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:
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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:

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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;
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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;

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(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 53rd 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
(v) **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:


(b) Acts of the Legislature of Manitoba:

- *The Arbitration Act*, C.C.S.M. c. A120
- *The Manitoba Hydro Act*, C.C.S.M. c. H190
- *The Northern Affairs Act*, C.C.S.M. c. N100
- *The Planning Act*, C.C.S.M. c. P80
- *The Water Power Act*, C.C.S.M. c. W60

(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:

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

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 1st 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
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Schedule 2.1 Trust Indenture

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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
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- 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:


(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

\[
(3.75\% + 3.75\% + 4.00\% + 4.25\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% + 4.50\% / 12 = 4.31\%)
\]

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:
Schedule 2.1 Trust Indenture

(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. 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.
(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 1st call a Meeting of Residents to take place no later than June 30th 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 __________________________

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:

<table>
<thead>
<tr>
<th>Relevant Period</th>
<th>Increase</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) 5-day</td>
<td>0.5 Feet</td>
<td>0.5 Feet</td>
</tr>
<tr>
<td>(ii) 31-day</td>
<td>1.5 Feet</td>
<td>1.5 Feet</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Relevant Period</th>
<th>Increase</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) 5-day</td>
<td>1.0 Feet</td>
<td>1.0 Feet</td>
</tr>
<tr>
<td>(ii) 31-day</td>
<td>3.0 Feet</td>
<td>3.0 Feet</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Relevant Period</th>
<th>Increase</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) 5-day</td>
<td>0.5 Feet</td>
<td>0.5 Feet</td>
</tr>
<tr>
<td>(ii) 31-day</td>
<td>1.5 Feet</td>
<td>1.5 Feet</td>
</tr>
</tbody>
</table>

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 1st 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 3.3 Predetermined Compensation and Fully Compensated Ranges - Extended Change (31 Day)

SCHEDULE 3.3

PREDETERMINED COMPENSATION AND FULLY COMPENSATED RANGES
EXTENDED CHANGE (31 DAY)
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 3rd, 2001 is calculated as:

\[
\text{DAWL for June 3}^{\text{rd}} = \text{Average for June 1}^{\text{st}}, 2^{\text{nd}}, 3^{\text{rd}}, 4^{\text{th}}, \text{and 5}^{\text{th}}
\]
\[
= \frac{1}{5} (683.54 + 683.55 + 683.55 + 683.52 + 683.48)
\]
\[
= 683.5 \text{ feet ASL.}
\]

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:

**PDC** calculation for June 3\textsuperscript{rd}, 2001.

In June, the lower bound of the **PDC Range** [LB] = 682.5 feet ASL.

Therefore:

If the [DAWL] = 683.5 feet ASL, then

\[
[Z] = \text{DAWL} - \text{LB} = 683.5 - 682.5 = 1.0 \text{ feet}
\]

Then **PDC** would be the following:

**PDC** payment = \(Z \times \$250/\text{foot/day} = \$250.00\) for the day.
As shown in Chart 1, the **Daily Average Water Level** for 2001 was in the **Predetermined Compensation Range** from May 12th to August 6th. 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 5th, 2001 is calculated as:

\[
\text{Rapid Change for August 5th, 2001.} \\
= \text{Maximum DAWL (Aug 3 to Aug 7)} - \text{Minimum DAWL (Aug 3 to Aug 7)} \\
= 683.2 - 682.5 \\
= 0.7 \text{ feet}
\]

The calculated Rapid Change values for all days in the period May 1st to August 31st, 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 5th, 2001:

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

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 6th, 2001 is calculated as:

\[
\text{Extended Change for August 6th, 2001:} \\
= \text{Maximum DAWL (July 22 to Aug 21)} - \text{Minimum DAWL (July 22 to Aug 21)} \\
= 684.2 - 681.5 \\
= 2.7 \text{ feet}
\]
The calculated Extended Change values for all days in the period May 1st to August 31st, 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 6th, 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.
TABLE 1: Example Calculation of PDC (Daily Average Water Level)
Cross Lake Community Settlement Agreement
(using 2001 Daily Average Water Levels)

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<tr>
<th>Date</th>
<th>Daily Average Water Level (DAWL)</th>
<th>Daily Average Water Level (DAWL) greater than lower boundary of Predetermined Compensation Range (LB)</th>
<th>Rapid Change (5 day)</th>
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Schedule 3.4 Method of Water Level Calculation and Sample Calculation of Predetermined Compensation

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

#### Daily Average Water Level (DAWL)

greater than lower boundary of Predetermined Compensation Range (LB)

\[ Z = DAWL - LB \]

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**PDC Total**  $25,025.00
CHART 1: Cross Lake Community
Predetermined Compensation and Fully Compensated Ranges
Daily Average Water Levels

Cross Lake at Cross Lake (05UD001) Water Level - feet
(GSVC 26, GS of C 1969 Local Adjustment)

- PDC Range
- Fully Compensated Range
- 2001 Daily Average Water Level
- Pre-Determined Compensation - $250/ft/day
Schedule 3.4 Method of Water Level Calculation and Sample Calculation of Predetermined Compensation

8

CHART 2: Cross Lake Community
Predetermined Compensation and Fully Compensated Ranges
Rapid Change (5 Day)
Schedule 3.4 Method of Water Level Calculation and Sample Calculation of Predetermined Compensation

CHART 3: Cross Lake Community
Predetermined Compensation and Fully Compensated Ranges
Extended Change (31 Day)
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**, undertake the field work necessary to assess the location of the **Development Setback Line** and proposed lots or parcel locations; 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) Kapaspwaypanik 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:

<table>
<thead>
<tr>
<th>SITE</th>
<th>UTM NAD83 COORDINATES</th>
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<tbody>
<tr>
<td>Site 13</td>
<td>591426, 6046685&lt;br&gt;591637, 6046441&lt;br&gt;591390, 6046237&lt;br&gt;591181, 6046479</td>
</tr>
<tr>
<td>Site 14</td>
<td>600607, 6043714&lt;br&gt;600600, 6043391&lt;br&gt;600280, 6043405&lt;br&gt;600287, 6043724</td>
</tr>
<tr>
<td>Site 15</td>
<td>603040, 6044718&lt;br&gt;603251, 6044474&lt;br&gt;603004, 6044270&lt;br&gt;602796, 6044512</td>
</tr>
<tr>
<td>Site 16</td>
<td>607012, 6049800&lt;br&gt;607290, 6049636&lt;br&gt;607121, 6049364&lt;br&gt;606846, 6049527</td>
</tr>
<tr>
<td>Site 17</td>
<td>610418, 6051062&lt;br&gt;610645, 6050832&lt;br&gt;610412, 6050613&lt;br&gt;610188, 6050841</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>SITE</th>
<th>NAME</th>
<th>DEVELOPMENT SETBACK LINE ELEVATION CRITERIA</th>
<th>DEVELOPMENT SETBACK LINE DISTANCE-FROM-OHWM CRITERIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEE SIMPLE LANDS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Sand Bay</td>
<td>north and south shores 209.7m, east shore 210.1m</td>
<td>ten (10) metres inland of the OHWM for the shorelines fronting the north and south sides of the bay and twenty (20) metres inland of the OHWM for the shoreline fronting the east end of the bay</td>
</tr>
<tr>
<td>2</td>
<td>Jenpeg</td>
<td>210.4 m for exposed shoreline and 209.8 m for sheltered shorelines</td>
<td>twenty (20) metres inland of the OHWM for the shoreline fronting the site</td>
</tr>
<tr>
<td>3</td>
<td>Minago River</td>
<td>210.2 m for east shoreline and 209.8 for west shoreline</td>
<td>twenty (20) metres inland of the OHWM for both shorelines fronting the site</td>
</tr>
<tr>
<td>4</td>
<td>Pelcombe Bay</td>
<td>209.7 m</td>
<td>ten (10) metres inland of the OHWM for the shoreline fronting the site</td>
</tr>
<tr>
<td>5</td>
<td>Walker Lake Recreation</td>
<td>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</td>
<td>ten (10) metres inland of the OHWM for the shorelines fronting the sites</td>
</tr>
<tr>
<td>PERMIT LANDS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Opuskawee</td>
<td>209.7 m</td>
<td>ten (10) metres inland of the OHWM for the shorelines fronting the sites</td>
</tr>
<tr>
<td>7</td>
<td>Kwayskskip-chiwano</td>
<td>209.7 m</td>
<td>ten (10) metres inland of the OHWM for the shorelines fronting the sites</td>
</tr>
<tr>
<td>8</td>
<td>Walker River North Shore</td>
<td>210.0 m</td>
<td>ten (10) metres inland of the OHWM for the shorelines fronting the sites</td>
</tr>
<tr>
<td>9</td>
<td>Carrot River West</td>
<td>five (5) feet above the OHWM</td>
<td>thirty and one half (30.5) metres inland of OHWM for the shorelines fronting the sites</td>
</tr>
<tr>
<td>10</td>
<td>Kapaspway-panik Lake</td>
<td>five (5) feet above the OHWM</td>
<td>thirty and one half (30.5) metres inland of OHWM for the shorelines fronting the sites</td>
</tr>
<tr>
<td>11</td>
<td>Carrot River Central</td>
<td>five (5) feet above the OHWM</td>
<td>thirty and one half (30.5) metres inland of OHWM for the shorelines fronting the sites</td>
</tr>
<tr>
<td>12</td>
<td>Carrot River East</td>
<td>five (5) feet above the OHWM</td>
<td>thirty and one half (30.5) metres inland of OHWM for the shorelines fronting the sites</td>
</tr>
</tbody>
</table>
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 OHWM.

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**

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

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

*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)**

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

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

<table>
<thead>
<tr>
<th>MAP</th>
<th>SITE</th>
<th>NAME</th>
<th>AREA (approximate area)</th>
<th>PROPOSED USE</th>
<th>GENERAL LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1.8</td>
<td>13-17</td>
<td>Quarry Lease Sites</td>
<td>125 (25 acres (10 ha) each)</td>
<td>Sand, gravel, rock or stone (processed stone) and clay</td>
<td>Along former Oxford House Winter Road</td>
</tr>
</tbody>
</table>
### Part D – Cross Lake Community Boundary Expansion Area (Section 4.9 of Agreement)

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

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

<table>
<thead>
<tr>
<th>MAP</th>
<th>SITE</th>
<th>NAME</th>
<th>AREA (approximate area inclusive of area below DSL)</th>
<th>PROPOSED USE</th>
<th>GENERAL LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1.10</td>
<td>19-22</td>
<td>Walker Lake Traditional Use Protected Areas</td>
<td>5,970 acres (2416 ha)</td>
<td>Traditional uses</td>
<td>Four locations on Walker Lake</td>
</tr>
</tbody>
</table>
Cross Lake Community
Land Selections

Legend

- Fee Simple Lands
- Permit Lands
- Cross Lake Community Boundary Expansion Area
- Walker Lake Traditional Use Protected Areas

- Quarry Lease Sites
- Area Below D.S.L.
- Cross Lake First Nation I.R.
- Cross Lake First Nation N.F.A. Selection

- Existing Cross Lake Community Boundary
- Lakes, Rivers, Islands
- Roads
- Transmission Lines

Scale 1:150,000

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

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
Rocks
Transmission Lines

Site 2
Jenpeg

<table>
<thead>
<tr>
<th></th>
<th>Total Area</th>
<th>Net Area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>715 acres</td>
<td>290 ha</td>
</tr>
<tr>
<td>Area below DSL</td>
<td>125 acres</td>
<td>50 ha</td>
</tr>
<tr>
<td></td>
<td>590 acres</td>
<td>240 ha</td>
</tr>
</tbody>
</table>

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

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..........

Site 4 Pelcombe Bay

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

Legend

Fee Simple Lands
Permission 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 4.1.6
Cross Lake Community
Land Selections

Sites 6-8
Walker Lake 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 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. Selections
Area Below D.S.L.*
Lakes, Rivers, Islands
Existing Cross Lake Community Boundary
Roads
Transmission Lines

*Area below Development Setback Line (D.S.L.) 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 D.S.L.
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.
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.
Fee Simple Lands
Permit Lands
Legend
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 18
Cross Lake Community Boundary Expansion Area

Site 18
Cross Lake Community Boundary Expansion Area
Total Area 2355 acres 954 ha

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

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 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

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,
Schedule 4.2 Land Use Permit

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  UTN NAD83 COORDINATES

   Site 13  591426, 6046685
             591637, 6046441
             591390, 6046237
             591181, 6046479

   Site 14  600607, 6043714
             600600, 6043391
             600280, 6043405
Schedule 4.5 Quarry Lease

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.
Schedule 5.1 Claim for Compensation

- **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? (If yes, a copy of this Claim must be forwarded to Hydro) Yes ____ No ____

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? (If so, a copy of this Claim has been forwarded to Hydro) Yes ____ No ____

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 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, Sipiwsesk 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 1st 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 Tralpine 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
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 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


During the period from January 1, 2002 through May 31, 2010, the Cross Lake Mayor and Council had caucus meetings with their technical and legal advisors 39 times and participated in 23 negotiation meetings with Manitoba and Manitoba Hydro. An additional 12 working group meetings occurred to discuss specific matters such as land selection, resource management, etc.

Technical and legal advisors held six workshops/public meetings in the communities during this same time period. Between November 2003 and November 2007, four newsletters advising of the status of the Agreement negotiations were distributed to all households in the Community.

April 28, 2010 Distribution of Household Information Package

An information package was delivered by Community Council staff to each household in the Community on April 28, 2010. This information package included: a cover letter from Mayor and Council; details about the public meetings and Agreement ratification process; formal notices for two consultation public meetings; formal notice of the ratification vote; calendars with important dates; request for candidates for the positions of Trustees, Claims Officers, mediators/arbitrators; and a complete copy of the Agreement.

May 3, 2010 – Notice of May 18, 2010 Community Information Public Meeting #1

Posted and Notice of June 16, 2010 Ratification Vote Posted

Pursuant to Subparagraph 11.1.1(a) of Schedule 11.1 of the Agreement, notice of the May 18, 2010 was posted on May 3, 2010, at least two weeks in advance of the May 18, 2010 meeting, in at least three prominent locations. The Notice was posted at: Family Foods, North Mart, the Post Office, the Bank, the Council Office, the Nursing Station, and at the Cross Lake Inn. This notice provided the information required under Subparagraph 11.1.1(b) parts (i) and (ii).
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 16th day of September, 2010.

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF MANITOBA

Per: __________________________

On the 16th day of September, 2010.

THE MANITOBA HYDRO-ELECTRIC BOARD

Per: __________________________

On the 14th day of September, 2010.

Available in accessible formats upon request.