.

10.2.2 Release - Hydro. The **Community Council** hereby releases and forever discharges **Hydro** of and from any and all actions, causes of action, suits, claims, demands, losses or damages of any nature or kind whatsoever, at law or in equity, which the **Community**, its successors, assigns or those it represents, have had, now have or hereafter can, shall or may have, for, or by reason of, any cause, matter or thing whatsoever to the extent attributable to the **Project**, save and except as set forth in this **Agreement**, and including claims, if any, of a fiduciary nature which may have arisen in respect of **Hydro's** obligations to the **Community** for anything done or omitted to be done by **Hydro** to the **Date of this Agreement** to the extent attributable to the **Project**, save and except as set forth in this **Agreement**.

10.2.3 Satisfaction. Except as otherwise specifically provided in this **Agreement**, all existing and future rights of action and claims of the **Community**, and of the **Community** on behalf of each and every past, present and future claimant and their respective estates, and of the **Community** on behalf of any other person whose action or claim arises from the participation of the **Community** in respect of any claims or causes of action relating to or arising out of the **Project**, as against **Manitoba** and **Hydro** are fully and finally satisfied and concluded.

10.2.4 Covenant. The **Community** covenants and agrees not to commence or prosecute any action, claim, demand or proceeding on its own behalf or on behalf of any other person or entity against either or both of **Hydro** or **Manitoba**

with respect to any action, cause of action, suit, claim, demand, loss or damage which has been fully and finally concluded or with respect to which the **Community** has released or indemnified **Hydro** or **Manitoba**.

10.2.5 Claim Against **Canada**. Nothing in this **Agreement** shall release or relieve **Canada** from any right of the **Community Council** in relation to any claim or grievance it may have against **Canada**, whether arising from those actions filed in the Court of Queen's Bench of Manitoba, Winnipeg Centre, as Court File Numbers CI 92-01-62447 and CI 92-01-62448 or otherwise.

10.2.6 Discontinuance of Litigation as against **Manitoba** and **Hydro**. Following the execution of this **Agreement** by all **Parties**, the **Community Council** will file in the Court of Queen's Bench of Manitoba, Winnipeg Centre, a Notice of Discontinuance as against **Manitoba** and **Hydro** of those actions filed as Court File Numbers CI 92-01-62447 and CI 92-01-62448 without costs to any party.

### 10.3 INDEMNITIES

10.3.1 Indemnity. Except as set out in Subsections 10.3.3 and 10.4.1, the **Community** hereby undertakes and agrees to indemnify and save harmless **Manitoba** and **Hydro** in respect of any and all actions, causes of action, suits, claims, demands, losses or damages of any nature or kind whatsoever, at law or in equity, brought or instituted, directly or indirectly, by any **Community Organization** or **Resident** by reason of any cause, matter or thing whatsoever attributable to the **Project**. This indemnity does not cover the costs of the indemnified **Party** in resisting such claim and is conditional upon the indemnified **Party**:

- (a) forthwith, upon becoming aware of such claim, giving notice to the **Community**; and
- (b) supporting any application by the **Community Council** to be named as a party thereto.

10.3.2 Indemnity. Without limiting the generality of the indemnity provided in Subsection 10.3.1, the **Community** hereby undertakes and agrees to indemnify and save harmless **Manitoba** and **Hydro**, in respect of any and all actions, causes of action, suits, claims, demands, losses or damages of any nature or kind whatsoever, at law or in equity, brought or instituted by any **Resident** or **Community Organization**, caused by or attributable, in whole or in part, to

- (a) the distribution of moneys, or trust accounts, on behalf of minors or other persons where payments are made by the **Community Council** to a representative of such person; or
- (b) the use and management of **Financial Proceeds** by the **Community**.

10.3.3 Exceptions. Nothing in this **Agreement** shall require the **Community** to indemnify **Manitoba** or **Hydro** for:

- (a) an aggregate amount, in respect of indemnification payments to **Manitoba** or **Hydro** or both of them, greater than the face value of the **Financial Proceeds**, subject to Subsection 10.3.4;
- (b) matters described in Paragraphs 10.4.1(a) to (f);
- (c) breaches of this **Agreement** or future wrongful acts or omissions of **Manitoba** or **Hydro**; and
- (d) claims or actions, which have been settled by the **Party** demanding indemnity prior to the **Date of this Agreement**.

10.3.4 Indemnity in excess of declining balance of proceeds. Where the total amount of indemnification payments claimed by **Manitoba** or **Hydro** under Subsection 10.3.3 exceeds the greater of:

- (a) the total of the amounts held in trust under the **Indenture** and the total amount of the **Financial Proceeds** remaining to be paid under Subsection 2.2.1; and
- (b) where the **Trust** has been terminated and dissolved under Article 20 of the **Indenture**, the total of the amounts required to be kept segregated by the **Community** under Article 20.4(a) of the **Indenture** and the total amount of the **Financial Proceeds** remaining to be paid under Subsection 2.2.1;

the **Parties** will meet to discuss an equitable resolution of the outstanding indemnification claim, failing which the matter will be determined by arbitration under Article 9 and the arbitrator will determine an equitable resolution of the issue.

10.3.5 Total amounts held in trust. Where a final decision has been made regarding an amount held in trust under the **Indenture** for an expenditure under Article 8.6 or 8.8 of the **Indenture** prior to notice of a claim for indemnification by **Manitoba** or **Hydro** being received by the **Community**, such amount will not be included in the total of amounts held in trust under the **Indenture** for the purpose of Paragraph 10.3.4(a).

10.3.6 Outstanding Claims Payments. Where a decision has been made under Article 5 or Article 9 to make payment of a **Claim**, but the amount has not yet been paid out of the **Claims Account** prior to notice of a claim for indemnification by **Manitoba** or **Hydro** being received by the **Community**, such amount will not be included in the total of amounts held in trust under the **Indenture** for the purpose of Paragraph 10.3.4(a), and such amount will not be included in the total amount

required to be kept segregated by the **Community** under Article 20.4(a) of the **Indenture** for the purpose of Paragraph 10.3.4(b).

10.3.7 Indemnification Gap. Where indemnification is sought by **Manitoba** or **Hydro** against the **Community** under Subsection 10.3.1 because of the exclusion of a claim pursuant to Subsection 5.1.6 or because of the definition of "**Resident**" for purposes of Article 5 of this **Agreement**, the **Parties** will meet to discuss an equitable resolution of the indemnification claim, failing which the matter will be determined by arbitration under Article 9 and the arbitrator will determine an equitable resolution of the issue.

10.3.8 Indemnity Regarding Canada. With the exception of those matters outlined in Subsection 10.4.1, in the event that either **Manitoba** or **Hydro** is brought by **Canada** into any action initiated by the **Community**, in relation to those matters addressed in this **Agreement**, the **Community** will indemnify both **Manitoba** and **Hydro** with respect to the claim by **Canada** to the extent that **Manitoba** or **Hydro** is found liable for payment to **Canada**, and to the extent that **Manitoba** or **Hydro** has made payment to the **Community** for such matters addressed in this **Agreement**.

#### 10.4 CONTINUING LIABILITY OF HYDRO

10.4.1 Indemnity. It is understood and agreed that the **Community** does not waive, release, or indemnify **Hydro** with respect to liability and claims for:

- (a) human disabilities, illness or death resulting from the ingestion of methyl mercury caused by or attributable to the **Project**;
- (b) personal injury or death, past and future, caused by or attributable to the **Project**;
- (c) any loss or damage or interference resulting from **Adverse Effects** of the **Project** that was, at the **Date of this Agreement**, unknown or unforeseen and not discernible or foreseeable with the exercise of due diligence;
- (d) **Adverse Effects**, as limited by Subsection 10.4.2, to the extent, and only to the extent, such **Adverse Effects** are attributable to **Rates of Change** and **Daily Average Water Levels** occurring after the **Date of this Agreement** outside of both the **Fully Compensated Range** and the **Predetermined Compensation Range** as those ranges are described and set forth in Sections 3.4 and 3.5 and shown in Schedules 3.1, 3.2 and 3.3;
- (e) any loss or damage, past or future, to the extent that a claim may be brought for such loss or damage under The Northern Flood Agreement or any Northern Flood Implementation Agreement with **Hydro**; or

- (f) any loss or damage that is incurred by commercial trappers or their helpers, or commercial fishers, and their helpers, while engaged in commercial trapping or fishing activity.

10.4.2 Limitation. The **Adverse Effects** referred to in Paragraph 10.4.1(c) are further limited to chemical, biological or physical impacts causing material damage to the adversely affected person, and attributable to the **Project**. Alleged socio-economic damages to the adversely affected person, if any, are understood to be compensable only to the extent that they are caused by or attributable to such chemical, biological and physical impacts.

10.4.3 Notice. The **Community** as represented by the **Community Council** shall give **Hydro** prompt notice of any occurrence which is alleged to have caused an **Adverse Effect** referred to in Paragraph 10.4.1(c), together with all particulars and evidence in support of such occurrence and of any loss or damage or interference which are alleged to have resulted therefrom.

10.4.4 Hydro Disputes. If **Hydro** disputes that it continues to be liable under Subsection 10.4.1, with respect to any particular occurrence, that dispute shall be resolved as a preliminary issue under Section 9.7.

## 10.5 ADDITIONAL PROVISIONS

10.5.1 Future Acts or Omissions. Nothing in this **Agreement** shall relieve any **Party** of liability for breaches of this **Agreement**, future breaches of fiduciary obligations, future negligence or unlawful acts or omissions, or future wilful misconduct, on their own part, or on the part of those for whom they are responsible at law.

10.5.2 Liability for Acts or Omissions of Other Parties. Except where otherwise specifically provided, no **Party** shall be liable or responsible for things done or omitted to be done by any other **Party**.

10.5.3 Other Agreements. Nothing in this **Agreement** shall release or discharge any action, cause of action or claim arising from any agreement unrelated to the **Project**.

10.5.4 Aboriginal and Treaty Rights. Nothing in this **Agreement** is intended to, or shall be construed to abrogate or derogate from existing aboriginal rights or treaty rights of any persons that are recognized and affirmed by Section 35 of the *Constitution Act, 1982*.

10.5.5 Rights of First Nations Not Affected. Nothing in this **Agreement** affects any rights or obligations of any First Nation.

10.5.6 Rights of Cross Lake First Nation under the Northern Flood Agreement. Without limiting Subsection 10.5.5, nothing in this **Agreement** affects any rights or obligations of Cross Lake First Nation (also called Cross Lake Band of Indians) under the Northern Flood Agreement, including any ability under the Northern Flood Agreement of Cross Lake First Nation to advance claims on behalf of its members who are also residents of the **Community**.

## ARTICLE 11 - APPROVAL, EXECUTION AND IMPLEMENTATION

### 11.1 INTRODUCTION

11.1.1 Introduction. Article 11 provides for the process of approving and executing this **Agreement**.

### 11.2 APPROVAL PROCESS

11.2.1 Approval of **Agreement**. Prior to the execution of this **Agreement**, the **Agreement** will have been considered for approval by each of the **Parties** as follows:

- (a) by the **Community** in accordance with Section 11.3 and Schedules 11.1 and 11.3;
- (b) by The Manitoba Hydro-Electric Board; and
- (c) by the Lieutenant Governor-in-Council on behalf of **Manitoba**.

### 11.3 PUBLIC MEETING AND VOTE

11.3.1 Approval of **Agreement**. Prior to the execution of this **Agreement**, the **Community** will have approved the **Agreement** in accordance with Schedule 11.1.

11.3.2 Report. Prior to the execution of this **Agreement**, the **Community** will have prepared a report describing the consultation done in respect of this **Agreement**, which report will be attached as Schedule 11.2.

11.3.3 Ballot Question. The ballot question for the vote is set out in Schedule 11.3.

### 11.4 EXECUTION

11.4.1 Execution of **Agreement**. The **Parties** will have executed this **Agreement** in accordance with Schedule 11.1.

### 11.5 INDEPENDENT LEGAL ADVICE

11.5.1 Independent Legal Advice. This **Agreement** shall be accompanied by an executed certificate of independent legal advice in the form and content of Schedule 11.4.

## 11.6 INDEPENDENT TECHNICAL ADVICE

11.6.1 Independent Technical Advice. This **Agreement** shall be accompanied by executed certificates of independent technical advice in the form and content of Schedules 11.5 and 11.6.



## SCHEDULE 11.1

### PUBLIC MEETING AND VOTE, AND EXECUTION OF AGREEMENT

#### 11.1 PUBLIC MEETING AND VOTE

11.1.1 Public Meeting. Following the completion of the negotiation of the **Agreement**, the **Community Council** will convene one or more public meetings at which its consultant, Symbion Consultants, and one or both legal advisors will explain the nature and significance of the **Agreement**. The **Community Council** on behalf of the **Community** will give notice of such meeting(s) and information about the voting process on whether or not to approve the **Agreement** in accordance with the following:

- (a) notice of the meeting(s) will be posted in not less than three (3) prominent, public locations in the **Community**, including the **Community Council** offices, at least two (2) weeks in advance of each meeting;
- (b) each notice will:
  - (i) give the time, date and place of the meeting,
  - (ii) advise where copies of the **Agreement** can be obtained or reviewed,
  - (iii) advise of the time, date and place for persons to determine whether they are on the voters list, and to be added to the voters list,
  - (iv) advise of the time, date and polling place for the advance poll,
  - (v) advise of who is eligible to vote by sealed envelope ballot, and how to obtain further information on voting by sealed envelope ballot, and
  - (vi) advise of the time, date and polling places for the vote to be held in accordance with Section 11.1 of this Schedule; and
- (c) **Manitoba** and **Hydro** will be supplied with copies of the notices posted in accordance with Paragraph 11.1.1(a) of this Schedule at least five (5) days before the meeting.

11.1.2 Report. The **Community** will prepare a report describing the consultation required under Subsection 11.1.1 of this Schedule, which report will be attached as Schedule 11.2 to the **Agreement**.

11.1.3 Act and Regulation. The vote will be in accordance with *The Northern Affairs Act* and the rules and procedures set out in *Community Councils Election Regulation*, Man. Reg. 71/2009 under *The Northern Affairs Act* with any necessary modifications, including the modifications set out in this Schedule.

11.1.4 Voters. Persons eligible to vote for the **Community Council** under subsections 82(1) (qualifications of voters) and 82(2) (residency) of *The Northern Affairs Act* at the time of the vote may vote on whether or not to approve the **Agreement** provided they are named on the voters list as that list is revised under Subsection 11.1.6 of this Schedule.

11.1.5 Voters List. The senior election official will update the current voters list for the purpose of the vote on whether or not to approve the **Agreement** by adding the names of those persons who are not currently on the list, but who will be eligible to vote under *The Northern Affairs Act* on the date of the vote, by carrying out an enumeration as provided for under the *Community Councils Election Regulation*. The updated voters list will be available for review at the **Community Council** office on the date set out in the notice provided under Subsection 11.1.1 of this Schedule.

11.1.6 Voters List Revisions. A person who is eligible to vote in an election under *The Northern Affairs Act* may be added to the voters list by attending at the place on the date and time set out in the notice under Subsection 11.1.1 of this Schedule and requesting his or her name be added. To be added to the voters list, the person must

- (a) establish his or her identity in accordance with section 8 of the *Community Councils Election Regulation*, and
- (b) provide evidence that he or she is eligible to vote.

After the date set out in the notice, the voters list must not be revised. For greater certainty, subsection 82(4) (oath conclusive) of *The Northern Affairs Act* and section 29 (adding name at time of voting) of the *Community Councils Election Regulation* will not apply. Sections 85 (application in person) and 86 (application in writing) of the *Community Councils Election Regulation* will apply, but any application to be added to the voters list under these sections must be completed by the date set out in the notice for additions to the voters list under Subparagraph 11.1.1(b)(iii) of this Schedule.

11.1.7 Vote. The vote will take place on a date determined by the **Community Council** and a polling station will be set up in the **Community**.

11.1.8 Advance voting. The senior election official will establish an advance voting opportunity for the vote on whether or not to approve the **Agreement**, which

advance voting opportunity will take place at least 48 hours before the date for the vote under Subsection 11.1.7 of this Schedule.

11.1.9 Voting by sealed envelope ballot. Voting will take place by sealed envelope ballot.

11.1.10 Ballot Question. The ballot question for the vote is set out in Schedule 11.3 to the **Agreement**.

11.1.11 Approval. This **Agreement** will be approved by the **Community** if,

- (a) 80 or more of those persons entitled to vote, vote; and
- (b) more than 50% of votes cast approve this **Agreement** by voting “Yes” to the ballot question in Schedule 11.3.

11.1.12 Alternative Method of Approval. If the requirement of Paragraph 11.1.11(a) of this Schedule is not met, then the **Agreement** will be approved, provided if, on a second vote, a majority of persons entitled to vote who do vote, vote to approve the **Agreement** by voting “Yes” to the ballot question in Schedule 11.3. In the event the alternative method of approval is necessary, the voters list used for the vote referred to in Subsection 11.1.7 of this Schedule will be used as updated in accordance with Subsections 11.1.5 and 11.1.6 of this Schedule.

## 11.2 NON-SUBSTANTIVE CHANGES TO DRAFT AGREEMENT

11.2.1 Non-substantive changes. The **Community Council, Manitoba** and **Hydro** acknowledge that changes to the draft **Agreement** that is considered by the **Community** during the approval process may be included in the final signed version of the **Agreement** where the **Community Council, Manitoba** and **Hydro** agree that they do not change the substantive content of the **Agreement**.

## 11.3 EXECUTION

11.3.1 Execution of Agreement. Forthwith upon approval by the **Community** in accordance with Subsection 11.1.11 or 11.1.12 of this Schedule

- (a) the **Community Council** is to pass a **Council Resolution** authorizing the execution of this **Agreement** on behalf of the **Community**, and is to deliver to **Manitoba** and **Hydro** a certified copy of such **Council Resolution**;
- (b) **Hydro** is to, by resolution of its Board of Directors or other requisite approval, authorize its appropriate officers to execute this **Agreement** on behalf of **Hydro**, and is to deliver to the **Community** and **Manitoba** a certified copy of such resolution or other requisite approval; and

- (c) **Manitoba** is to, by Order in Council, authorize the Minister of Aboriginal and Northern Affairs to execute this **Agreement** on behalf of **Manitoba**, and is to deliver to the **Community** and **Hydro** a certified copy of such Order in Council.

**SCHEDULE 11.2**  
**COMMUNITY CONSULTATION REPORT**

**SCHEDULE 11.3**

**BALLOT QUESTION**

Do you vote to approve the Cross Lake Community Council Settlement Agreement with the Province of Manitoba and Manitoba Hydro relating to **Adverse Effects** on the Cross Lake Community caused by the **Hydro Project**?

**SCHEDULE 11.4**

**CERTIFICATE OF INDEPENDENT LEGAL ADVICE OF \_\_\_\_\_**

\_\_\_\_\_ of \_\_\_\_\_ and \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ certify as follows:

1. We are members in good standing of the Law Society of Manitoba.
2. We have been retained by the Cross Lake Community Council ("**Community Council**") for the purpose of providing legal advice with respect to the Cross Lake Community Settlement Agreement (the "**Agreement**").
3. We have received and thoroughly reviewed the various drafts of the **Agreement**.
4. We have advised the **Community Council** on specific legal aspects of the provisions of the **Agreement**, as requested by them or as raised by us from time to time since our engagement.
5. We have explained the legal implications of the **Agreement** to the **Community Council** and members of the **Community** who attended membership meetings as convened by the **Community Council** and the negotiating team.

DATED at Winnipeg, Manitoba this     day of     , 2010

PER:

\_\_\_\_\_  
\_\_\_\_\_

**SCHEDULE 11.5**

**CERTIFICATE OF INDEPENDENT TECHNICAL ADVICE OF \_\_\_\_\_**

\_\_\_\_\_

I, \_\_\_\_\_, of \_\_\_\_\_, hereby certify that, throughout the negotiations leading to the Cross Lake Community Settlement Agreement between Her Majesty the Queen in Right of the Province of Manitoba, the Incorporated Community of Cross Lake (the "**Community**") and The Manitoba Hydro-Electric Board (the "**Agreement**"):

- (a) the Cross Lake Community Council has been independently advised by me, \_\_\_\_\_, as technical advisor and consultant with respect to all matters arising in connection with or dealt with in that **Agreement** which have been brought to my notice and attention or which I was reasonably able to contemplate;
- (b) the **Agreement** has been drafted, considered and revised with my participation; and
- (c) I have been present at one or more meetings of the **Community**, which I believe to have been open to all people living in the **Community**, to consider the provisions of the **Agreement**.

CERTIFIED this \_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_



**SCHEDULE 11.6**

**CERTIFICATE OF INDEPENDENT TECHNICAL ADVICE OF \_\_\_\_\_**

I, \_\_\_\_\_, of \_\_\_\_\_, hereby certify that, throughout the negotiations leading to the Cross Lake Community Settlement Agreement between Her Majesty the Queen in Right of the Province of Manitoba, the Incorporated Community of Cross Lake and The Manitoba Hydro-Electric Board (the "**Agreement**"):

- (a) the Cross Lake Community Council has been independently advised by me, \_\_\_\_\_, as technical advisor and consultant, with respect to all matters arising in connection with or dealt with in Article 3, Water Regime, of the **Agreement** which have been brought to my notice and attention or which I was reasonably able to contemplate; and
- (b) the **Agreement** has been drafted, considered and revised with my participation in regard to Article 3, Water Regime of the **Agreement**.

CERTIFIED this \_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_

## ARTICLE 12 - GENERAL PROVISIONS

### 12.1 INTRODUCTION

12.1.1 Introduction. Article 12 contains provisions of a general nature relating to this **Agreement**.

### 12.2 INTERPRETATION

12.2.1 Headings. All headings, and the introductory provision of each Article are for reference and information purposes only, and will not affect in any way the meaning or interpretation of this **Agreement**.

12.2.2 Numbers, Plural. Words importing the singular number only will include the plural, and vice versa, as the context may require; and words importing persons will include firms, governments and corporations, and vice versa, as the context may require.

12.2.3 Metric Measure. Except where the original document, data or measuring device was in Imperial, and subject to any legislative requirement, in the event of a conflict between metric and Imperial measure, metric measure shall prevail. The **Parties** agree that the metric conversion rate to be used for purposes of this **Agreement** will be 1 foot equals 0.3048 metres, 1 metre equals 3.28084 feet, 1 hectare equals 2.47105 acres, 1 acre equals 0.40468 hectares.

12.2.4 No Presumptions. The **Parties** have endeavoured to ensure that the terms of this **Agreement** are as clear as possible and, except as otherwise provided, there will be no presumption or rule of interpretation in favour of or against any **Party**.

### 12.3 VALIDITY OF PROVISIONS

12.3.1 Powers and Prerogatives. Nothing in this **Agreement** will be interpreted to bind or infringe upon the powers and prerogatives of the Legislative Assembly of Manitoba or upon the legislative powers of the **Community Council**.

12.3.2 Statutory Requirements. Except as provided herein, nothing in this **Agreement**:

- (a) requires any **Party** to take any actions not otherwise provided for in this **Agreement**, or required by statute or regulation; or
- (b) exempts any **Party** from any requirement arising under statute or regulation.

## 12.4 PARTIES

12.4.1 Binding on Parties. This **Agreement** will be binding upon and enure to the benefit of the **Parties** and their respective successors and permitted assigns. Except for **Claimants** pursuant to Article 5 and Paragraph 9.2.1(b), nothing in this **Agreement** is intended to confer upon any person not a **Party** to this **Agreement** any rights or remedies under or by reason of this **Agreement**.

## 12.5 NOTICE

12.5.1 Notices. All notices and other communications provided for in this **Agreement** will be in writing, and shall be given or served to the applicable addresses set out in Subsection 12.5.2 or to alternate addresses a **Party** may from time to time provide to the other **Parties**. Any such communication will be deemed to have been validly and effectively given on the date of such delivery, if such date is a business day and such delivery has been made during the normal business hours of the recipient; otherwise, it will be deemed to have been validly and effectively given on the business day next following such date of delivery. Except where personal service is used, the notice or communication shall be deemed to have been received on the date such delivery is confirmed by the receiving party. Any notice, delivery, communication or provision of documents to the **Community** provided for in this **Agreement** will be performed by notice, delivery, communication or provision of documents to the **Community Council**.

12.5.2 Addresses. The addresses for the **Parties** are:

To the **Community**:

The Incorporated Community of Cross Lake  
P.O. Box 208  
Cross Lake, Manitoba  
R0B 0J0

To **Hydro**:

Manitoba Hydro  
General Counsel  
Manitoba Hydro Place  
360 Portage Ave.  
Winnipeg, Manitoba  
R3C 0G8

Mailing Address:  
Manitoba Hydro Place  
P.O. Box 815, Station Main  
Winnipeg, Manitoba  
R3C 2P4

To **Manitoba**:

Deputy Minister of Aboriginal and Northern Affairs  
Room 350, Legislative Bldg.  
450 Broadway  
Winnipeg, Manitoba  
R3C 0V8

## 12.6 ENTIRE AGREEMENT

12.6.1 Agreement supersedes. This **Agreement** constitutes the entire agreement between the **Parties** in relation to the matters dealt with in this **Agreement** and, except for any prior agreements or arrangements between **Manitoba** and **Hydro** that do not affect the rights of any other **Party** under this **Agreement**, supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, among the **Parties**, in relation to matters dealt with in this **Agreement**. There are no representations, warranties, collateral agreements or conditions to this **Agreement** except as expressly stated in this **Agreement**.

12.6.2 No merger. Except as expressly provided in this **Agreement** or in any other agreement between the **Parties**, no provisions of any other agreement shall merge with this **Agreement**.

12.6.3 Assignment. Neither this **Agreement**, nor any portion or provision of this **Agreement**, may be assigned without prior written permission of all of the **Parties**.

12.6.4 Further Action. Each of the **Parties** to this **Agreement** will, from time to time, and without further consideration, execute and deliver such other instruments of transfer, conveyance and assignment, and take such further action as required, to complete more effectively any matter provided for in this **Agreement**.

## 12.7 GOVERNING LAW

12.7.1 Laws in Manitoba. This **Agreement** will be governed by, and construed in accordance with, the federal and provincial laws from time to time in force in the Province of Manitoba.

12.7.2 Citations. Any reference to legislation shall include amendments thereto or successor legislation, except where the statute or regulation is identified in this **Agreement** as that in force at the **Date of this Agreement**.

## 12.8 GENERAL

12.8.1 No Precedent. Neither this **Agreement** nor any provision of this **Agreement**, will constitute a precedent for interpreting the rights and obligations of, or for identifying the intention of any **Party** in relation to any matter involving any person who is not:

- (a) a **Party** to this **Agreement**;
- (b) an agent of the **Community Council**; or
- (c) a person claiming through, under or by the **Community**.

12.8.2 No Admission. Nothing in this **Agreement** will constitute an admission of liability on the part of any **Party**.

12.8.3 Amendment. Except as expressly provided in this **Agreement**, this **Agreement** may only be amended in whole or in part by written agreement among the **Parties**.

12.8.4 Waiver. A **Party** may waive the exercise of any right that it has under this **Agreement** provided that it does so in writing with notice to each of the other **Parties**. Failure by any **Party** to insist upon another **Party's** performance of any obligation under this **Agreement** shall not operate or be interpreted as a waiver of the present or future performance of an obligation by the **Party**, and the **Party's** obligation with respect to such present or future performance shall continue in full force and effect.

12.8.5 Assumption of Liability. If **Hydro** ceases:

- (a) to be an agent of **Manitoba**;
- (b) to have legal authority and control over the operation of the **Project**; or
- (c) to have legal authority and control over the operation of any major work or structure constituting part of the **Project**, the operation of which could affect inundation or storage of water for purposes of the **Project**;

**Manitoba** will:

- (d) where Paragraph 12.8.5(a) or Paragraph 12.8.5(b) applies, assume all of the rights and obligations of **Hydro** under this **Agreement**; or
- (e) where Paragraph 12.8.5(c) applies, assume the rights and obligations of **Hydro** under this **Agreement**, as such rights and obligations relate to the

works or structures over which **Hydro** no longer has legal authority and control;

in which case, the provisions of this **Agreement** will be read with the necessary changes to reflect the assumption of rights and obligations by **Manitoba**, but such assumption will not relieve **Hydro**, or any successor of **Hydro**, of its obligations under this **Agreement**.

12.8.6 Notice. **Manitoba** will give immediate notice to the other **Parties** where the events specified under Paragraphs 12.8.5(a), (b) or (c) occur.

12.8.7 No Merger of Covenants. The covenants under this **Agreement** will not merge with the transfer of lands to or for the benefit of the **Community**.

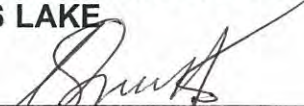
12.8.8 Disclosure – Manitoba. **Manitoba** warrants that it has not, at any time, made a decision to withhold information or documentation from the **Community**, which information or documentation a department could reasonably have known would have been material to the decision of the **Community** in entering into this **Agreement**, except such information or documentation as would not be accessible under *The Freedom of Information and Protection of Privacy Act*.

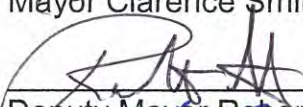
12.8.9 Disclosure – Hydro. **Hydro** warrants that it has not, at any time, made a decision to withhold information or documentation from the **Community**, which information or documentation **Hydro** could reasonably have known would have been material to the decision of the **Community** in entering into this **Agreement**, except such information or documentation as would not be accessible under *The Freedom of Information and Protection of Privacy Act*.

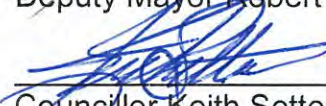
12.8.10 Disclosure – The Community. The **Community** warrants that it has not, at any time, made a decision to withhold information or documentation from **Manitoba** or **Hydro**, which information or documentation the **Community** could reasonably have known would have been material to the decision of the other **Parties** in entering into this **Agreement**, except such information or documentation as is, or was, of a privileged or confidential character, or is, or was, prepared for the purposes of presenting recommendations to the **Community Council**.

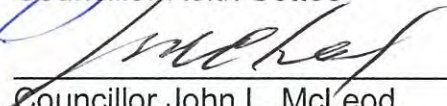
IN WITNESS WHEREOF the Parties have executed this Agreement on the dates indicated below.

**THE INCORPORATED COMMUNITY OF  
CROSS LAKE**

Per:   
\_\_\_\_\_  
Mayor Clarence Smith

  
\_\_\_\_\_  
Deputy Mayor Robert Smith

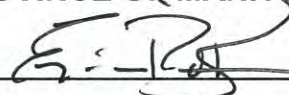
  
\_\_\_\_\_  
Councillor Keith Settee

  
\_\_\_\_\_  
Councillor John L. McLeod

  
\_\_\_\_\_  
Councillor Cameron McLeod

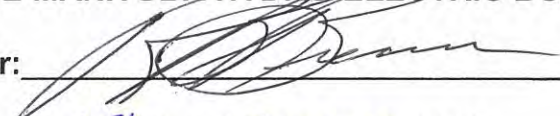
On the 16<sup>th</sup> day of Sept, 2010.

**HER MAJESTY THE QUEEN IN RIGHT OF  
THE PROVINCE OF MANITOBA**

Per:   
\_\_\_\_\_

On the 16 day of Sept, 2010.

**THE MANITOBA HYDRO-ELECTRIC BOARD**

Per:   
\_\_\_\_\_

On the 14<sup>th</sup> day of SEPTEMBER, 2010.