TREATY ENTITLEMENT AGREEMENT

Peguis First Nation

- and -

Her Majesty the Queen in right of Canada

- and -

Her Majesty the Queen in right of Manitoba

2006

Peguis First Nation

Canada

Manitoba

TABLE OF CONTENTS

		PAGE
	PREAMBLE	1
	PART I: DEFINITIONS AND INTERPRETATION	
1.	**Definitions and Interpretation**	**4**
	1.01 Defined Words and Phrases	4
	1.02 Interpretation	18
	1.03 Statutory References	19
	1.04 Description of Provisions of Agreement	21
	PART II: LAND	
2.	**Selection and Acquisition of Land**	**22**
	2.01 Amount of Land	22
	2.02 Selection and Acquisition of Land in Accordance with Principles	22
	2.03 Adjustment of Crown Land Amount and Other Land Amount	22
3.	**Principles for Land Selection and Acquisition**	**23**
	3.01 Principles Provide Guidelines	23
	3.02 General Principles for Selection and Acquisition of Land	23
	3.03 Specific Principles for Selection of Crown Land	27
	3.04 Specific Principles for Acquisition of Other Land	38
	3.05 Specific Principles for Selection or Acquisition of Land in an Urban Area	39
	3.06 Specific Principles for Selection or Acquisition of Land in a Municipality	40
	3.07 Specific Principles for Selection or Acquisition of Land in a Northern Community	41
	3.08 Specific Principles for Acquisition of Surplus Provincial Land	43
	3.09 Specific Principles for Acquisition of Surplus Federal Land	44
	3.10 Specific Principles for Initial Selection	47
	3.11 Reference of Matters to the Peguis Implementation Committee	48

4. **Periods of Selection and Acquisition of Land** **49**
4.01 Periods 49
4.02 Extension of Period of Selection 49
4.03 Extension of Period of Acquisition 50
4.04 Reference to Peguis Implementation Committee by Canada or Manitoba 52
4.05 Principles not Applicable after Periods 53
4.06 Dates of Selection and Acquisition 53

5. **Notice Area** **54**
5.01 Purpose and Effect of Notice Area 54

6. **Land Selection and Acquisition Process** **54**
6.01 General 54
6.02 Process for Land Selection and Acquisition 54
6.03 Crown Land Use Permit 56

7. **Transfer of Lands and Interests from Manitoba to Canada** **58**
7.01 Manitoba to Transfer Crown Land and Interests to Canada 58

8. **Setting Apart of Land as Reserve by Canada** **60**
8.01 Canada to Set Apart Land as Reserve 60
8.02 Application of Additions to Reserves Policy 62
8.03 Authority of Minister to Set Land Apart as Reserve 63
8.04 Canada not Responsible for Land Selection or Acquisition Costs 63
8.05 No Representation or Warranty by Canada that a Particular Parcel of Land will be Set Apart as Reserve 63
8.06 Effect of Canada not Setting Apart Land as Reserve 64
8.07 Land not Treated as Acquired under this Agreement 67

9. **Land in Ontario and Land of Cultural and Historical Significance in Existing Provincial Parks, Ecological Reserves, Wildlife Refuges or National Parks** **67**
9.01 Land in Ontario 67
9.02 Land of Cultural or Historical Significance in Existing Provincial Parks, Ecological Reserves, Wildlife Refuges or National Parks 67

PART III: THIRD PARTY INTERESTS

10. **Third Party Interests** **69**
10.01 Requirement to Resolve Third Party Interests 69
10.02 Methods of Resolving Third Party Interests 69
10.03 Agreed Form of Replacement Interest 71

11. **Mines and Minerals** **71**
11.01 Manitoba to Transfer to Canada Unencumbered Mines and Minerals 71
11.02 Encumbered Mines and Minerals to be Treated as Third Party Interests 72
11.03 Land Subject to a Mineral Disposition 72
11.04 Mines and Minerals Not to be Set Apart as Reserve Without Surface Interest 73
11.05 Relinquishment of Claim or Right to Royalties by Manitoba 74
11.06 Soldier Settlement Board Mines and Minerals 74

12. **Water Interests** **74**
12.01 Selection or Acquisition of Non-navigable Waterways 74
12.02 Reserve Boundaries on Navigable Waterways 74
12.03 Acquisition of Private Water Lots 74
12.04 Consultations Regarding Developed Waterways 75
12.05 Hydro Easement and Determination of Easement Line 75
12.06 Field Survey of Land to be Developed 77
12.07 Land Below Easement Line Not to be Part of Total Land Amount 77
12.08 Limit on Liability for Certain Land to be Selected or Acquired 78
12.09 Land Physically Required by Manitoba Hydro 79
12.10 Riparian Rights 80

13. **Roads, Highways and Airports** **81**
13.01 Exclusion of Certain Land 81
13.02 Easement for Winter Roads and Easement on Other Land Adjacent to Highways 82
13.03 Widths of Road Right of Way 82
13.04 Identification of Road Right of Way, Description of Road Right of Way for Winter Road and Description of Road Right of Way on Acquired Parcel 83
13.05 Undeveloped Road Allowances 84
13.06 Land Adjacent to a Road Right of Way 85
13.07 Land Required for Highway Construction 85
13.08 Airports Operated by Manitoba 87

14. **Municipal and School Taxes** **87**
14.01 Municipal and School Taxes 87

PART IV: FINANCIAL PROVISIONS

15. **Payments and Contributions by Canada** **89**
15.01 Canada to make Payments and Contributions 89
15.02 Adjustment of Allocation of Total Amount by Peguis 89

16. **Advance of the Total Amount** **90**
16.01 Advance of Total Amount 90
16.02 Repayment of Loans 90
16.03 Advance to Peguis 90
16.04 Advance into the Peguis First Nation Trust 91
16.05 Acknowledgements upon Advance of the Total Amount 92

17. **Management of the Payments and Contributions of Canada** **92**
17.01 Payments and Contributions to be managed in accordance with Trust Agreement 92
17.02 No Distribution of Payments and Contributions to Individual Members 92
17.03 Additional Provision relating to the Land Acquisition Payment 93
17.04 Annual Audit 94
17.05 Conflict of Interest 95

18. **No Further Liability of Canada or Representation or Warranty by Canada** **96**
18.01 No Further Liability of Canada 96
18.02 No Representation or Warranty by Canada 97
18.03 Payments and Contributions not "Indian Moneys" 97

19. **Costs of Environmental Site Assessment** **97**
19.01 Environmental Site Assessment 97

20. **Requirements for Survey of Land and Costs of Survey** **98**
20.01 Survey Requirements 98
20.02 Responsibility for Surveys 99
20.03 Period for Completion of Survey of Land 99

21. **National Topographical Series Maps** **100**
21.01 Canada to Provide National Topographical Series Maps 100

22. **Costs of the Peguis Implementation Committee** **100**
22.01 Share of Costs 100
22.02 Costs of Representation 101

PART V: RELEASE AND INDEMNITY

23. **Release in Favour of Canada by Peguis** **102**
23.01 Release to Canada 102
23.02 Other Matters Unaffected 105
23.03 Claim of Individuals Unaffected 107
23.04 Right of Setoff by Canada Regarding Other Matters Unaffected 108

23.05 Effective Date of Release 109
23.06 Suspension of Release and Indemnity 109
23.07 No Claims and Rights of Action by Peguis 110

24. **Indemnity in Favour of Canada from Peguis 110**
24.01 Indemnity in Favour of Canada 110
24.02 Recovery of Judgment by Canada 110

25. **Release and Indemnity in Favour of Manitoba 111**
25.01 Release and Indemnity 111
25.02 Limit on Release and Indemnity for MNRTA Obligations 111
25.03 Suspension of Release and Indemnity in Favour of Manitoba 112

PART VI: IMPLEMENTATION

26. **Community Approval Process 114**
26.01 Community Approval Process 114

27. **Additional Matters 114**
27.01 Additional Matters 114

28. **Best Efforts and Undertakings 116**
28.01 Undertaking of Parties 116
28.02 Best Efforts of Canada 116
28.03 Best Efforts of Manitoba 116
28.04 Best Efforts of Peguis 117

29. **Peguis Implementation Committee and Senior Advisory Committee 118**
29.01 Establishment of the Peguis Implementation Committee 118
29.02 Appointment of Peguis Implementation Committee Members and Quorum 118
29.03 Appointment of Independent Chairperson 119
29.04 Terms of Appointment of Chairperson and Vacancy 119
29.05 Appointment of Chairperson upon Vacancy 120
29.06 Consensus Model Decision Making and Involvement of the Chairperson 121
29.07 Responsibilities of the Peguis Implementation Committee 122
29.08 Technical Support and Independent Professional Advice 122
29.09 Operation of the Peguis Implementation Committee 123
29.10 Operation of the Peguis Implementation Committee when the Chairperson is Involved 124
29.11 Senior Advisory Committee 126

30. **Dispute Resolution** **127**
30.01 Identification of Adjudicators 127
30.02 Methods of Dispute Resolution 128
30.03 Procedure for Dispute Resolution other than Binding Arbitration 129
30.04 Procedure for Binding Arbitration 130
30.05 Appeal of Binding Arbitration Awards 131
30.06 Default of Obligations in Dispute Resolution Methods 132
30.07 Costs of Dispute Resolution 132
30.08 Record and Report of Issues or Matters in Dispute and Events of Default 133

31. **Material Failure and Events of Default** **134**
31.01 Material Failure to Comply with Fundamental Term or Condition 134
31.02 Matters Constituting Events of Default 135
31.03 Identification of Means of Resolving Events of Default 136
31.04 Loss or Damage as a Result of an Event of Default 136

32. **Taxation** **136**
32.01 Goods and Services Tax 136
32.02 Land Transfer Tax, Retail Sales Tax or Other Value-Added Tax 137
32.03 Municipal or School Tax Assessment 137

33. **Agreed Forms** **138**
33.01 Use of Agreed Forms 138

PART VII: GENERAL PROVISIONS

34. **Funding of Programs** **139**
34.01 No Effect on Existing or Future Funding of Programs 139

35. **Miscellaneous Provisions** **139**
35.01 Entire Agreement 139
35.02 Severability 140
35.03 Applicable Law 140
35.04 Currency and Current Dollars 140
35.05 Place of Delivery 141
35.06 Effective Date of Notice 141
35.07 Amendment 142
35.08 Assignment 142
35.09 No Presumptions at Law 142
35.10 No Creation of New Treaty Rights 142
35.11 No Effect on Existing Aboriginal or Treaty Rights 142
35.12 Constitutional or Legislative Changes 143

35.13 Further Assurances 143
35.14 Enurement of this Agreement 143
35.15 Members of Senate and House of Commons and Legislative Assembly 143
35.16 Payments Subject to Appropriations 144
35.17 Use of Agreement in Interpretation of Other Agreements 144
35.18 No Agency 144

PART VIII: SCHEDULES

36. **Schedules** 145

36.01 Schedules to Agreement

Schedule "A"	Community Approval Process
Schedule "B"	Map of Initial Selection
Schedule "C"	Map of Notice Area
Schedule "D"	Map of "Limestone Point" Planning Area
Schedule "E"	Practice of the Manitoba Regional Office of the Department of Indian Affairs and Northern Development Relating to the Application of the Additions to Reserves Policy in Urban Areas
Schedule "F"	Map of Sites with Hydro-Electric Development Potential on Developed Waterways and Hayes River
Schedule "G"	Certificates of Independent Legal Advice for Peguis
Schedule "H"	Certificate of Independent Legal Advice for Initial Trustees
Schedule "I"	Certificate of Independent Financial Advice

TREATY ENTITLEMENT AGREEMENT

THIS AGREEMENT executed this day of , 2006.

AMONG:

PEGUIS FIRST NATION,

-and-

HER MAJESTY THE QUEEN IN RIGHT OF CANADA,

-and-

HER MAJESTY THE QUEEN IN RIGHT OF MANITOBA,

WHEREAS:

A. Certain First Nations, including the St. Peter's Indian band, as Peguis was known at that time, entered into Treaty No. 1 with Canada on August 3, 1871;

B. Treaty No. 1 provided, according to its written terms, among other things, that Canada would lay aside and reserve tracts of land for the benefit of each of the signatory First Nations in the amount of 160 acres for each family of five, or in that proportion for larger or smaller families;

C. During the course of negotiation of Treaty No. 1, the representatives of Canada assured the signatory First Nations that land occupied by their members on the date of execution of the Treaty was not to be included in the determination of the amount of land to be laid aside and reserved by Canada;

D. Canada has recognized that Peguis has not received sufficient land to fulfill the requirements of the Per Capita Provision of Treaty No. 1;

E. Subsection 35(1) of the *Constitution Act, 1982* provides as follows:

> "The existing aboriginal and treaty rights of the aboriginal peoples of Canada are hereby recognized and affirmed.";

F. Under the terms of a "Memorandum of Agreement" between Canada and Manitoba, commonly referred to as "The Manitoba Natural Resources Transfer Agreement" ("MNRTA"), executed by Canada and Manitoba on December 14, 1929, effective July 15, 1930, and confirmed as Schedule 1 of the *Constitution Act, 1930*, Canada transferred to Manitoba, all of the interest of Canada in all crown lands, mines and minerals (precious and base), waters, water powers and royalties and sums due or payable for any of the above interests of Canada, subject to certain specific exclusions, terms and conditions;

G. In particular, paragraph 11 of the MNRTA provides as follows:

> " ... the Province will, from time to time, upon the request of the Superintendent General of Indian Affairs, set aside, out of the unoccupied crown lands hereby transferred to its administration, such further areas as the said Superintendent General may, in agreement with the Minister of Mines and Natural Resources of the Province, select as necessary to enable Canada to fulfill its obligations under the treaties with the Indians of the Province, and such areas shall thereafter be administered by Canada in the same way in all respects as if they never passed to the Province under the provisions hereof.";

H. Canada has advised Manitoba that Peguis has not received sufficient land to fulfill the requirements of the Per Capita Provision;

I. The parties acknowledge that insufficient unoccupied Crown Land that is suitable to Peguis and in reasonable proximity to its Reserves is available to fulfill the requirements of the Per Capita Provision;

J. On March 7, 2000, the parties concluded a Protocol to, among other things, guide and direct their negotiations on the entitlement of Peguis to additional land of sufficient area to fulfill the requirements of the Per Capita Provision and negotiations have occurred among the parties since that date for that purpose;

K. Canada has negotiated from the position that its obligation to provide land of sufficient area to Peguis to fulfill the requirements of the Per Capita Provision is calculated based on the population of Peguis at the date the first Reserve laid aside for Peguis was surveyed;

L. Peguis has negotiated from the position that Canada's obligation to provide land of sufficient area to it to fulfill the requirements of the Per Capita Provision is calculated based on the population of Peguis from time to time;

M. For the purposes of this Agreement, Peguis has negotiated from the basis that Canada's obligation to provide land of sufficient area to fulfill the requirements of the Per Capita Provision is calculated based on the population of Peguis at December 31, 1999, the calendar year end immediately prior to the date of the "Protocol – Negotiation of Treaty Land Entitlement and Surrender Claim" among the parties dated March 7, 2000;

N. Despite their respective positions, Canada and Peguis have agreed that the obligation of Canada to provide land of sufficient area to Peguis to fulfill the requirements of the Per Capita Provision will be addressed in the manner and to the extent provided in this Agreement; and

O. Canada and Manitoba have agreed that Manitoba will satisfy in part its obligations to Canada under paragraph 11 of the MNRTA in the manner and to the extent provided in this Agreement.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

PART I: DEFINITIONS AND INTERPRETATION

1. Definitions and Interpretation

1.01 Defined Words and Phrases

In this Agreement:

(1) **"Acquire"** means to purchase or otherwise obtain title to Other Land which Peguis wishes to be set apart as Reserve in accordance with this Agreement;

(2) **"Acquired Property"** means, for the purposes of Article 32, land or any interest in land, including any Third Party Interest and fixtures, purchased by or on behalf of Peguis which Peguis wishes to be set apart as Reserve in accordance with this Agreement;

(3) **"Acquisition"** means:

(a) the act of Acquiring; or

(b) Other Land which is Acquired;

(4) **"Additional Land"** means land to be Selected by Peguis in accordance with Subsection 12.07(1);

(5) **"Additions to Reserves Policy"** means:

(a) the policy of the Department of Indian Affairs and Northern Development relating to reserve creation and additions contained in chapter 10 of the "Land Management Manual" of the Department of Indian Affairs and Northern Development dated September 27, 2001;

(b) the policy referred to in Paragraph (a) as clarified or amended in accordance with Subsection 8.02(3); or

(c) where this Agreement refers to the requirement of the Additions to Reserve Policy being satisfied, the policy referred to in Paragraph (a) or (b) as modified by any inconsistency between that policy and this Agreement in accordance with Subsection 8.02(5);

(6) **"Adjudicator"** means a person qualified in the techniques of alternate dispute resolution identified by the Peguis Implementation Committee in accordance with Section 30.01;

(7) **"Agreed Form"** means a form of document:

(a) that the parties agree upon as a standard form for the purposes of implementation of this Agreement; or

(b) that is deemed to be an Agreed Form in accordance with Subsection 33.01(3);

(8) **"Agreement"** means this agreement and includes any amendments made in accordance with Section 35.07;

(9) **"Award"** means a decision of an Adjudicator in binding arbitration in accordance with Section 30.04;

(10) **"Canada"** means Her Majesty the Queen in right of Canada and includes all departments of the Government of Canada;

(11) **"Chairperson"** means the Chairperson of the Peguis Implementation Committee appointed in accordance with Sections 29.03 and 29.05;

(12) **"Community Approval Process"** means the process set out in Schedule "A" by which the Eligible Members authorized and directed:

(a) the Council to execute this Agreement;

(b) the Council and the Initial Trustees to execute the Trust Agreement; and

(c) the Council and the Initial Trustees, and their successors, to execute all other documents to give effect to this Agreement and the Trust Agreement;

(13) **"Council"** means, in respect of Peguis, the "council of the band" as defined in the *Indian Act*;

(14) **"Council Resolution"** means a written resolution signed by a quorum of the Council adopted at a duly convened meeting of the Council;

(15) **"Crown Land"** means land which is owned by, or is under the administration and control of, Manitoba and is within the Province of Manitoba, but does not include:

(a) land that, at the Date of Execution, is administered by Manitoba on behalf of a current or former "local government district" as defined in *The Local Government Districts Act* under a "Memorandum of Understanding" between the Minister of Municipal Affairs and the Minister of Mines and Natural Resources of Manitoba dated May 11, 1964; or

(b) Surplus Provincial Land;

(16) **"Crown Land Amount"** means 55,038 acres of Crown Land, subject to adjustment in accordance with Section 2.03;

(17) **"Crown Reservations"** means all interests which are reserved to Manitoba in or out of any disposition of Crown Land under *The Crown Lands Act* or under any other act of the Legislature of Manitoba, whether enacted before or after the Date of Execution, which interests may include:

(a) in the case of land extending to the shores of any navigable water or inlet thereof:

(i) a strip of land one and one-half chains (being 99 feet) in width, measured from the Ordinary High Water Mark; and

(ii) the public right of landing from, and mooring, boats and vessels so far as is reasonably necessary;

(b) in the case of land bordering a body of water:

(i) the bed of the body of water below the Ordinary High Water Mark; and

(ii) the public right of passage over a portage, road or trail in existence at the date of disposition;

(c) Mines and Minerals, together with the right to enter, locate, prospect, mine for and remove minerals;

(d) the right to, and use of, land necessary for the protection and development of adjacent water power; and

(e) the right to raise or lower the levels of a body of water adjacent to the land, regardless of the effect upon the land;

(18) **"Date of Acquisition"** means the date on which title to Other Land is registered in the name of Peguis or its agent or trustee;

(19) **"Date of Execution"** means the date on which this Agreement was executed by the last of Canada, Manitoba and Peguis;

(20) **"Date of Selection"** means the date on which Canada receives a Council Resolution from Peguis identifying a Selection in accordance with Subsection 6.02(3), and where that date is before the Date of Execution, the Date of Selection shall be deemed to be the Date of Execution;

(21) **"Developed Road Allowance"** means a Road Allowance on which a road has been constructed as at the Date of Execution which the public is ordinarily entitled or permitted to use for the passage of vehicles or pedestrians and which is actually so used and maintained for that purpose;

(22) **"Developed Waterway"** means a body of water upon which there is a Water Project, including the Burntwood River, Churchill River, Laurie River, Nelson River, Saskatchewan River, Winnipeg River, the lakes located on those river systems and all affected tributaries, but not including those bodies of water referred to in Subsection 12.08(1);

(23) **"Disposition"** means an act by Manitoba whereby Crown Land or a right, interest or estate in Crown Land is granted or disposed of, or by which Manitoba creates a right, interest or estate in, divests itself of or permits the use of Crown Land, but does not include:

(a) a renewal of or consent to the assignment of a right, interest or estate in or permit to use Crown Land which is subject to renewal as a matter of law, established practice or the policy of Manitoba as at the Date of Execution;

(b) permission to the holder of a lease or permit to use land under the lease or permit in a manner consistent with "operational land use codes" and "land use descriptions" for Crown Land in that location as determined by Manitoba as of the Date of Execution or the date that permission is granted, whichever is the later date and any amendments to the lease or permit for that purpose;

(c) the lease of land held under permit, where the permit was issued by the Crown as an interim step to fee simple disposition;

(d) the disposition of a fee simple interest in land held under lease or permit, where the lease or permit was issued by the Crown as an interim step to fee simple disposition;

(e) a lease, permit or disposition in fee simple of lots within a registered community subdivision or cottage subdivision;

(f) a Mineral Disposition; and

(g) a quarry permit issued under *The Mines and Minerals Act* to authorize the use of a specific volume of quarry minerals for a specific period of time from a specific quarry site for a specific project or activity for public purposes;

(24) **"Easement Line"** means a line marking the inland boundary of a Hydro Easement determined in accordance with Section 12.05;

(25) **"Eligible Member"** means a person:

(a) whose name appears on the Membership List or whose name does not so appear but who has submitted an application to have his or her name so entered and that application has been approved;

(b) who is 18 years of age or older; and

(c) who has not been found mentally incompetent or otherwise unable to manage his or her own affairs by a court of competent jurisdiction

as of the date of any vote referred to in this Agreement;

(26) **"Entitlement First Nation"** means an "Entitlement First Nation" as defined in the Framework Agreement;

(27) **"Environmental Site Assessment"** means an "environmental site assessment" as defined in the Additions to Reserves Policy of land Selected or Acquired by Peguis;

(28) **"Event of Default"** means an event described in Section 31.02;

(29) **"Federal Payment"** means the amount to be paid by Canada in accordance with Paragraph 15.01(c);

(30) **"First Nation"** means a "band" as defined in the *Indian Act*;

(31) **"Forest Management Licence"** means a "forest management licence" granted in accordance with section 18 of *The Forest Act*;

(32) **"Forest Operator"** means:

(a) the holder of a forest management licence in respect of plans under a Forest Management Licence; or

(b) the holder of rights to cut timber under a timber sale agreement or timber permit;

(33) **"Framework Agreement"** means an agreement in writing titled "Framework Agreement - Treaty Land Entitlement – Manitoba" dated May 29, 1997, among Treaty Land Entitlement Committee of Manitoba, Inc., Canada and Manitoba;

(34) **"Hydro Easement"** means the interest to be held by Manitoba and Manitoba Hydro in land adjacent to a Developed Waterway in accordance with Article 12;

(35) **"Implementation Payment"** means the amount to be paid by Canada in accordance with Paragraph 15.01(f);

(36) **"Indemnity"** means the indemnity given by Peguis in favour of Canada in Article 24;

(37) **"Initial Selection"** means the area of land illustrated on the map in Schedule "B" which has been Selected by Peguis in accordance with Subsection 2.03(1);

(38) **"Initial Trustee"** means an "initial trustee" as defined in the Trust Agreement;

(39) **"Land Acquisition Payment"** means the amount to be paid by Canada in accordance with Paragraph 15.01(d);

(40) **"Land of Cultural or Historical Significance"** means a burial ground, ceremonial site, sacred site, or other site that is of similar significance to Peguis;

(41) **"Land Selection Study"** means the study that has been commenced and will be completed by Peguis in accordance with Subsection 6.02(1);

(42) **"Manitoba"** means Her Majesty the Queen in right of Manitoba and includes all departments of the Government of Manitoba;

(43) **"Manitoba Hydro"** means:

(a) The Manitoba Hydro-Electric Board; or

(b) any other Person who is the holder of a licence under *The Water Power Act*; or

(c) any other Person who is the operator of a Transmission Line;

(44) **"Member"** means, in respect of Peguis, a "member of a band" as defined in the *Indian Act*;

(45) **"Membership List"** means the list of persons maintained by Peguis as the Peguis "band list" in accordance with section 10 of the *Indian Act*;

(46) **"Mineral Disposition"** means a "mining claim" or "mineral lease" as defined in *The Mines and Minerals Act*, but does not include a "quarry lease" or "quarry permit" as defined in *The Mines and Minerals Act*;

(47) **"Mines and Minerals"** includes all mines and minerals (precious and base), including sand and gravel, oil and gas and the royalties derived therefrom;

(48) **"Minimum Entitlement Acres"** means 9,637 acres of land;

(49) **"MNRTA"** means "The Manitoba Natural Resources Transfer Agreement", executed by Canada and Manitoba on December 14, 1929, effective July 15, 1930, and confirmed as Schedule 1 of the *Constitution Act, 1930*;

(50) **"Municipal Development and Services Agreement"** means an agreement between Peguis and a Municipality, concluded in anticipation of a parcel of land located in the Municipality being set apart as Reserve and which may provide for, among other matters:

(a) the use of infrastructure (including sewer and water facilities, roads, sidewalks and waste disposal sites servicing the land) after the land is set apart as Reserve;

(b) the continuation or extension of services (including sewer and water, garbage collection, snow removal, fire protection, policing, public utilities, infrastructure maintenance and other similar municipal services) to that land after the land is set apart as Reserve;

(c) the rates of payment or the means of determining rates of payment for the actual and direct costs incurred by the Municipality in permitting Peguis to use its infrastructure or in providing services to that land and the timing and enforcement of payment for the use of that infrastructure and the provision of those services;

(d) any need for joint planning and development between Peguis and the Municipality;

(e) the maintenance of reasonably compatible use of that land and of adjoining land in the Municipality by the enactment of bylaws for zoning and development; and

(f) the resolution of disputes between Peguis and the Municipality;

(51) **"Municipal and School Taxes"** means all taxes levied in respect of land and improvements by a Municipality or School Division, including taxes, charges or levies against occupants of the land and grants-in-lieu of taxes paid by either Canada or Manitoba;

(52) **"Municipality"** means a "municipality" as defined in *The Municipal Act* or "local government district" as defined in *The Local Government Districts Act*;

(53) **"Navigable Waterway"** means a body of water that is a navigable waterway at common law, and without limiting the generality of the foregoing, is ordinarily usable by members of the public for navigation or transportation, but does not include a waterway which does not ordinarily have a discernible surface outlet suitable for navigation or transportation;

(54) **"Negotiation Costs"** means the costs incurred, or anticipated to be incurred by Peguis in the negotiation of this Agreement, including legal fees;

(55) **"Non-navigable Waterway"** means a body of water that is not a Navigable Waterway;

(56) **"Northern Community"** means a "community" or "incorporated community" as defined in *The Northern Affairs Act*;

(57) **"Notice Area"** means the area as shown on the map attached as Schedule "C";

(58) **"Ordinary High Water Mark"** means a line defined by the normal high water mark determined by plant growth and soil conditions observed at and in the vicinity of land adjacent to a Navigable Waterway and is 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;

(59) **"Other Land"** means:

(a) land owned by a Third Party;

(b) Surplus Provincial Land;

(c) land that as at the Date of Execution is administered by Manitoba on behalf of a current or former "local government district" as defined in *The Local Government Districts Act* under a "Memorandum of Understanding" between the Minister of Municipal Affairs of Manitoba and the Minister of Mines and Natural Resources of Manitoba dated May 11, 1964;

(d) Crown Land that Manitoba agrees to sell to Peguis on a "willing buyer and willing seller" basis, but which is not Surplus Provincial Land;

(e) Surplus Federal Land; and

(f) land owned by Canada that Canada agrees to sell to Peguis on a "willing buyer and willing seller" basis, but which is not Surplus Federal Land;

(60) **"Other Land Amount"** means 111,756 acres of Other Land, subject to adjustment in accordance with Section 2.03;

(61) **"Peguis"** or **"Peguis First Nation"**, means the Peguis Band, a "band" as defined in the *Indian Act*, and formerly known as the St. Peter's Indian band;

(62) **"Peguis Implementation Committee"** means the committee established in accordance with Section 29.01;

(63) **"Per Capita Provision"** means the following written provision of Treaty No. 1:

"...Her Majesty the Queen agrees and undertakes to lay aside and reserve for the sole and exclusive use of the Indians the following tracts of land, that is to say: For the use of the Indians belonging to the band of which Henry Prince, otherwise called Mis-koo-ke-new is the Chief, so much of land on both sides of the Red River, beginning at the south line of St. Peter's Parish, as will furnish one hundred and sixty acres for each family of five, or in that proportion for larger or smaller families...,"

(64) **"Period of Acquisition"** means the period of time provided in Subsection 4.01(2) and, if applicable, any extension of that period in accordance with Section 4.03, for Acquisition of Other Land by Peguis;

(65) **"Period of Selection"** means the period of time provided in Subsection 4.01(1) and, if applicable, any extension of that period in accordance with Section 4.02 for the Selection of Crown Land by Peguis;

(66) **"Person"** means any individual, corporation (including a Crown corporation), partnership, trust, joint venture, unincorporated association, Northern Community or First Nation (other than Peguis) and their respective heirs, successors, legal representatives and permitted assigns;

(67) **"Principles for Land Selection and Acquisition"** or **"Principles"** means the provisions set out in or incorporated into Sections 3.02 to 3.10 inclusive;

(68) **"Provincial Road"** means "provincial road" as defined in *The Highways and Transportation Act*;

(69) **"Provincial Trunk Highway"** means "provincial trunk highway" as defined in *The Highways and Transportation Act*;

(70) **"Public Utility"** means a supplier of electricity, telephone, cable television, telecommunications or natural gas, and includes Manitoba Hydro;

(71) **"Release"** means the release given by Peguis in favour of Canada in Article 23;

(72) **"Replacement Interest"** means any right granted by Canada or Peguis in replacement of, or in substitution for, any Third Party Interest in or over any land Selected or Acquired by Peguis that has been or is to be set apart as Reserve, and includes a Replacement Mining Interest;

(73) **"Replacement Mining Interest"** means a permit, lease, licence or other disposition issued, made or granted by Canada under the *Indian Oil and Gas Regulations* made under the *Indian Oil and Gas Act* or the *Indian Mining Regulations* made under the *Indian Act* or under any other applicable federal legislation, in replacement of, or in substitution for, any rights or interests in Mines and Minerals granted by Manitoba or held by or granted by any private owner of those interests in land Selected or Acquired by Peguis that has been or will be set apart as Reserve;

(74) **"Reserve"** means land which is set apart by Canada for the use and benefit of Peguis as a "reserve" as defined in the *Indian Act*;

(75) **"Residual Crown Interest"** means any right, title or interest which Manitoba may have under the constitution of Canada or the common law in land or an interest in land which is not owned or administered or controlled by Manitoba;

(76) **"Road Allowance"** means "road allowance" as defined in *The Highways and Transportation Act*;

(77) **"Road Right of Way"** means land excluded from a Selection or Acquisition for road purposes in accordance with Paragraphs 13.01(1)(a) to (e) inclusive;

(78) **"School Division"** means "school division" or "school district" as defined in *The Public Schools Act*;

(79) **"Select"** means to identify Crown Land in accordance with this Agreement that Peguis wishes to be set apart as Reserve;

(80) **"Selection"** means:

(a) the act of Selecting; or

(b) Crown Land which is Selected;

(81) **"Senior Advisory Committee"** means the committee to be established in accordance with Section 29.11;

(82) **"Surplus Federal Land"** means any "federal real property", as defined in the *Federal Real Property and Federal Immovables Act*, excluding any "real property" as defined in that Act to which the title is vested in a "federal crown corporation" as defined in section 83 of the *Financial Administration Act*, that is:

(a) located within the area comprising the Treaty Area;

(b) determined by a "minister", as defined in the *Federal Real Property and Federal Immovables Act*, who has the "administration", as defined in that Act, of that "federal real property", to no longer be required for the program purposes of that "minister's" department;

(c) determined by that "minister" to be available for sale; and

(d) made available by that "minister" to any other "minister" of Canada for a transfer of administration in accordance with any then existing policies or directives of the Treasury Board of Canada;

(83) **"Surplus Provincial Land"** means land with or without improvements of value that is:

(a) owned by or is under the administration and control of Manitoba which has been used or occupied by Manitoba and is no longer required and is declared surplus by Manitoba; and

(b) located within the area comprising the Treaty Area;

(84) **"Third Party"** means a Person, other than Canada, Manitoba, Peguis or the Trustees;

(85) **"Third Party Interest"** means any interest, right or estate of any nature held by a Third Party in or to land, or any right of use or occupation of land, other than a fee simple interest, and includes without limiting the generality of the foregoing:

(a) interests held by an occupant of land under a lease, licence or permit;

(b) mortgages and charges;

(c) assignments of rights, estates or interests in land for security or other purposes;

(d) security interests on fixtures protected under *The Personal Property Security Act*;

(e) easements and restrictive covenants and profits a prendre;

(f) interests protected by caveat;

(g) interests in Mines and Minerals; and

(h) forage leases, casual grazing permits and renewable hay leases and permits,

but does not include

(i) a right or interest which is to expire after a specified period, and which is not subject to renewal as a matter of law, established practice or the policy of Manitoba as at the Date of Execution, once that specified period expires;

(j) trapping licences or permits;

(k) Forest Management Licences, timber sale agreements or timber permits, subject to Subsections 3.03 (24) to (34) inclusive; and

(l) the right to levy Municipal and School Taxes;

(86) **"Third Party Interest Payment"** means the amount to be paid by Canada in accordance with Paragraph 15.01(e);

(87) **"TLE Committee"** means Treaty Land Entitlement Committee of Manitoba Inc.;

(88) **"Total Amount"** means the amount of $64,425,000.00 being the total of all payments and contributions to be paid by Canada in accordance with Section 15.01;

(89) **"Total Land Amount"** means 166,794 acres of land;

(90) **"Transmission Line"** means a hydro-electric transmission line with a capacity of 66 kilovolts or more;

(91) **"Treaty Area"** means the area of land particularly described in, and surrendered and ceded by those First Nations which entered into Treaties No. 1 and 2 with Her Majesty the Queen;

(92) **"Treaty No. 1"** means Treaty No. 1 entered into between Her Majesty the Queen and certain First Nations on August 3, 1871;

(93) **"Treaty No. 2"** means Treaty No. 2 entered into between Her Majesty the Queen and certain First Nations on August 21, 1871;

(94) **"Trust"** means the Peguis First Nation Trust established by Peguis in accordance with the Trust Agreement for the long term benefit of Peguis;

(95) **"Trust Agreement"** means the agreement between Peguis and the Initial Trustees which sets out the terms for the administration and management of:

(a) the Federal Payment;

(b) the Land Acquisition Payment;

(c) the Third Party Interest Payment; and

(d) the Implementation Payment;

(96) **"Trust Property"** means all monies at any time on deposit in the Trust and, without limitation, includes:

(a) the Federal Payment, the Land Acquisition Payment, the Third Party Interest Payment and the Implementation Payment paid by Canada to the Trust in accordance with this Agreement;

(b) all "eligible investments" (as defined in the Trust Agreement) in which those monies may from time to time be invested by the Trustees, or into which those monies may be converted

by the Trustees at any time or from time to time, as well as any additions or accretions thereto;

(c) any monies repaid to the Trustees in accordance with the Trust Agreement; and

(d) any monies received by the Trust from Canada in accordance with Subsection 8.06(6), (7) or (9);

(97) **"Trustee"** means a "trustee" as defined in the Trust Agreement;

(98) **"Undeveloped Road Allowance"** means a Road Allowance which is not a Developed Road Allowance;

(99) **"Urban Area"** means land within the boundaries of a "local urban district" or an "urban municipality" as defined in *The Municipal Act*; and

(100) **"Water Project"** means:

(a) a hydro-electric development or water diversion project in existence at the Date of Execution; and

(b) any future major redevelopment or reconstruction of a hydro-electric development or water diversion project in existence as of the Date of Execution

which is licensed or is subject to licensing under *The Water Power Act* and which has or may have a material and continuing physical, chemical or biological impact upon a body of water.

1.02 Interpretation

(1) In this Agreement:

(a) words or phrases which are defined under Section 1.01 have been identified in the text by the capitalization of the first letter of the words or the first letter of each word in phrases;

(b) the definition of words or phrases which are defined under Section 1.01 in one tense shall apply to all tenses as the context so requires; and

(c) the singular includes the plural and vice versa.

(2) Headings used in this Agreement are for ease of reference only, do not form part of this Agreement and shall not be used in the interpretation of this Agreement.

1.03 Statutory References

(1) The following acts are referred to in this Agreement and, when described by the title set out in this Subsection, shall be interpreted to mean the act as cited in this Subsection:

(a) acts of the Parliament of Canada:

Canada Lands Survey Act, R.S.C. 1985, c. L-6;

Canada National Parks Act, S.C. 2000, c. 32;

Canadian Environmental Assessment Act, S.C. 1992, c. 37;

Excise Tax Act, R.S.C. 1985, c. E-15;

Federal Real Property and Federal Immovables Act, S.C. 1991, c. 50;

Financial Administration Act, R.S.C. 1985, c. F-11;

Income Tax Act, R.S.C.1985, c.1 (5th Supp.);

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

Indian Oil and Gas Act, R.S.C. 1985, c. I-7;

Manitoba Claim Settlements Implementation Act, S.C. 2000, c. 14; and

Prairie Farm Rehabilitation Act, R.S. 1985, c. P-17; and

(b) acts of the Legislature of Manitoba:

The Corporations Act, CCSM, c. C225;

The Crown Lands Act, CCSM, c. C340;

The Farm Lands Ownership Act, CCSM, c. R150;

The Forest Act, CCSM, c. F150;

The Gas Pipe Line Act, CCSM, c. G50;

The Highways and Transportation Act, CCSM, c. H40;

The Highways Protection Act, CCSM, c. H50;

The Local Government Districts Act, CCSM, c. L190;

The Mines and Minerals Act, CCSM, c. M162;

The Municipal Act, CCSM, c. M225;

The Municipal Assessment Act, CCSM, c. M226;

The Oil and Gas Act, CCSM, c. 034;

The Northern Affairs Act, CCSM, c. N100;

The Personal Property Security Act, CCSM, c. P35;

The Public Schools Act, CCSM, c. P250;

The Real Property Act, CCSM, c. R30;

The Registry Act, CCSM, c. R50; and

The Water Power Act, CCSM, c. W60; and

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

Constitution Act, 1930; and

Constitution Act, 1982.

(2) All references to an act referred to in Subsection (1) shall include all regulations made in accordance with that act and any amendment, re-enactment or replacement from time to time of that act.

1.04 Description of Provisions of Agreement

For ease of reference, the provisions of this Agreement are described in the following manner in this Agreement:

Part	I
Article	1.
Section	1.01
Subsection	1.01(1)
Paragraph	1.01(1)(a) or 1.01(a)
Subparagraph	1.01(1)(a)(i) or 1.01(a)(i)
Clause	1.01(1)(a)(i)A or 1.01(a)(i)A.

PART II: LAND

2. Selection and Acquisition of Land

2.01 Amount of Land

Peguis shall be entitled to:

(a) Select an amount of Crown Land up to the Crown Land Amount, being 55,038 acres, subject to adjustment in accordance with Section 2.03; and

(b) Acquire Other Land up to the Other Land Amount, being 111,756 acres, subject to adjustment in accordance with Section 2.03

so that the amount of land Selected and Acquired does not exceed the Total Land Amount, being 166,794 acres.

2.02 Selection and Acquisition of Land in Accordance with Principles

(1) During the Period of Selection and Period of Acquisition, Peguis shall Select and Acquire land in accordance with the Principles.

(2) Land Selected or Acquired in accordance with the Principles shall be eligible to be set apart as Reserve subject to the provisions of this Agreement.

2.03 Adjustment of Crown Land Amount and Other Land Amount

(1) Peguis has Selected the Initial Selection, being the area of land illustrated on the map in Schedule "B".

(2) At the time the Initial Selection or any part of the Initial Selection is set apart as Reserve by Canada:

(a) the Crown Land Amount will be increased by an amount equal to the area of the Initial Selection set apart as Reserve; and

(b) the Other Land Amount will be reduced by an amount equal to the area of the Initial Selection set apart as Reserve.

3. Principles for Land Selection and Acquisition

3.01 Principles Provide Guidelines

(1) Sections 3.02 to 3.10 inclusive, including the other provisions of this Agreement incorporated into those Sections, constitute the Principles for Land Selection and Acquisition.

(2) The Principles provide guidelines applicable to the Selection or Acquisition of land by Peguis.

(3) The Principles are not listed in any particular order of priority and land shall be Selected or Acquired by Peguis and considered by the parties with reference to all applicable Principles.

(4) The Principles may not address all of the issues or circumstances to be encountered and considerations affecting the Selection or Acquisition of land by Peguis.

(5) Any issues or circumstances encountered in and considerations affecting the Selection or Acquisition of land by Peguis which are not addressed by the Principles shall be addressed by the parties to the extent that they are able, and if they are unable to resolve any issues or circumstances encountered in or considerations affecting a Selection or Acquisition to the satisfaction of any party, Section 3.11 shall apply.

3.02 General Principles for Selection and Acquisition of Land

(1) Peguis may Select its Crown Land Amount from:

(a) the area comprising the Treaty Area within the Province of Manitoba; or

(b) outside the Treaty Area, but within the Province of Manitoba where, on a case by case basis:

(i) Peguis can establish a reasonable social or economic development objective for the Selection; and

(ii) Manitoba concurs in the Selection, which concurrence will not be unreasonably withheld.

(2) Peguis may Acquire Other Land from within:

(a) the area comprising the Treaty Area within the Province of Manitoba; or

(b) outside the Treaty Area, but within the Province of Manitoba where, on a case by case basis, Peguis can establish a reasonable social or economic development objective for the Acquisition.

(3) Subject to Subsections (4) and (7), Peguis may Select or Acquire parcels of land of such size and configuration as Peguis determines will reasonably contribute to the enhancement of its historical and cultural identity or provide economic or social benefit.

(4) Peguis will generally Select parcels of land of 1,000 acres or more in area except where:

(a) suitable Crown Land is not available in the location preferred by Peguis, which necessitates the Selection of a parcel of Crown Land of less than 1,000 acres;

(b) the purpose of a Selection for historical, cultural, economic or social reasons necessitates the Selection of a parcel of Crown Land of less than 1,000 acres in area;

(c) the parcel Selected is adjacent to, or in reasonable proximity to, an existing Reserve;

(d) the parcel Selected is adjacent to, or in reasonable proximity to, another Selection by Peguis which Canada and Manitoba agree is eligible to be set apart as Reserve in accordance with the Principles; or

(e) the parcel is an existing surveyed parcel or comprises one or more legal subdivisions in the surveyed portion of Manitoba.

(5) Where Peguis Selects a parcel of land less than 1,000 acres in area, other than a Selection of the nature described in Paragraphs (4)(c), (d) and (e), Peguis shall, upon receipt of a written request from Manitoba, provide to Manitoba a written statement outlining the reasons for the Selection.

(6) Where, after considering the written statement referred to in Subsection (5), Manitoba identifies other reasonable competing considerations relating to the Selection not addressed by the Principles:

(a) Manitoba shall set out those competing considerations in writing to Peguis;

(b) Manitoba and Peguis shall make a reasonable effort to address those considerations having appropriate regard to the right of Peguis to Select land in accordance with this Agreement; and

(c) where Manitoba and Peguis do not agree upon the means to address those considerations, the matter may be referred to the Peguis Implementation Committee.

(7) Peguis will generally Select parcels of land in a manner that the proposed boundaries are:

(a) bounded by straight lines;

(b) fewer, rather than more numerous in number; and

(c) longer, rather than shorter in length

having regard to the topography and size of the Selection provided that a parcel that is an existing surveyed parcel or comprises one or more legal subdivisions in any surveyed portion of Manitoba will be deemed to meet the requirements of this Subsection.

(8) Subsection (7) does not apply to a boundary of a Selection to be determined by a natural boundary.

(9) After a Selection is made by Peguis, but before any required survey of the land is conducted in accordance with Article 20, Manitoba may as a matter of policy, with the agreement of Peguis and Canada, make adjustments to the proposed boundaries of the Selection so as to straighten the proposed boundaries, and, in so doing, may take into account specific physical and geographic factors relating to the Selection, and in that event:

(a) the amount of land added to the parcel as a result of the adjustment of the boundaries will be determined by agreement; and

(b) the amount of land added to the parcel as a result of the adjustment of the boundaries will not be applied against the Crown Land Amount or Total Land Amount of Peguis.

(10) Where Peguis Selects land and there are competing interests in that Selection resulting from an Entitlement First Nation selecting all or a portion of the same parcel of land then:

(a) the Selection will not be proceeded with further under this Agreement until the First Nations resolve their competing interests in the Selection; and

(b) Manitoba may make a Disposition of the land if the First Nations have not resolved their competing interests within one year of the date Peguis or the Entitlement First Nation selected the land, whichever is the later date.

(11) Where Peguis Selects land and there are competing interests in that Selection resulting from another First Nation providing notice in writing to Canada stating that it claims a lawful right to have that land set apart as reserve then:

(a) Canada will provide Peguis and Manitoba with written notice of the competing interests in the Selection;

(b) the Selection will not be proceeded with further under this Agreement until the First Nations resolve their competing interests in the Selection; and

(c) Manitoba may make a Disposition of the land if the First Nations have not resolved their competing interests within one year of the Date of Selection relating to that Selection.

(12) Peguis may Select or Acquire land where the Selection or Acquisition does not deprive the owner or lawful user (including Canada or Manitoba) of another parcel of land which does not form part of the Selection or Acquisition of existing legal access to that other parcel of land.

(13) Where a Selection or Acquisition may deprive the owner or lawful user (including Canada or Manitoba) of another parcel of land which does not form part of the Selection or Acquisition of existing legal access to that other parcel, the Selection or Acquisition may be made where an agreement is entered into between Canada or Peguis and that owner or lawful user providing the owner or lawful user with access to that other parcel of land.

3.03 Specific Principles for Selection of Crown Land

Specific Principles part of Principles:

(1) Subsections (2) to (34) inclusive set out specific Principles for the Selection of various categories of Crown Land.

Land not affected by a Third Party Interest:

(2) Peguis may Select land not affected by a Third Party Interest.

Land affected by a Third Party Interest:

(3) Peguis may Select land affected by a Third Party Interest, subject to the Third Party Interest being resolved in accordance with Article 10.

Land Adjacent to a Tourist Lodge or Outcamp:

(4) Peguis may Select land adjacent to the land occupied by a tourist lodge or its outcamps provided that:

(a) in the event that the area being used or to be used by the tourist lodge operator is not specified in the land use permit issued to the tourist lodge operator, Manitoba will, as soon as reasonably practicable, upon a Selection being made adjacent to a tourist lodge or any outcamp, define the reasonable use area for the tourist lodge and any outcamp in consultation with the tourist lodge operator and Peguis; and

(b) in the event that Manitoba and Peguis are unable to agree on the reasonable use area for the tourist lodge or its outcamps or the eligibility of the Selection to be set apart as Reserve in accordance with this Principle, the matter may be referred to the Peguis Implementation Committee.

(5) Where a Selection is made adjacent to a body of water where a tourist lodge is located, the impact of the Selection on the tourist lodge operation may be considered by Manitoba based on the following understanding:

(a) a Selection adjacent to:

(i) a larger body of water; or

(ii) a body of water which may, upon reasonable examination, sustain additional development

should have less impact on the operation of the tourist lodge and is therefore more likely to be eligible for Selection under this Principle; and

(b) a Selection adjacent to:

(i) a smaller body of water; or

(ii) a body of water which may, upon reasonable examination, have difficulty sustaining additional development; or

(iii) a body of water on which the tourist lodge has been established and is being operated as a "pristine wilderness experience" facility

should have more impact on the operation of the tourist lodge and is therefore less likely to be eligible for Selection under this Principle.

Land in a Provincial Park, Ecological Reserve, Wildlife Refuge or Proposed National Park:

(6) Generally, Peguis may not Select land in a provincial park, ecological reserve or wildlife refuge, provided that:

(a) Crown Land in a provincial park created after the Date of Execution shall be available for Selection; and

(b) the "Limestone Point Planning Area" as shown on Schedule "D" has been identified as land of ecological sensitivity and will not be available for Selection.

(7) Peguis may Select land within the area of any proposed "national park" (as defined in the *Canada National Parks Act*) that is in the Treaty Area within the Province of Manitoba in accordance with this Subsection:

(a) prior to the effective date of any agreement between Canada and Manitoba providing for the creation of the proposed "national park":

(i) Canada and Manitoba will provide notice in writing to Peguis stating that Canada and Manitoba are considering the establishment of the proposed "national park";

(ii) Peguis may respond in writing to Canada and Manitoba within 120 days of receiving a notice in accordance with Subparagraph (i) expressing interest in Selecting land within the area of the proposed "national park";

(iii) where Peguis expresses an interest in Selecting land within the area of the proposed "national park" in accordance with Subparagraph (ii), Canada and Manitoba will discuss fully with Peguis the implications of the possible Selection prior to the effective date of the agreement; and

(iv) following the discussions referred to in Subparagraph (iii), but before the effective date of the agreement, Peguis may Select land in the area of the proposed "national park";

(b) any agreement of the nature described in Paragraph (a) shall provide for the right of Selection by Peguis of Crown land within the area of the proposed "national park" for which administration and control is to be transferred to Canada under the agreement, if Peguis has expressed an interest in accordance with Subparagraph (a)(iii); and

(c) after the effective date of any agreement of the nature described in Paragraph (a), land within the area of the proposed "national park" shall be available for Selection by Peguis in accordance with that agreement if Peguis has expressed an interest in accordance with Subparagraph (a)(iii).

Land in a Wildlife Management Area:

(8) Peguis may Select land in a wildlife management area provided the land:

(a) is not essential to the purpose for which the land was designated as a wildlife management area; or

(b) was not transferred or gifted to Manitoba for the purpose of having the land designated as a wildlife management area.

Land in a Public Shooting Ground:

(9) Peguis may Select land in a public shooting ground provided the land:

(a) was not designated as a public shooting ground prior to the effective date of the MNRTA; or

(b) was not transferred or gifted to Manitoba for the purpose of having the land designated as a public shooting ground.

Land in a Community Pasture:

(10) Peguis may Select land in a community pasture, provided:

(a) where the land is under the administration and control of Manitoba, Manitoba determines that:

(i) the land Selected is not actually being used as a community pasture;

(ii) the land Selected is being under-utilized as a community pasture and the removal of that land from the community pasture would not affect the viability of the community pasture, and as a result Manitoba adjusts the area designated as community pasture to exclude the area Selected; or

(iii) the land Selected is not integral to the use of the area as a community pasture and 75 per cent of the designated users of the community pasture consent to the Selection; or

(b) where the land is under the administration and control of Canada at the time of Selection and the land would transfer or revert to Manitoba in the event the land is not used as a community pasture, Canada and Manitoba agree that:

(i) the land Selected is not actually being used as a community pasture;

(ii) the land Selected is being under-utilized as a community pasture and the removal of that land from the community pasture would not affect the viability of the community pasture, and as a result Canada and Manitoba agree to adjust the area designated as community pasture to exclude the area Selected; or

(iii) the land Selected is not integral to the use of the area as community pasture and 75 per cent of the designated users of the community pasture consent to the Selection

and administration and control of the land is transferred to Manitoba by Canada or reverts to Manitoba.

Land Containing Mines and Minerals:

(11) Peguis may Select land containing Mines and Minerals in accordance with Article 11.

Crown Land Bordering upon Navigable Waterways, Non-navigable Waterways or Developed Waterways:

(12) Peguis may Select land bordering upon a Navigable Waterway, a Non-navigable Waterway or a Developed Waterway in accordance with Article 12.

Crown Land Bordering Upon or Enclosing Roads:

(13) Peguis may Select land bordering upon or enclosing roads in accordance with Sections 13.01 to 13.07 inclusive.

Land Used for an Airport Operated by Manitoba:

(14) Peguis may not Select, but may Acquire as Surplus Provincial Land, land which has been used as an airport operated by Manitoba, has been decommissioned and is designated as Surplus Provincial Land by Manitoba.

(15) Peguis may Select land adjacent to an airport operated by Manitoba in accordance with Section 13.08.

Crown Land used by a Public Utility:

(16) Peguis may Select land used by a Public Utility which is subject to any easement, "right of user" as defined in *The Gas Pipe Line Act* or "pipeline operating licence" as defined in *The Oil and Gas Act* issued to a Public Utility, which easement, "right of user" or "pipeline operating licence" shall be treated as a Third Party Interest.

(17) Where a Public Utility is using the land which is Selected without an easement, "right of user" or "pipeline operating licence", the land will be eligible to be set apart as Reserve in accordance with this Principle subject to an easement in favour of the Public Utility, which easement may be in an Agreed Form, and the Public Utility shall, at its cost, survey the easement right of way within 12 months of Canada and Manitoba confirming that the land is eligible to be set apart as Reserve in accordance with the Principles, except where impractical due to weather conditions, and, in that event as soon thereafter as may be reasonably practicable.

(18) Peguis may not Select land used by Manitoba Hydro for a Transmission Line, except with the agreement of Manitoba Hydro.

(19) Where land is Selected by Peguis on which Manitoba Hydro requires for a Transmission Line for which construction will begin within four years of the Date of Selection, the following process shall apply:

(a) Manitoba and Manitoba Hydro shall, in the written reply provided by Manitoba in accordance with Subsection 6.02(7), notify Canada and Peguis in writing that the land is required for a Transmission Line route and confirm the proposed time period for the design and construction of the Transmission Line;

(b) Manitoba and Manitoba Hydro shall, as soon as reasonably practicable after the notice referred to in Paragraph (a) but within one year of the date of that notice, develop a preliminary plan of the Transmission Line route and provide a copy to Canada and Peguis, and should Manitoba and Manitoba Hydro fail to develop and provide the preliminary plan of the Transmission Line route within that period, the Selection shall be eligible to be set apart as Reserve in accordance with this Principle;

(c) Canada and Peguis may, within a reasonable period after receiving a copy of the preliminary plan for the proposed Transmission Line route in accordance with Paragraph (b), comment in writing to Manitoba and Manitoba Hydro on the preliminary plan of Transmission Line route; and

(d) Manitoba and Manitoba Hydro shall take the comments referred to in Paragraph (c) into account in making a decision about the location of the Transmission Line route, having appropriate regard for the right of Peguis to Select land in accordance with this Agreement.

(20) The land contained within the preliminary plan of the Transmission Line route required by Manitoba Hydro will be excluded from the Selection, but the remainder of the Selection will be eligible to be set apart as Reserve in accordance with this Principle.

(21) The land in the preliminary plan of the Transmission Line route may be larger than the width of the final Transmission Line route (being a maximum of 120 meters) to allow for variances in planning and construction.

(22) Manitoba and Manitoba Hydro shall determine the final Transmission Line route within two years of the Date of Selection and, in the event the land Selected by Peguis in accordance with Subsection (19) has been set apart as Reserve, Peguis may, by Council Resolution, request that any land between the boundaries of that land and the Transmission Line route be set apart as Reserve.

(23) Where Peguis has made a request in accordance with Subsection (22):

(a) the land shall be considered to be a Selection for the purposes of Articles 6, 7 and 8; and

(b) the amount of that land shall not be applied against the Crown Land Amount or Total Land Amount of Peguis.

Crown Land in a Forest Plan:

(24) Crown Land which is the subject of any of the following forest plans, including any extension or replacement of the plans beyond the end dates of the plans that do not extend outside of the

applicable Forest Management Licence area in existence as of the Date of Execution:

(a) Louisiana-Pacific Canada Ltd. Forest Development Plan, 1996-2005;

(b) Pine Falls Pulp and Paper Co. Forest Resource Management Plan 1991-98, and Tembec Annual Operating and Renewal Plans;

(c) the Tolko Industries annual operating forest plan current as of the Date of Selection and the most recent Tolko Forest Management Plan, 1997-2009;

(d) Mountain Quota Holders Association 2003/04-2005/06 Annual Operating Plan; or

(e) cutting plans under a timber sale agreement or timber permit

shall be available for Selection where the Selection does not conflict with an area identified in the forest plan to be harvested or subject to road construction within three years of the Date of Selection, including any contingency areas identified in the forest plan, and if such a conflict occurs, the Selection shall be dealt with in accordance with Subsections (25) to (34) inclusive.

(25) Despite Subsection (24), Land of Cultural or Historical Significance within the area identified in a forest plan may be Selected by Peguis.

(26) Despite Subsection (24) and subject to Subsection (29), land within an area identified in a forest plan to be harvested or subject to road construction within three years of the Date of Selection, including any contingency areas identified in the forest plan, may be Selected where Peguis and the Forest Operator enter into an agreement which provides that the land is available for Selection in accordance with this Principle, subject to the terms and conditions of that agreement.

(27) An agreement of the nature referred to in Subsection (26) may also include Manitoba as a party and may provide for one or more of the following:

(a) the issuance of a Crown Land use permit to Peguis in accordance with Subsection 6.03(1);

(b) the right of the Forest Operator to harvest on the land Selected after the Crown Land use permit is issued to Peguis;

(c) the continued access of the Forest Operator across existing access roads in the Selection, the maintenance of those roads and the right of the Forest Operator to build, use and maintain new access roads reasonably required within the boundaries of the Selection for the purpose of harvesting under the forest plan to be undertaken outside of the boundaries of Selection;

(d) the payment of forest charges and dues by the Forest Operator to or in trust for Peguis after the Crown Land use permit is issued to Peguis;

(e) arrangements for forest renewal and forest protection;

(f) arrangements for contracting for harvesting and forest renewal on the land Selected after the Crown Land use permit is issued to Peguis;

(g) the application of some or all of the terms and conditions of a Forest Management Licence agreement on the land Selected after the Crown Land use permit is issued to Peguis; and

(h) any other matters as may be agreed.

(28) Without limiting the generality of Subsection (24), and subject to Subsection (25), where a Selection conflicts with an area identified in a forest plan to be harvested or subject to road construction within one year of the Date of Selection, including any contingency areas identified in the forest plan, the Forest Operator will be entitled to continue with harvesting activities on that land for that period, subject to any agreement made between the Forest Operator and Peguis.

(29) Without limiting the generality of Subsection (24), where a Selection conflicts with an area to be harvested or subject to road construction under a forest plan within three years of the Date of Selection, including any contingency areas identified under the forest plan:

(a) negotiations for an agreement of the nature referred to in Subsection (26) will occur on a priority basis during the first year after the Date of Selection;

(b) if at any time during the first year after the Date of Selection an agreement of that nature has not been reached, Peguis or Manitoba may refer the matter to the Peguis Implementation Committee;

(c) where a matter is referred to the Peguis Implementation Committee in accordance with Paragraph (b), the Peguis Implementation Committee shall, during the first year after the Date of Selection and before any harvesting or road construction activities take place on the Selection, for the second or third year after the Date of Selection, consider the matter on a priority basis in accordance with the following process:

(i) the Peguis Implementation Committee may direct Peguis, a Forest Operator or (if applicable) Manitoba to provide, within the time period established by the Peguis Implementation Committee, detailed written reasons as to why that party has not entered into an agreement of the nature referred to in Subsection (26);

(ii) where Peguis, a Forest Operator or (if applicable) Manitoba does not provide detailed written reasons as requested by the Peguis Implementation Committee as to why that party has not entered into an agreement of the nature referred to in Subsection (26) or where, after considering the written reasons provided in accordance with Subparagraph (i), the Peguis Implementation Committee determines that the failure to enter into an agreement of that nature is unreasonable, the Peguis Implementation Committee may:

A. recommend to those parties terms or conditions of an agreement of the nature referred to in Subsection (26) and a time period to conclude an agreement on those terms or conditions; or

B. where the Peguis Implementation Committee does not believe that a recommendation will assist those parties to conclude an agreement of that nature or where those parties have been unable to conclude an agreement of that nature on the basis of the recommendations made by the Peguis Implementation Committee in accordance with Clause A within the time period recommended by the Peguis Implementation Committee, determine the reasonable terms and conditions of an agreement of that nature and advise Peguis, Manitoba and the Forest Operator of those terms and conditions; and

(iii) where the Peguis Implementation Committee determines the reasonable terms and conditions of an agreement of the nature referred to in Subsection (26) in accordance with Clause (ii)B, those terms and conditions will apply to harvesting and road construction activities by the Forest Operator on the Selection for the second and third year of the forest plan; and

(d) no harvesting or road construction activities will take place under the second or third year of the forest plan on the Selection until the matter is considered by the Peguis Implementation Committee in accordance with Paragraph (c).

(30) Peguis or Manitoba may seek the assistance of the Peguis Implementation Committee during the negotiation of an agreement of the nature referred to in Subsection (26), and where the assistance of the Peguis Implementation Committee is sought, the Chairperson may, at the request of either Peguis or Manitoba, participate in those negotiations to assist the parties to the negotiations to reach an agreement.

(31) Upon an agreement between Peguis and the Forest Operator being concluded in accordance with Subsection (26) or the matter being resolved by the Peguis Implementation Committee in accordance with Subsection (29), the Selection will be eligible to be set apart as Reserve in accordance with this Principle.

(32) Where land is Selected by Peguis that either Canada or Manitoba consider not to be eligible to be set apart as Reserve in accordance with this Principle and Peguis disagrees with the opinion of Canada or Manitoba, Peguis may refer the matter to the Peguis Implementation Committee which shall consider the matter on a priority basis.

(33) During the Period of Selection, Manitoba undertakes to participate with the Forest Operator and Peguis in a full and meaningful consultation process, prior to and in the course of considering any new forest plan or extension or replacement of a forest plan referred to in Subsection (24).

(34) The parties may develop an Agreed Form of agreement which may be considered as the basis for the negotiation of the agreement referred to in Subsection (26).

3.04 Specific Principles for Acquisition of Other Land

(1) Subsections (2) to (4) inclusive set out specific Principles for the Acquisition of Other Land by Peguis.

(2) The Acquisition of Other Land by Peguis shall be undertaken on a "willing buyer and willing seller" basis.

(3) Neither Canada nor Manitoba shall expropriate any land or any interest in land of any Third Party for the purpose of permitting Peguis to Acquire that land or that interest in land.

(4) Peguis may Acquire:

(a) Surplus Provincial Land in accordance with Section 3.08;

(b) Surplus Federal Land in accordance with Section 3.09;

(c) Other Land not affected by any Third Party Interest;

(d) Other Land affected by a Third Party Interest, subject to the resolution of the Third Party Interest in accordance with Article 10;

(e) Other Land in respect of which an interest in Mines and Minerals has been Disposed of in accordance with Article 11;

(f) Other Land bordering upon a Navigable Waterway, Non-navigable Waterway or Developed Waterway or Acquire water lots in accordance with Article 12;

(g) Other Land bordering upon or enclosing a road in accordance with Sections 13.01 to 13.07 inclusive; and

(h) Other Land adjacent to an airport operated by Manitoba in accordance with Section 13.08.

3.05 Specific Principles for Selection or Acquisition of Land in an Urban Area

(1) Where Peguis Selects or Acquires land in an Urban Area, Peguis shall:

(a) give Canada, Manitoba and the Municipality notice in writing of the intention of Peguis to request that the land be set apart as Reserve; and

(b) provide the Municipality a copy of:

(i) the provisions of the Additions to Reserves Policy respecting "Municipal Considerations"; and

(ii) Schedule "E" of this Agreement.

(2) With respect to the setting apart of land as Reserve in an Urban Area:

(a) the practice of the Manitoba regional office of the Department of Indian Affairs and Northern Development relating to the application of the Additions to Reserves Policy in Urban Areas set out in Schedule "E" will apply; and

(b) Schedule "E" may be amended by Canada from time to time, but any amendment to that practice will apply to land to be set apart as Reserve in an Urban Area in accordance with this Agreement only with the written agreement of the parties.

(3) Land Selected or Acquired by Peguis in an Urban Area shall not be ineligible to be set apart as Reserve due to a claim by a Municipality or a School Division alleging a loss of Municipal and School Taxes.

(4) Subject to Section 34.01, nothing in this Section shall oblige Canada or Manitoba to pay any costs incurred by Peguis or any Municipality arising out of a Municipal Development and Services Agreement.

(5) The parties may develop Agreed Forms of Municipal Development and Services Agreements or a checklist of items to be addressed in a Municipal Development and Services Agreement.

3.06 Specific Principles for Selection or Acquisition of Land in a Municipality

(1) Where Peguis Selects or Acquires land in a Municipality which is not in an Urban Area, Peguis shall:

(a) give Canada, Manitoba and the Municipality notice in writing of the intention of Peguis to request that the land be set apart as Reserve;

(b) request the Municipality to set out any concerns it may have with respect to the setting apart of the land as Reserve within 90 days of the date of receipt of that notice;

(c) advise the Municipality that, should the Municipality not provide its comments within the 90 day period, the land may be set apart as Reserve without further notice to the Municipality;

(d) where Peguis intends to use the infrastructure of the Municipality, or requires services provided by the Municipality, request the Municipality to enter into negotiations with Peguis with a view to concluding a Municipal Development and Services Agreement; and

(e) where Peguis intends to use the infrastructure of the Municipality, or requires services provided by the Municipality, advise the Municipality that if negotiations are not commenced within 90 days of the date of receipt of the notice referred to in Paragraph (a), the land may be set apart as Reserve without a Municipal Development and Services Agreement.

(2) Where a Municipality expresses concerns about the land being set apart as Reserve, Peguis shall make reasonable efforts to address the concerns of the Municipality.

(3) Where a Municipality advises Peguis that it intends to enter into negotiations on a Municipal Development and Services Agreement, Peguis shall make reasonable efforts to conclude a Municipal Development and Services Agreement with the Municipality.

(4) Land shall not be ineligible to be set apart as Reserve under this Agreement due to:

(a) subject to Subsection (2), the failure or inability of Peguis to satisfy the concerns of a Municipality;

(b) subject to Subsection (3), the failure of Peguis and a Municipality to enter into a Municipal Development and Services Agreement; or

(c) a claim by a Municipality or School Division alleging a loss of Municipal and School Taxes.

(5) Subject to Section 34.01, nothing in this Section shall oblige Canada or Manitoba to pay any costs incurred by Peguis or any Municipality arising out of a Municipal Development and Services Agreement.

(6) The parties may develop Agreed Forms of Municipal Development and Services Agreements or a checklist of items to be addressed in a Municipal Development and Services Agreement.

3.07 Specific Principles for Selection or Acquisition of Land in a Northern Community

(1) Subject to Subsection (2), Peguis may Select or Acquire land in a Northern Community, provided:

(a) Peguis gives Canada, Manitoba and the Northern Community notice in writing of the intention of Peguis to Select or Acquire the land; and

(b) consultation about the Selection or Acquisition and the intent of Peguis to request that the land be set apart as Reserve by Canada has first occurred with the community council, the local committee or the incorporated community council (as the case may be) of the Northern Community.

(2) Where the intent of Peguis is ultimately to have all or substantially all of the land in the Northern Community set apart as Reserve,

Peguis may not Select or Acquire land in that Northern Community until Canada, Manitoba and Peguis have entered into an agreement which addresses:

(a) the timing of the Selection or Acquisition of land and the subsequent setting apart of the land as Reserve;

(b) the transfer and operation of capital infrastructure and related costs;

(c) the ongoing provision of social and public services to Members and other persons ordinarily resident in the Northern Community and related costs; and

(d) other matters of the nature which may be addressed by a Municipal Development and Services Agreement if the land was located in a Municipality.

(3) Where the intent and purpose of the Selection or Acquisition in a Northern Community is not ultimately to have all or substantially all of a Northern Community set apart as Reserve, Section 3.06 shall apply with necessary modifications.

(4) For the purposes of Subsections (2) and (3), the intent of Peguis shall be deemed to be ultimately to have all or substantially all of the land in the Northern Community set apart as Reserve where:

(a) Peguis has declared by Council Resolution that its intent is ultimately to have all or substantially all of the land in the Northern Community set apart as Reserve; or

(b) the Selection or Acquisition of the land, whether by itself or in combination with other Selections or Acquisitions of land by Peguis, would result in more than 25 per cent of the area comprising the Northern Community being set apart as Reserve for Peguis.

(5) The parties may develop Agreed Forms of agreements of the nature referred to in Subsection (2) or a checklist of items to be addressed in those agreements.

(6) Where land is Selected by Peguis within eight kilometers of the boundary of a Northern Community, Manitoba will not confirm whether the Selection is eligible to be set apart as Reserve in accordance with the Principles until the Minister of Northern Affairs

of Manitoba has consulted with the community council, the local committee or the incorporated community council (as the case may be) in accordance with subsection 9(2) of *The Northern Affairs Act*, which consultation shall be undertaken forthwith upon Canada providing to Manitoba the documents referred to in Subsection 6.02(4).

3.08 Specific Principles for Acquisition of Surplus Provincial Land

(1) Manitoba undertakes to ensure that notice of Surplus Provincial Land (including a description of the land and improvements on the land) is forwarded to Peguis as soon as reasonably practicable after the land is declared Surplus Provincial Land, and before any public offering of the land for sale is made provided:

(a) the Period of Acquisition has not expired; and

(b) Peguis has not Acquired its Other Land Amount,

as of the date the land is declared Surplus Provincial Land.

(2) Peguis may give notice in writing to Manitoba within 30 days of the date of the notice referred to in Subsection (1) expressing an interest in Acquiring the Surplus Provincial Land and in that case:

(a) Manitoba shall, within 30 days of receiving the notice from Peguis, provide to Peguis a proposed sale price based on an appraisal of the fair market value of the Surplus Provincial Land (including improvements) or assessed value of the Surplus Provincial Land (including improvements); and

(b) Peguis may, at its option, by providing written notice to Manitoba within a period of 45 days after receipt of the notice from Manitoba referred to in Paragraph (a), express an interest to Acquire or enter into an agreement with Manitoba to Acquire the Surplus Provincial Land (including improvements) for the proposed sale price set out in the notice from Manitoba referred to in Paragraph (a).

(3) In the event an Entitlement First Nation expresses an interest to Manitoba in acquiring Surplus Provincial Land in accordance with the Framework Agreement, in respect of which land Peguis has also expressed an interest in accordance with Paragraph (2)(b), Peguis and that Entitlement First Nation shall resolve their competing interests within a period of 180 days from the date

Manitoba received the last expression of interest from Peguis and that Entitlement First Nation.

(4) In the event:

(a) Peguis does not give notice to Manitoba of its interest in Acquiring the Surplus Provincial Land within the 30 day period referred to in Subsection (2);

(b) Peguis, after having given notice in accordance with Paragraph (2)(a) and upon the resolution of any competing interest of an Entitlement First Nation in accordance with Subsection (3), fails to Acquire or enter into an agreement with Manitoba to Acquire the land in accordance with Paragraph (2)(b) for reasons not attributable to Manitoba;

(c) Peguis having entered into an agreement with Manitoba to Acquire the land fails to complete the purchase within the period set out in that agreement; or

(d) Peguis, after having given notice in accordance with Paragraph (2)(b), is unable to resolve any competing interest of an Entitlement First Nation in the land within the period of time set out in Subsection (3)

Manitoba may dispose of the land without further notice to Peguis and without regard to the expression of interest of Peguis in Acquiring the Surplus Provincial Land.

3.09 Specific Principles for Acquisition of Surplus Federal Land

(1) Where the Department of Indian Affairs and Northern Development receives notice of Surplus Federal Land, that department shall forward to Peguis notice of that Surplus Federal Land and a copy of any appraisal or an estimate of the fair market value of that Surplus Federal Land, provided:

(a) the Period of Acquisition has not expired; and

(b) Peguis has not Acquired its Other Land Amount

as of the date the Department of Indian Affairs and Northern Development receives notice of the Federal Surplus Land.

(2) Peguis may give notice in writing to Canada, within 30 days of receiving the notice referred to in Subsection (1), expressing an interest in Acquiring the Surplus Federal Land and in that case:

(a) the Department of Indian Affairs and Northern Development shall take those steps as may be required under the policy of the Treasury Board of Canada existing at that date relating to the sale of Surplus Federal Land to express an interest in obtaining a transfer of administration of the Surplus Federal Land for the purpose of enabling Peguis to Acquire that land;

(b) the Department of Indian Affairs and Northern Development shall advise Peguis as to whether, in accordance with the policy referred to in Paragraph (a), the administration of the Surplus Federal Land will be transferred to it for that purpose; and

(c) subject to Subsection (5), in the event Peguis is advised that the land will be transferred to the Department of Indian Affairs and Northern Development, Peguis shall have 60 days to Acquire the Surplus Federal Land or to enter into an agreement with the Department of Indian Affairs and Northern Development pursuant to which, among other things:

(i) sufficient funds (being not greater than the fair market value of the Surplus Federal Land and any adjustment in respect of Municipal and School Taxes, utilities and rent) will be provided to the Department of Indian Affairs and Northern Development by Peguis to permit that department to obtain administration of the land; and

(ii) a right to lease the land for a sum sufficient to discharge the obligations of Peguis under Subsection (5) will be provided to Peguis for the period of time between the date responsibility for the land is transferred to the Department of Indian Affairs and Northern Development and the date the land is set apart as Reserve for Peguis.

(3) In the event an Entitlement First Nation expresses an interest to Canada in acquiring Surplus Federal Land in accordance with the Framework Agreement in respect of which land Peguis has also expressed an interest in accordance with Subsection (2), Canada

shall advise Peguis and the Entitlement First Nation of their competing interests and those First Nations shall resolve their competing interests and notify the Department of Indian Affairs and Northern Development in writing of the resolution of those competing interests within the time limit within which that department must proceed to express interest in obtaining that Surplus Federal Land under the policy referred to in Paragraph (2)(a), failing which that department shall be under no obligation to pursue obtaining the transfer of administration of that Surplus Federal Land.

(4) In the event Peguis, having been advised that the land will be transferred to the Department of Indian Affairs and Northern Development in accordance with Paragraph (2)(b), fails to satisfy its obligations under Paragraph (2)(c), the Department of Indian Affairs and Northern Development will be under no further obligation to pursue the transfer of the administration of the Surplus Federal Land.

(5) Peguis or any other Person intended to hold title to the Surplus Federal Land for the benefit of Peguis, shall be responsible for all costs incurred by the Department of Indian Affairs and Northern Development with respect to the operation and maintenance of the Surplus Federal Land and any improvements located thereon (including, without limitation, the costs of providing heat, water, sewer and electricity to any improvements located on the land and any amounts paid or payable for or as a grant in lieu of Municipal and School Taxes) from the effective date of transfer of administration of the land to the Department of Indian Affairs and Northern Development.

(6) The parties intend that, wherever possible, title to the Surplus Federal Land should be transferred to Peguis or any Person intended to hold title to the Surplus Federal Land for the benefit of Peguis or be set apart as Reserve on the effective date of transfer of administration of the land to the Department of Indian Affairs and Northern Development.

(7) The parties recognize that in accordance with the policy of the Treasury Board of Canada relating to the sale of Surplus Federal Land, the expression of interest in Acquiring Surplus Federal Land by Peguis under Subsection (2) or the taking of steps by the Department of Indian Affairs and Northern Development in accordance with Paragraph (2)(a) does not provide a right or create

a guarantee that the land will be available to be Acquired by Peguis or that the land if Acquired by Peguis or a Person on behalf of Peguis will be set apart as Reserve.

3.10 Specific Principles for Initial Selection

(1) Canada and Manitoba confirm that the Initial Selection is eligible to be set apart as Reserve in accordance with the Principles, subject to:

(a) Section 3.06;

(b) Subsections (2) and (3); and

(c) any Third Party Interests that affect the Initial Selection other than those described in Subsection (2) and (3) being resolved in accordance with Article 10.

(2) The area depicted as "Libau Community Pasture" on Schedule "B" is designated for use as community pasture and is under management by Canada pursuant to the *Prairie Farm Rehabilitation Act* under an agreement with Manitoba, and Peguis agrees that:

(a) this area may continue to be used for community pasture under management by the Prairie Farm Rehabilitation Administration after it is set apart as Reserve, subject to reasonable arrangements for use by Peguis, which will include training for Peguis in the management of community pasture by that Administration;

(b) Peguis will, with the participation and assistance of Manitoba, consult with the designated users of the pasture to determine a suitable and reasonable arrangement for their continued use of the land for community pasture and for use by Peguis;

(c) the final arrangement will be subject to the concurrence of Manitoba and Canada before the administration and control of this part of the Initial Selection is transferred by Manitoba to Canada in accordance with Subsection 7.01(2); and

(d) in determining the arrangement referred to in Paragraph (b), Section 10.02 shall apply with necessary modifications.

(3) The area depicted as "Leases – Ducks Unlimited Canada" on Schedule "B" is managed by Ducks Unlimited Canada for wetlands rehabilitation and preservation and Peguis agrees that:

(a) this area may continue to be managed by Ducks Unlimited Canada, after it is set apart as Reserve, subject to suitable and reasonable arrangements for access by Peguis;

(b) Peguis will, with the participation and assistance of Manitoba, consult with Ducks Unlimited Canada to determine a suitable and reasonable arrangement for the continued management of the area by Ducks Unlimited Canada and for access by Peguis;

(c) the final arrangement will be subject to the concurrence of Manitoba and Canada before the administration and control of this part of the Initial Selection is transferred by Manitoba to Canada in accordance with Subsection 7.01(2); and

(d) in determining the arrangement referred to in Paragraph (b), Section 10.02 shall apply with necessary modifications.

(4) Any of the parties may seek the assistance of the Peguis Implementation Committee during the negotiation of an agreement of the nature referred to in Subsections (2) and (3), and where the assistance of the Peguis Implementation Committee is sought, the Chairperson may, at the request of Canada, Manitoba or Peguis, participate in those negotiations to assist the parties to reach an agreement on suitable arrangements.

3.11 Reference of Matters to the Peguis Implementation Committee

Any issues or matters in dispute relating to the Selection or Acquisition of land by Peguis not resolved by the parties may be referred to the Peguis Implementation Committee.

4. Periods of Selection and Acquisition of Land

4.01 Periods

(1) Subject to Section 4.02, Peguis may Select Crown Land up to its Crown Land Amount within five years from the Date of Execution.

(2) Subject to Section 4.03, Peguis may Acquire Other Land up to its Other Land Amount within 15 years from the Date of Execution.

4.02 Extension of Period of Selection

(1) Provided the total area of Crown Land Selected by Peguis as of the date five years from the Date of Execution is equal to at least 50 percent of the Crown Land Amount, but is less than the Crown Land Amount, the Period of Selection shall be extended for a period of two years.

(2) Provided the total area of Crown Land Selected by Peguis as of the date seven years from the Date of Execution is equal to at least 75 percent of the Crown Land Amount, but is less than the Crown Land Amount, the Period of Selection shall be extended for a further period of two years.

(3) Where:

(a) Peguis is unable to Select an amount of Crown Land equal to the Crown Land Amount within the Period of Selection (as provided for in Subsection 4.01(1) and as extended in accordance with Subsections (1) and (2), if applicable); and

(b) Peguis alleges that the inability to Select an amount of Crown Land equal to the Crown Land Amount within that period of time is directly attributable to the failure of Canada or Manitoba to fulfill their respective obligations under this Agreement relating to the Selection of Crown Land by Peguis,

Peguis may refer the matter to the Peguis Implementation Committee.

(4) Where the Peguis Implementation Committee determines that the reason for the inability of Peguis to Select an amount of Crown Land equal to the Crown Land Amount within the Period of

Selection is reasonably attributable to the failure of either or both Canada and Manitoba to fulfill their respective obligations under this Agreement relating to the Selection of Crown Land by Peguis, the Peguis Implementation Committee:

(a) shall extend the Period of Selection for the period of time equal to the period of time that Peguis has been, or will be, unable to Select Crown Land which is, or has been reasonably attributable to, that failure; and

(b) may, to the extent appropriate, make recommendations respecting means of addressing the inability of Peguis to Select Crown Land.

(5) In the event that:

(a) Peguis has Selected Crown Land within the Period of Selection;

(b) Canada or Manitoba have not confirmed that the land is eligible to be set apart as Reserve in accordance with the Principles or Canada has not set the land apart as Reserve; and

(c) the Period of Selection expires or is about to expire

Peguis may refer the matter to the Peguis Implementation Committee.

(6) Where Peguis refers a matter to the Peguis Implementation Committee in accordance with Subsection (5), the Peguis Implementation Committee shall extend the Period of Selection for a reasonable period of time for the purpose of permitting Peguis to Select another parcel or parcels of Crown Land of a similar area in replacement for the land Selected, unless Canada advises the Peguis Implementation Committee in writing that it intends to set the Selection apart as Reserve.

4.03 Extension of Period of Acquisition

(1) Where Peguis is unable to Acquire its Other Land Amount within the Period of Acquisition as provided for in Subsection 4.01(2), Peguis shall provide to the Peguis Implementation Committee a detailed plan for the Acquisition of its Other Land Amount and, upon receipt, and approval, of that plan by the Peguis

Implementation Committee, the Period of Acquisition shall be extended for a period of five years.

(2) Where Peguis is unable to Acquire its Other Land Amount within the Period of Acquisition as provided for in Subsection 4.01(2), and as extended in accordance with Subsection (1), Peguis shall provide to the Peguis Implementation Committee a further detailed plan for the Acquisition of its Other Land Amount and, upon receipt, and approval, of that further plan by the Peguis Implementation Committee, the Period of Acquisition shall be extended for a further period of five years.

(3) Where:

(a) Peguis is unable to Acquire an amount of Other Land equal to the Other Land Amount within the Period of Acquisition (as provided for in Subsection 4.01(2) and as extended in accordance with Subsection (1) or Subsections (1) and (2), if applicable); and

(b) Peguis alleges that the inability to Acquire an amount of Other Land equal to the Other Land Amount within that period of time is directly attributable to the failure of Canada or Manitoba to fulfill their respective obligations under this Agreement,

Peguis may refer the matter to the Peguis Implementation Committee.

(4) Where the Peguis Implementation Committee determines that the reason for the inability of Peguis to Acquire an amount of Other Land equal to the Other Land Amount within the Period of Acquisition is reasonably attributable to the failure of either or both Canada and Manitoba to fulfill their respective obligations under this Agreement, the Peguis Implementation Committee:

(a) shall extend the Period of Acquisition for the period of time equal to the period of time that Peguis has been, or will be, unable to Acquire Other Land which is, or has been reasonably attributable to, that failure; and

(b) may, to the extent appropriate, make recommendations respecting means of addressing the inability of Peguis to Acquire its Other Land.

(5) In the event that:

(a) Peguis has Acquired Other Land within the Period of Acquisition;

(b) Canada or Manitoba have not confirmed that the land is eligible to be set apart as Reserve in accordance with the Principles or Canada has not set the land apart as Reserve; and

(c) the Period of Acquisition expires or is about to expire,

Peguis may refer the matter to the Peguis Implementation Committee.

(6) Where Peguis refers a matter to the Peguis Implementation Committee in accordance with Subsection (5), the Peguis Implementation Committee shall extend the Period of Acquisition for a reasonable period of time for the purpose of permitting Peguis to Acquire another parcel or parcels of Other Land of a similar area in replacement for the land Acquired, unless Canada advises the Peguis Implementation Committee in writing that it intends to set the Other Land apart as Reserve.

4.04 Reference to Peguis Implementation Committee by Canada or Manitoba

(1) In the event Canada or Manitoba are of the view that Peguis will not Select the Crown Land Amount within the Period of Selection or Acquire the Other Land Amount within the Period of Acquisition, or both, Canada or Manitoba, as the case may be, may refer the matter to the Peguis Implementation Committee.

(2) Subject to Subsections 4.02(3) and (4), where the Peguis Implementation Committee determines that Peguis will not be able to Select the Crown Land Amount within the Period of Selection or Acquire the Minimum Entitlement Acres within the Period of Acquisition, or both:

(a) the Peguis Implementation Committee shall request Peguis to develop a detailed plan for the Selection of its Crown Land Amount or Acquisition of its Minimum Entitlement Acres or both;

(b) Peguis shall develop a detailed plan for the completion of the Selection of its Crown Land Amount or Acquisition of its

Minimum Entitlement Acres or both and provide the plan to the Peguis Implementation Committee within 120 days of the date of the request.

(3) Subject to Subsections 4.02(3) and (4), in the event either Canada or Manitoba refers a matter to the Peguis Implementation Committee in accordance with Subsection (1) and where Peguis has Acquired its Minimum Entitlement Acres but has not Acquired its Other Land Amount:

(a) the Peguis Implementation Committee shall request Peguis to advise as to whether or not it intends to Acquire its Other Land Amount; and

(b) where Peguis advises the Peguis Implementation Committee that it intends to Acquire its Other Land Amount, Peguis shall develop a detailed plan for the completion of the Acquisition of its Other Land Amount and provide the plan to the Peguis Implementation Committee within 120 days of the date of the request.

4.05 Principles not Applicable after Periods

(1) In the event Peguis does not Select its Crown Land Amount within the Period of Selection, the Principles shall not be applicable to any Selection after the expiration of that period.

(2) In the event Peguis does not Acquire its Other Land Amount within the Period of Acquisition, the Principles shall not be applicable to any Acquisition after the expiration of that period.

(3) Despite Subsections (1) and (2), the right of Peguis to Select its Crown Land Amount and Acquire its Other Land Amount in accordance with this Agreement shall continue, except that, subject to Section 34.01, the policy of the Department of Indian Affairs and Northern Development relating to reserve creation and additions in effect on the date a Selection or Acquisition is made shall apply.

4.06 Dates of Selection and Acquisition

(1) A Selection is deemed to be made at the Date of Selection.

(2) An Acquisition is deemed to be made at the Date of Acquisition.

5. Notice Area

5.01 Purpose and Effect of Notice Area

(1) During the Period of Selection, Manitoba will provide Peguis with written notice of any proposed Disposition within the Notice Area.

(2) Manitoba shall not make the proposed Disposition referred to in Subsection (1) for a period of 180 days after Peguis receives the notice referred to in Subsection (1) provided:

(a) Peguis advises Manitoba in writing within 60 days of receipt of the notice from Manitoba, that Peguis may be interested in Selecting the land; and

(b) where Peguis does not advise Manitoba of its interest in accordance with Paragraph (a), Manitoba may make the Disposition without further notice to Peguis.

(3) Where Peguis provides notice to Manitoba in accordance with Paragraph (2)(a), Peguis may Select the Crown Land or any portion of the land that is the subject of the proposed Disposition within 180 days from the date of receipt of notice from Manitoba.

(4) This Section does not apply to the Disposition of Surplus Provincial Land.

6. Land Selection and Acquisition Process

6.01 General

The process for Selection and Acquisition of land, land transfer and the creation of Reserves will be in accordance with this Article and Articles 7 and 8.

6.02 Process for Land Selection and Acquisition

(1) Peguis will complete the Land Selection Study.

(2) Peguis will consider all of the applicable Principles in the course of completion of the Land Selection Study and in Selecting Crown Land and Acquiring Other Land.

(3) Peguis will Select Crown Land and give notice of Other Land which it has Acquired by delivering to Canada a Council Resolution requesting that the land be set apart as Reserve together with:

(a) in the case of Crown Land:

(i) a 1:50,000 scale National Topographical Series map on which the land has been clearly identified by fine point pen; or

(ii) a digital map produced from a base map of at least 1:50,000 scale on which the land has been clearly identified and a paper copy of that map that includes a notation of the source of the base map;

(b) in the case of Other Land:

(i) a legal description of the land;

(ii) a copy of the certificate of title of the land and any registered liens, charges or encumbrances;

(iii) a binding offer to purchase or option by which Peguis or any Person on behalf of Peguis may Acquire the land where Peguis or any Person for or on behalf of Peguis does not hold title to the land; and

(iv) a copy of any surveyor's building location report and certificate provided to Peguis by the vendor of that Other Land.

(4) Canada shall within seven days of receipt of the Council Resolution referred to in Subsection (3) forward to Manitoba copies of that Council Resolution, a description of the land by actual or theoretical section, township and range determined by Universal Transverse Mercator Coordinates (based on North American Datum, 1983) and including the documents referred to in Paragraph (3)(a) or (b) provided to Canada by Peguis.

(5) Canada shall consider the eligibility of the Selection or Acquisition to be set apart as Reserve in accordance with the Principles and provide its written reply to Manitoba and Peguis within 60 days of receipt of the Council Resolution referred to in Subsection (3).

(6) Forthwith upon receipt by Manitoba of the items referred to in Subsection (4), Manitoba will enter the Selection or Acquisition on the Crown Land register maintained by Manitoba, where applicable, and upon that entry, Manitoba will not make any further Dispositions or Mineral Dispositions or issue any further quarry leases or quarry permits under *The Mines and Minerals Act* in respect of the Selection or Acquisition unless and until it is determined that the Selection or Acquisition is not eligible to be set apart as Reserve in accordance with the Principles.

(7) Manitoba shall consider the eligibility of the Selection or Acquisition to be set apart as Reserve in accordance with the Principles and provide its written reply to Canada and Peguis within 60 days of receipt of the items referred to in Subsection (4).

(8) Where Manitoba considers a Selection to be eligible to be set apart as Reserve, Manitoba shall identify any Third Party Interests in that Selection in its written reply provided in accordance with Subsection (7).

(9) In the event that either or both of Canada or Manitoba in the replies provided in accordance with Subsections (5) and (7) advise that, in their opinion, the Selection or Acquisition is not eligible to be set apart as Reserve in accordance with the Principles, and the matter is not resolved within 120 to 180 days from the date of the later of those replies, the matter may be referred to the Peguis Implementation Committee.

6.03 Crown Land Use Permit

(1) Upon Canada, Manitoba and Peguis signing a land selection photobase map of the Selection in accordance with Paragraph 20.03(1)(d), Manitoba shall issue a Crown Land use permit to Peguis which will provide Peguis with the exclusive right to use and occupy the land, subject to any existing Third Party Interests, until:

(a) Canada and Peguis advise Manitoba that they are both not satisfied with the results of the Environmental Site Assessment of the land;

(b) Canada determines that the Selection does not meet the requirements of the Additions to Reserve Policy; or

(c) the acceptance by Canada of administration and control of the Selection from Manitoba

whichever occurs first.

(2) Upon the issuance of a Crown Land use permit in accordance with Subsection (1), the Selection shall not be subject to change by Peguis.

(3) Peguis may not:

(a) create, or permit to be created, any Third Party Interest; or

(b) construct or authorize the construction of any permanent improvement

in or on any Crown Land in respect of which a Crown Land use permit has been issued in accordance with Subsection (1) unless:

(c) expressly provided for in the Crown Land use permit; or

(d) where the Crown Land use permit does not expressly provide, the prior written consent of Canada and Manitoba has been provided, which consent will not be unreasonably withheld.

(4) Canada will not be responsible for any loss, or damage, resulting from the use, or occupation, by Peguis, or any Person, of a Selection pursuant to a Crown Land use permit issued in accordance with Subsection (1).

(5) Upon the acceptance by Canada of administration and control of the Selection from Manitoba, the Crown Land use permit issued in accordance with Subsection (1) will terminate and Canada will issue to Peguis a licence to occupy the land on the same terms until such time as:

(a) the land is set apart as Reserve; or

(b) Canada satisfies its obligations under Section 8.06,

whichever occurs first.

(6) Upon the issuance by Canada of a licence to Peguis to occupy the land in accordance with Subsection (5), Peguis may not:

(a) create, or permit to be created, any Third Party Interest; or

(b) construct or authorize the construction of any permanent improvement

in or on any land in respect of which a licence has been issued by Canada in accordance with Subsection (5) unless:

(c) expressly provided for in the licence; or

(d) where the licence does not expressly provide, the prior written consent of Canada has been provided, which consent will not be unreasonably withheld.

(7) Canada will not be responsible for any loss, or damage, resulting from the use, or occupation, by Peguis, or any Person, of a Selection pursuant to a licence issued in accordance with Subsection (5).

(8) A Crown Land use permit may be in an Agreed Form.

(9) A licence referred to in Subsection (5) may be in an Agreed Form.

7. Transfer of Lands and Interests from Manitoba to Canada

7.01 Manitoba to Transfer Crown Land and Interests to Canada

(1) Where land is Selected or Acquired by Peguis which Canada and Manitoba confirm is eligible to be set apart as Reserve in accordance with the Principles, Canada will:

(a) undertake or cause to be undertaken an Environmental Site Assessment of the land in accordance with Article 19;

(b) upon Canada and Peguis both being satisfied with the results of that Environmental Site Assessment, determine whether the Selection or Acquisition satisfies the requirements of the Additions to Reserves Policy;

(c) upon Canada determining the Selection or Acquisition satisfies the requirements of the Additions to Reserves Policy, determine whether a survey is required in accordance with Section 20.01, and, where a survey is required, undertake or cause to be undertaken a survey of the land in accordance with Section 20.03; and

(d) upon the Council by Council Resolution confirming the boundaries of the Selection or Acquisition as determined by Canada, provide Manitoba with a legal description of the land.

(2) Subject to Subsection 10.01(2), upon Manitoba receiving from Canada a legal description of land Selected or Acquired by Peguis in accordance with Paragraph (1)(d), Manitoba undertakes to transfer to Canada, by order in council, administration and control of all interests of Manitoba in that land, including any Crown Reservations and Residual Crown Interests.

(3) Where land is set apart as Reserve under this Agreement which is subject to a Third Party Interest at the time it is set apart, Manitoba undertakes to transfer to Canada, by order in council, administration and control of all interests of Manitoba in the Third Party Interest, including any Crown Reservations and Residual Crown Interests which:

(a) revert to Manitoba; or

(b) are purchased or otherwise obtained by Peguis

after the land is set apart as Reserve.

(4) Where Manitoba has transferred administration and control of the interests of Manitoba in a Selection or Acquisition in accordance with Subsection (2) or (3), Canada undertakes to accept administration and control of those interests by instrument under the *Federal Real Property and Federal Immovables Act* or otherwise.

(5) An order in council and an instrument under the *Federal Real Property and Federal Immovables Act* referred to in this Section may be in an Agreed Form.

8. Setting Apart of Land as Reserve by Canada

8.01 Canada to Set Apart Land as Reserve

(1) Where:

(a) in the case of Crown Land:

(i) Manitoba has transferred to Canada administration and control of the interests of Manitoba in the Selection in accordance with Subsection 7.01(2) or (3); and

(ii) Canada has accepted administration and control of the interests transferred to it by Manitoba in accordance with Subsection 7.01(4); or

(b) in the case of Other Land:

(i) Canada and Manitoba have confirmed that the land is eligible to be set apart as Reserve in accordance with the Principles;

(ii) Canada and Peguis are both satisfied with the results of the Environmental Site Assessment;

(iii) Canada has determined that the Acquisition satisfies the requirements of the Additions to Reserve Policy;

(iv) a legal description or survey of the land in a form acceptable to Canada and Manitoba has been determined or completed in accordance with Article 20;

(v) Peguis has, by Council Resolution, confirmed the boundaries of the Acquisition as determined by Canada;

(vi) subject to Subsection 10.01(2), Peguis or a Person on behalf of Peguis has provided to Canada a registerable transfer of the title and all other documents necessary to vest title to the land in Canada;

(vii) Manitoba has transferred to Canada, by order in council, administration and control of all interests of Manitoba in that land, including any Crown Reservations and Residual Crown interests in accordance with Subsection 7.01(2) or (3);

(viii) Canada has accepted the transfer of title to the land by instrument under the *Federal Real Property and Federal Immovables Act*; and

(ix) Canada has accepted administration and control of the interests transferred to it by Manitoba in accordance with Subparagraph (vii)

Canada undertakes to proceed with due diligence and to use its best efforts to set apart that land as Reserve.

(2) Canada's undertaking in Subsection (1) to set land apart as Reserve shall be limited to setting apart:

(a) an amount of Crown Land up to the Crown Land Amount to the extent that Peguis Selects Crown Land;

(b) an amount of Other Land up to the Other Land Amount to the extent that Peguis Acquires Other Land; and

(c) an amount of any land referred to at Subsections 3.02(9), 3.03(23), 12.07(1), 13.02(3), 13.06(2) and 13.07(4)

provided that the amount of land set apart as Reserve, not including any amount of land referred to in Paragraph (c), shall not exceed the Total Land Amount.

(3) Where land is Selected or Acquired by Peguis in respect of which the requirements of Paragraph (1)(a) or (b) have been met and which is held by Canada or Manitoba under a certificate of title, the holder of the title shall request the District Registrar of the proper Land Titles Office to cancel the certificate of title in accordance with Section 57 of *The Real Property Act*.

(4) Upon the setting apart of land as Reserve under this Agreement, the legal description, survey plans of the land or other instruments by which the land was set apart as Reserve shall be registered by Canada in the proper Land Titles Office and a duplicate registered copy provided to Peguis and Manitoba.

8.02 Application of Additions to Reserves Policy

(1) For the purposes of the Additions to Reserves Policy, land which Peguis has Selected or Acquired which Canada and Manitoba confirm is eligible to be set apart as Reserve in accordance with the Principles:

(a) shall be deemed to be land Selected or Acquired by Peguis pursuant to a "specific claims settlement agreement" within the meaning of the Additions to Reserves Policy; and

(b) may be a new reserve or an addition to reserve, as the circumstances may reasonably require for the purposes of the Additions to Reserve Policy.

(2) Subject to Subsections (3) and (4), the Additions to Reserves Policy as at the Date of Execution shall apply to the setting apart of land as Reserve in accordance with this Agreement.

(3) The Additions to Reserves Policy may be clarified or amended by Canada after the Date of Execution, but any clarification or amendment to that policy will apply to land to be set apart as Reserve in accordance with this Agreement only with the written agreement of the parties.

(4) Where Canada proposes any clarification or amendment to the Additions to Reserves Policy after the Date of Execution, Canada may not delay a determination of whether a Selection or Acquisition satisfies the Additions to Reserves Policy pending the written agreement of the parties to the clarification or amendment of the Additions to Reserves Policy in accordance with Subsection (3).

(5) In the event of any inconsistency between the Additions to Reserves Policy and this Agreement, the terms of this Agreement shall apply.

8.03 Authority of Minister to Set Land Apart as Reserve

The *Manitoba Claim Settlement Implementation Act* applies to this Agreement.

8.04 Canada not Responsible for Land Selection or Acquisition Costs

(1) Except as provided in Section 8.06 and Part IV, Canada will not be responsible for the payment of:

(a) any costs associated with the identification of land and the approval of the Selection or Acquisition of any land by Peguis, or its Trustees, agents or other representatives;

(b) any costs paid or payable by Peguis, or its Trustees, agents or other representatives, in relation to or arising out of the Selection or the Acquisition of any land by Peguis including, without limitation, the purchase price paid or payable to the vendor of that land, real estate agent or broker commissions, legal fees and disbursements, applicable taxes, land search and transfer costs; and

(c) any costs associated with removing, discharging or accommodating Third Party Interests.

(2) Nothing in this Agreement constitutes any undertaking or commitment by Canada to provide Peguis with any funds, other than the amounts which may be expressly payable by Canada under Part IV for the purpose of Selecting or Acquiring land or for purposes incidental to Selecting or Acquiring land (including, without limitation, payment of all costs associated with Selecting or Acquiring land).

8.05 No Representation or Warranty by Canada that a Particular Parcel of Land will be Set Apart as Reserve

(1) Nothing in this Agreement constitutes any representation or warranty of any kind or nature whatsoever by Canada that any particular parcel of land Selected or Acquired by Peguis will, with certainty, be set apart as Reserve for Peguis, and Canada shall not be liable for any losses, damages or expenses of any kind or nature (direct or indirect) howsoever incurred by Peguis as a result of or in any way arising from Canada not setting a particular parcel of land apart as Reserve for Peguis, except as provided in Section 8.06.

(2) Nothing in Subsection (1) shall in any manner diminish, absolve or otherwise affect:

(a) Canada's undertaking in Section 8.01 to proceed with due diligence and to use its best efforts to set apart as Reserve land Selected or Acquired by Peguis; and

(b) any other obligation or undertaking of Canada under this Agreement.

8.06 Effect of Canada not Setting Apart Land as Reserve

(1) In the event:

(a) Peguis has Selected or Acquired land;

(b) the administration and control of the land has been accepted by Canada or title to the land has been transferred to and accepted by Canada; and

(c) the Minister of Indian Affairs and Northern Development of Canada has declined to set the land apart as Reserve

Subsections (2) to (11) inclusive shall, unless otherwise agreed between Canada and Peguis, apply.

(2) Canada shall provide to Peguis a written statement of the reasons why the land has not been and will not be set apart as Reserve and Peguis may refer the matter to the Peguis Implementation Committee.

(3) Where Peguis has referred Canada's decision not to set land apart as Reserve to the Peguis Implementation Committee in accordance with Subsection (2), Canada shall:

(a) consider the representations of Peguis at the meeting of the Peguis Implementation Committee at which the matter is addressed; and

(b) within 30 days after the date of the meeting of the Peguis Implementation Committee at which the matter is addressed, advise the Peguis Implementation Committee whether it will set the land apart as Reserve.

(4) Where:

(a) within 30 days after the date of the meeting of the Peguis Implementation Committee referred to in Subsection (3),

Canada advises the Peguis Implementation Committee that it will not set the land apart as Reserve; and

(b) the land is or was Other Land,

Peguis shall advise Canada if it wishes to retain an interest in the land (whether legal or beneficial).

(5) Where Peguis advises Canada in accordance with Subsection (4) that it wishes to retain an interest in the land, Canada shall forthwith:

(a) return the transfer of the land provided by Peguis or any Person on behalf of Peguis; or

(b) at its cost, transfer the land to Peguis or any Person on behalf of Peguis, where title to the land is vested in Canada.

(6) Where Peguis advises Canada in accordance with Subsection (4) that it does not wish to retain an interest in the land:

(a) Peguis shall, within 60 days of receiving the advice of Canada referred to in Paragraph (3)(b), provide Canada with any invoices or receipts evidencing the purchase price of the land paid by or on behalf of Peguis and all other actual costs paid or payable by or on behalf of Peguis in respect of the Acquisition, including the resolution of any Third Party Interests;

(b) Canada shall, within 120 days of receiving the invoices and receipts referred to in Paragraph (a), reimburse Peguis for the purchase price of the land paid by or on behalf of Peguis and all other actual costs paid or payable by or on behalf of Peguis in respect of the Acquisition, including the resolution of any Third Party Interests by payment of that amount to the Trust; and

(c) Peguis shall, upon Canada satisfying its obligations under Paragraph (b), provide a release in favour of Canada (which release may be in an Agreed Form) releasing Canada from any and all claims of Peguis arising from Canada refusing to set the land apart as Reserve (including releasing in favour of Canada any interest of Peguis in the land) and authorizing Canada to register the transfer of the land, where title to the land is not vested in Canada.

(7) Where:

(a) within 30 days after the date of the meeting of the Peguis Implementation Committee referred to in Subsection (3), Canada advises the Peguis Implementation Committee that it will not set the land apart as Reserve; and

(b) the land was Crown Land

Peguis shall, within 60 days of receiving the advice of Canada referred to in Paragraph (a), provide Canada with any invoices or receipts evidencing all actual costs paid or payable by or on behalf of Peguis in respect of the Selection, including the resolution of any Third Party Interests and Canada shall:

(c) within 120 days of receiving the invoices and receipts, reimburse Peguis for all actual costs paid or payable by or on behalf of Peguis in respect of the Selection, including the resolution of any Third Party Interests by payment of that amount to the Trust; and

(d) proceed to obtain land acceptable to Peguis in substitution for the Selection.

(8) Any amount to be paid by Canada in accordance with Subsection (6) or (7) shall upon deposit to the Trust be dealt with in the same manner as any other Trust Property.

(9) Canada will pay simple interest on the amount referred to in Subsection (8) calculated between the date the costs were incurred until the date of payment by Canada at a rate equal to the rate paid on Canada Savings Bonds as of the last date of issue prior to the date of payment by Canada and the interest shall be paid to the Trust and shall thereafter be dealt with in the same manner as any other Trust Property.

(10) Upon Canada satisfying its obligations under Subsections (6) or (7) and (9), Canada shall be entitled to deal with the land in any manner whatsoever, including selling or otherwise disposing of the land, and retaining the proceeds of any sale of the land, and Peguis, the Members or Trustees shall have no legal, equitable or other claim against Canada of any kind or nature.

(11) Despite the definition of "Surplus Federal Land", land that Canada sells or otherwise disposes of in accordance with Subsection (10) shall be deemed not to be Surplus Federal Land.

8.07 Land Not Treated as Acquired under this Agreement

Where land is purchased or otherwise obtained by Peguis in an amount greater than the Other Land Amount which Peguis wishes Canada to set apart as Reserve, the land shall not be considered or treated as land Acquired in accordance with this Agreement.

9. Land in Ontario and Land of Cultural and Historical Significance in Existing Provincial Parks, Ecological Reserves, Wildlife Refuges or National Parks

9.01 Land in Ontario

Nothing in this Agreement:

(a) affects the ability of Peguis to assert in any discussions with Canada or the Government of Ontario, an existing aboriginal or treaty right to have land in Ontario set apart as Reserve; or

(b) affects the ability of Canada, or the Government of Ontario, to assert in any discussions with Peguis that the consent of the Government of Ontario is required before Canada sets apart land as Reserve that is located in Ontario which has been purchased or otherwise secured by Peguis.

9.02 Land of Cultural or Historical Significance in Existing Provincial Parks, Ecological Reserves, Wildlife Refuges or National Parks

(1) Where Peguis identifies a specific parcel of land in any provincial park (other than a provincial park created after the Date of Execution), ecological reserve or wildlife refuge, as Land of Cultural or Historical Significance, it is intended that Manitoba and Peguis will enter into an agreement providing for the cooperative management of the parcel of land designed to protect the parcel of land in a manner that reflects that significance to Peguis.

(2) Nothing in this Agreement:

(a) constitutes an admission by Canada or Manitoba that Peguis has an existing aboriginal or treaty right to have Land of Cultural or Historical Significance in any provincial park,

ecological reserve, wildlife refuge or national park set apart as Reserve; or

(b) affects the right or the ability of Peguis to assert in any discussions with Canada or Manitoba an existing aboriginal or treaty right to have Land of Cultural or Historical Significance in any provincial park, ecological reserve, wildlife refuge or national park set apart as Reserve.

PART III: THIRD PARTY INTERESTS

10. Third Party Interests

10.01 Requirement to Resolve Third Party Interests

(1) It is anticipated that some or all of the Crown Land Selected and Other Land Acquired by Peguis may be encumbered by one or more Third Party Interests.

(2) Third Party Interests which affect any land which is otherwise eligible to be set apart as Reserve in accordance with the Principles must be resolved to the satisfaction of Canada, Manitoba and Peguis and the holder of the Third Party Interest prior to:

(a) the transfer by Manitoba to Canada of administration and control of Crown Land or any interest in Crown Land; or

(b) Peguis or a Person on behalf of Peguis providing to Canada a registerable transfer of title to Other Land.

10.02 Methods of Resolving Third Party Interests

(1) Without limiting the generality of Subsection 10.01(2), a Third Party Interest may be resolved in any of the following ways:

(a) the Third Party Interest may be purchased by Peguis;

(b) the Third Party may consent to the cancellation of the Third Party Interest;

(c) the Third Party Interest may continue until it expires;

(d) where the Third Party Interest is under a permit, licence, lease or other authorization issued by Manitoba, by Manitoba withdrawing, canceling or not renewing the permit, licence, lease or other authorization issued, where Manitoba determines that:

(i) the Third Party is not using the land as required in accordance with the permit, licence, lease or other authorization;

(ii) the land is being under-utilized for the purpose required under the permit, licence, lease or other authorization, and as a result Manitoba adjusts the area of the land under the permit, licence, lease or other authorization;

(iii) the land is no longer required by the Third Party for the purpose intended or has been abandoned; or

(iv) the Third Party has failed to meet any conditions or requirements necessary to maintain the Third Party Interest in good standing

(v) on the Date of Selection or the Date of Acquisition or at any time thereafter;

(e) where the Third Party Interest is an interest in land at common law, the interest may continue or may be replaced with a Replacement Interest to come into force upon the administration and control of the land being transferred to and accepted by Canada or legal title to the land being vested in Canada and continue upon the land being set apart as Reserve;

(f) where the Third Party Interest is not an interest in land at common law, but is issued in accordance with legislation of Manitoba, the interest may be replaced with a Replacement Interest where legislation of Canada authorizes the issuance of a similar interest in land under the administration and control of Canada, to come into force upon the administration and control of the land being transferred to and accepted by Canada or legal title to the land being vested in Canada and continue upon the land being set apart as Reserve;

(g) where the Third Party Interest is not an interest in land at common law, but is issued in accordance with legislation of Manitoba, the interest may be replaced with a Replacement Interest where the *Indian Act* authorizes the issuance of a similar interest in Reserve, to come into force upon the land being set apart as Reserve and any requirements provided for in the *Indian Act* being satisfied; or

(h) in any other way which Canada, Manitoba, Peguis and the Third Party may agree.

(2) Where a Third Party Interest is to be replaced with a Replacement Interest in accordance with Paragraphs (1)(e), (f) or (g), the process may be as follows:

(a) the Third Party Interest will be cancelled by the parties to that interest executing the appropriate documents;

(b) upon acceptance by Canada of administration and control of the land or title to the land being accepted by Canada, Canada will grant to the Third Party a Replacement Interest in a form satisfactory to Canada, Peguis and the Third Party pursuant to the *Federal Real Property and Federal Immovables Act* or other legislation of Canada which authorizes the issuance of the Replacement Interest; and

(c) upon the land being set apart as Reserve, Canada and Peguis will consider converting the Replacement Interest to an interest authorized under the *Indian Act*, provided that where a conversion of the interest cannot be readily achieved, the Replacement Interest shall remain as an interest in the land pursuant to the *Federal Real Property and Federal Immovables Act* or other legislation of Canada which authorizes the issuance of the Replacement Interest.

10.03 Agreed Form of Replacement Interest

The parties may develop Agreed Forms for Replacement Interests.

11. Mines and Minerals

11.01 Manitoba to Transfer to Canada Unencumbered Mines and Minerals

Manitoba's undertaking:

(a) in Subsection 7.01(2) to transfer to Canada, by order in council, administration and control of all interests of Manitoba in land Selected or Acquired by Peguis includes an undertaking to transfer to Canada administration and control of all unencumbered Mines and Minerals in or on the land; and

(b) in Subsection 7.01(3) to transfer to Canada, by order in council, administration and control of all interests of Manitoba in a Third Party Interest to which land that is set apart as Reserve is subject at the time it is set apart as Reserve includes an undertaking to

transfer to Canada administration and control of encumbered Mines and Minerals in land Selected or Acquired by Peguis that:

(i) subsequently revert to Manitoba after the land is set apart as Reserve; or

(ii) are subsequently purchased or otherwise obtained by Peguis after the land is set apart as Reserve.

11.02 Encumbered Mines and Minerals to be Treated as Third Party Interests

Where Crown Land is Selected or Other Land is Acquired by Peguis and a Third Party has an interest in the Mines and Minerals in the land, Article 10 applies with necessary modifications.

11.03 Land Subject to a Mineral Disposition

(1) Without limiting the generality of Section 11.02, where land is Selected or Acquired by Peguis which is subject to a Mineral Disposition, quarry lease or quarry permit, Peguis may notify Canada and Manitoba in writing that either:

(a) Peguis intends to pursue the replacement of the Mineral Disposition, quarry lease or quarry permit by a Replacement Mining Interest pursuant to an agreement with the Third Party; or

(b) Peguis requests that Canada set the land apart as Reserve, subject to the interest in the Mineral Disposition, quarry lease or quarry permit.

(2) Where Peguis has notified Canada and Manitoba that Peguis is proceeding in accordance with Paragraph (1)(a), Manitoba shall not grant or dispose of any further interest in that land pending the replacement of the Mineral Disposition, quarry lease or quarry permit by a Replacement Mining Interest.

(3) Where Peguis has notified Canada and Manitoba that Peguis is proceeding in accordance with Paragraph (1)(b), Manitoba shall not grant or dispose of any further interest in that land, except any interest that the Third Party may have or may be entitled to under any applicable legislation.

(4) Subject to Subsections (5) and (6), where Peguis notifies Canada and Manitoba in accordance with either Paragraph (1)(a) or (b), the

land will not be eligible to be set apart as Reserve in accordance with this Principle until an agreement has been entered into among Canada, Peguis and the Third Party providing the Third Party a right of access on or across the land to exercise its rights in the Mineral Disposition, quarry lease or quarry permit, which agreement may be in an Agreed Form.

(5) Where the Third Party fails to enter an agreement referred to in Subsection (4) for reasons which Peguis considers to be unreasonable, Peguis may refer the matter to the Peguis Implementation Committee.

(6) Where the Peguis Implementation Committee determines that the failure of a Third Party to enter into an agreement referred to in Subsection (4) is unreasonable:

(a) the Peguis Implementation Committee may determine the terms and conditions of an interest in land to be granted to the Third Party providing the Third Party with reasonable access to the surface of the land in order to protect the rights of the Third Party in the Mineral Disposition, quarry lease or quarry permit; and

(b) upon the determination of the Peguis Implementation Committee, the Selection or Acquisition will be eligible to be set apart as Reserve in accordance with this Principle subject to the terms and conditions of an interest in the land determined by the Peguis Implementation Committee in accordance with Paragraph (a).

11.04 Mines and Minerals Not to be Set Apart as Reserve Without Surface Interest

Mines and Minerals, or any interests in Mines and Minerals, will not be eligible to be set apart as Reserve in accordance with the Principles until:

(a) the corresponding interest in the surface of the land relating to the Mines and Minerals or any interests in Mines and Minerals has been Selected or Acquired by Peguis; and

(b) the Selection or Acquisition of the corresponding interest in the surface of the land is confirmed by Canada and Manitoba as eligible to be set apart as Reserve in accordance with the Principles.

11.05 Relinquishment of Claim or Right to Royalties by Manitoba

In accordance with section 179.1(2) of *The Mines and Minerals Act*, Manitoba has relinquished all claim or right that it may have to any payment pursuant to paragraph 12 of the MNRTA and the provisions of the agreement between the Government of the Dominion of Canada and the Government of the Province of Ontario dated April 24, 1924, incorporated therein, in respect of any sale, lease or other disposition of any Mines and Minerals or any royalties therefrom on or in any land set apart as Reserve.

11.06 Soldier Settlement Board Mines and Minerals

Manitoba hereby relinquishes and waives any claim or right that it may have in respect of any Mines and Minerals in land surrendered to Canada from a Reserve for the purposes of transferring those Mines and Minerals to the Soldier Settlement Board, title to which Mines and Minerals are currently held by Canada or its agents, and in the event that land is Selected or Acquired by Peguis.

12. Water Interests

12.01 Selection or Acquisition of Non-navigable Waterways

Peguis may Select or Acquire land which includes the beds of Non-navigable Waterways.

12.02 Reserve Boundaries on Navigable Waterways

Where land Selected or Acquired by Peguis is adjacent to a Navigable Waterway:

(a) the water boundaries of the Reserve shall be the Ordinary High Water Mark for that body of water; and

(b) the Reserve shall not include within its boundaries any portion of the bed or the banks of the body of water below the Ordinary High Water Mark.

12.03 Acquisition of Private Water Lots

Subject to Section 12.04, Peguis may Acquire water lots.

12.04 Consultations Regarding Developed Waterways

(1) During the Period of Selection of Peguis, Manitoba, along with Manitoba Hydro, will, at the request of Peguis, provide information to Peguis concerning the effects of an existing Water Project on land adjacent to the Developed Waterway which Peguis is considering Selecting.

(2) During the Period of Selection of Peguis, Manitoba along with Manitoba Hydro, will consult with Peguis concerning:

(a) any proposed Water Projects not physically constructed as of the Date of Execution; and

(b) any proposed major redevelopment or reconstruction of a Water Project in existence as of the Date of Execution

which may have a reasonable likelihood of having a material and continuing physical, chemical or biological impact upon a water body in the Treaty Area.

(3) Where Peguis Selects or Acquires land adjacent to a Developed Waterway which is confirmed as eligible to be set apart as Reserve in accordance with the Principles, Manitoba, along with Manitoba Hydro, will consult with Peguis concerning:

(a) the construction of any proposed Water Projects not physically constructed as of the Date of Execution; and

(b) any proposed major redevelopment or reconstruction of a Water Project in existence as of the Date of Execution

which may have a reasonable likelihood of having a material and continuing physical, chemical or biological impact upon that Developed Waterway which may affect that land.

12.05 Hydro Easement and Determination of Easement Line

(1) Subject to Subsection 12.09(4), Peguis may Select or Acquire land adjacent to a Developed Waterway subject to a Hydro Easement.

(2) Where land is Selected or Acquired which will be subject to a Hydro Easement, Manitoba Hydro shall determine the location of an Easement Line in accordance with Subsection (5).

(3) Where land is Selected or Acquired which is to be subject to a Hydro Easement, Manitoba shall, in its reply in accordance with Subsection 6.02(7), advise Canada and Peguis the anticipated time period for the determination of the Easement Line in accordance with Subsections (4) and (5).

(4) The Easement Line will ordinarily be determined within 18 months from the date that Canada and Manitoba confirm that the land is eligible to be set apart as Reserve in accordance with the Principles, except where impractical due to weather or other conditions and in that event as soon thereafter as may be reasonably practicable.

(5) The Easement Line shall be determined by a professional engineer registered to practice in Manitoba identified by Manitoba Hydro in accordance with a process and methodology which shall:

(a) be based on a process and methodology developed to consider the flooding, erosion and, where appropriate, ice formations and effects relating to a Water Project on a Developed Waterway;

(b) be based on a combination of flood and wind events having a probability of occurrence of once every 100 years;

(c) apply a methodology developed by the United States Army Corps of Engineers in calculating wind setup and wave uprush values; and

(d) include estimates of erosion based on geotechnical studies to provide sufficient shoreline offset to accommodate long-term erosion.

(6) As soon as reasonably practicable after the determination of the Easement Line in accordance with Subsection (5), Manitoba shall, subject to Section 12.06:

(a) undertake or cause to be undertaken a survey of the Easement Line by photogrammetric methods;

(b) produce or cause to be produced explanatory plans of the Easement Line of a nature referred to in section 31 of the *Canada Lands Surveys Act*; and

(c) provide copies of the explanatory plans to Canada and Peguis.

(7) Peguis shall, as soon as reasonably practicable after receipt of the explanatory plans referred to in Subsection (6), affirm, if that is the case, that the description of the land below the Easement Line is approved by Peguis.

(8) A Hydro Easement may be in one or more Agreed Forms.

12.06 Field Survey of Land to be Developed

Where an Easement Line is located in an area that is developed by Peguis or in an area proposed to be developed by Peguis, Manitoba will, at its cost, cause the Easement Line to be demarcated on the land by field survey methods:

(a) within 12 months of the determination of the Easement Line where the area adjacent to the Easement Line is developed by Peguis; and

(b) within 12 months of notice in writing from Peguis that the area adjacent to the Easement Line is proposed to be developed by Peguis

except where impractical due to weather or other conditions, and in that event, as soon thereafter as may be reasonably practicable.

12.07 Land Below Easement Line Not to be Part of Total Land Amount

(1) Where Peguis Selects or Acquires land adjacent to a Developed Waterway that is subject to a Hydro Easement, the area of land below the Easement Line and subject to the Hydro Easement shall not be applied against the Crown Land Amount or Other Land Amount and the Total Land Amount of Peguis, and Peguis may Select Additional Land of equal area to the area of land below the Easement Line.

(2) Any Additional Land to be Selected shall, to the extent reasonably practicable, be contiguous to the Selection or Acquisition and located above the Easement Line, provided that suitable land is available contiguous to the Selection or Acquisition.

(3) At least 50 per cent of the area of each parcel of land Selected or Acquired by Peguis shall be located above the Easement Line, before Additional Land is added to the parcel.

12.08 Limit on Liability for Certain Land to be Selected or Acquired

(1) Subject to Subsections 3.02(1) and (2), Peguis may Select or Acquire land which adjoins Lake Winnipeg, Lake of the Woods, Lake of the Prairies, Dauphin Lake or Lake Manitoba being bodies of water which are regulated for multiple purposes.

(2) Where Peguis Selects or Acquires land that adjoins Lake of the Prairies, Dauphin Lake or Lake Manitoba, the land shall not be subject to a Hydro Easement and Peguis and the Members shall have no right to make any claim for any losses associated with the raising or lowering the water levels on the land as long as the water levels continue to be regulated in accordance with the operating guidelines and procedures for that body of water established as of the Date of Selection.

(3) Where Peguis Selects or Acquires land that adjoins Lake Winnipeg, the land shall not be subject to a Hydro Easement and Peguis and the Members shall have no right to make any claim for any losses associated with the raising or lowering the water levels on the land as long as the water levels continue to be regulated in accordance with the licence issued to Manitoba Hydro under *The Water Power Act*.

(4) Where Peguis Selects or Acquires land that adjoins Lake of the Woods, the land shall not be subject to a Hydro Easement and Peguis and the Members shall have no right to make any claim for any losses associated with the raising or lowering the water levels on the land as long as the water levels continue to be regulated in accordance with the operating guidelines and procedures established by the Lake of the Woods Control Board as of the Date of Selection.

(5) Canada and Manitoba may consider whether federal or provincial legislation is desirable to give effect to the limit on liability set out in Subsections (2), (3) and (4) and, if after consideration by Canada or Manitoba or both it is determined that legislation of that nature is desirable, Canada or Manitoba or both will:

(a) consult with Peguis on the form of the legislation; and

(b) recommend the legislation to the Parliament of Canada and the Legislature of Manitoba.

12.09 Land Physically Required by Manitoba Hydro

(1) Land physically required by Manitoba Hydro for a Water Project may not be Selected by Peguis except with the agreement of Manitoba Hydro.

(2) Where land is Selected in an area which Manitoba Hydro is authorized by a licence under *The Water Power Act* to use and occupy in conjunction with a Water Project which is not physically required by Manitoba Hydro for the Water Project, as determined by consultation among Peguis, Manitoba and Manitoba Hydro, the land not physically required shall be removed from the area under the licence and shall be available for Selection.

(3) Land consisting of the specific geographic sites reasonably required by Manitoba or Manitoba Hydro for potential hydro-electric development identified as "1" to "16" inclusive on the map attached as Schedule "F" may not be Selected by Peguis except with the agreement of Manitoba Hydro and in accordance with Paragraph 3.02(1)(b).

(4) Subject to Subsection (5), for the purposes of Subsections (1), (2) and (3), the land physically required by Manitoba or Manitoba Hydro for hydro-electric development may include land required for:

(a) dams and dikes;

(b) approach channels and diversions;

(c) forebay;

(d) tailrace;

(e) houses and outbuildings;

(f) reasonable requirements for maintenance of the works and operations;

(g) generating stations and powerhouses;

(h) substations, transfer stations, converter stations or switching stations;

(i) airports and landing strips;

(j) telecommunications towers; and

(k) roads internal to the land physically required

but for the purposes of Subsection (3) will not be greater than 10 square miles in area for each site.

(5) The land physically required by Manitoba or Manitoba Hydro for any potential hydro-electric development at the specific geographic sites identified as "14", "15" and "16" on the Hayes River system on the map attached as Schedule "F" may include land, required for:

(a) dams;

(b) houses and outbuildings;

(c) generating stations and powerhouses;

(d) telecommunications towers at the site;

(e) roads internal to the land physically required; and

(f) reasonable requirements for maintenance of its works and operations

but will not be greater than two square miles in area at each site.

(6) Manitoba affirms that neither Manitoba nor Manitoba Hydro have any present plans to propose hydro-electric development at the sites identified as "14", "15" and "16" on the Hayes River system on the map attached as Schedule "F".

12.10 Riparian Rights

Peguis shall have the same riparian rights in land set apart as Reserve under this Agreement as it may have in respect of its existing Reserves.

13. Roads, Highways and Airports

13.01 Exclusion of Certain Land

(1) Land Selected or Acquired by Peguis will ordinarily exclude:

(a) Provincial Trunk Highways;

(b) Provincial Roads;

(c) roads other than Provincial Trunk Highways and Provincial Roads which are under the jurisdiction of the Department of Transportation and Government Services of Manitoba;

(d) municipal roads, unless the Municipality in which the land is located agrees to the transfer of the land comprising the road to Canada to be set apart as Reserve as a term of a Municipal Development and Services Agreement;

(e) Developed Road Allowances, unless the Municipality in which the land is located agrees to the transfer of the land comprising the Developed Road Allowance to Canada to be set apart as Reserve as a term of a Municipal Development and Services Agreement;

(f) ferry landings;

(g) airports operated by Manitoba; and

(h) land withdrawn from Disposition to the extent reasonably required and used by the Department of Transportation and Government Services of Manitoba for gravel, sand and borrow to maintain a road of the class referred to in Paragraphs (a), (b) and (c) and ferry landings.

(2) Land Selected or Acquired by Peguis will ordinarily include:

(a) winter roads which are part of a winter road plan approved by the Department of Transportation and Government Services of Manitoba, subject to Section 13.02; and

(b) Undeveloped Road Allowances unless required for public access in accordance with Section 13.05.

13.02 Easement for Winter Roads and Easement on Other Land Adjacent to Highways

(1) Manitoba shall be entitled to retain an easement over the land Selected by Peguis which is required for a winter road and the easement shall authorize Manitoba to construct and maintain a winter road during those months of the year when a winter road is possible.

(2) Manitoba shall be entitled to an easement to apply to a portion of land Acquired by Peguis adjacent to a "limited access highway" or "freeway" as defined in *The Highways Protection Act* required for a "controlled area" as defined in that Act.

(3) Where Manitoba obtains an easement under Subsection (2), the area of land subject to the easement shall not be applied against the Other Land Amount or the Total Land Amount of Peguis.

(4) An easement of the nature referred to in Subsection (1) or (2) may be an Agreed Form.

(5) Without limiting Subsection (2), Manitoba may, where Peguis agrees, purchase the amount of land required for a "controlled area" as defined in *The Highways Protection Act.*

13.03 Widths of Road Right of Way

(1) The width of the Road Right of Way for land excluded under Paragraphs 13.01(1) (a) to (e) inclusive will be of sufficient width to include:

(a) the road surface;

(b) lateral drainage ditches;

(c) "controlled areas" as defined in *The Highways Protection Act*; and

(d) any power lines, telephone lines or natural gas lines which are located adjacent to the road.

(2) Without limiting the generality of Paragraphs (1) (a) to (d) inclusive, the width of a Road Right of Way will ordinarily be:

(a) 335 meters (about 1,099 feet) for a divided Provincial Trunk highway;

(b) 140 meters (about 459 feet) for an undivided Provincial Trunk Highway;

(c) 130 meters (about 427 feet) for an undivided Provincial Road and other roads under the jurisdiction of the Department of Transportation and Government Services;

(d) 30 meters (about 98 feet) for an undivided municipal road;

(e) 100 meters (about 328 feet) for the easement interest for a winter road;

(f) 150 meters (about 492 feet) for a ferry landing; and

(g) 30 meters (about 98 feet) for off-take ditches, where because of terrain conditions off-take ditches cannot otherwise be included in the Road Right of Way.

13.04 Identification of Road Right of Way, Description of Road Right of Way for Winter Road and Description of Road Right of Way on Acquired Parcel

(1) Where land is Selected or Acquired which is adjacent to a Road Right of Way, Manitoba shall identify the location of the Road Right of Way within 12 months of the Date of Selection or Date of Acquisition and before the land is surveyed.

(2) Manitoba shall, at its cost, survey or otherwise describe in a manner acceptable to Canada the right of way for a winter road within 12 months of the Date of Selection of land which is to be subject to an easement for a winter road, except where impractical due to weather conditions, and in that event, as soon thereafter as may be reasonably practicable.

(3) Manitoba shall, at its cost, survey or otherwise describe in a manner acceptable to Canada:

(a) the land to be subject of an easement for a controlled area in accordance with Subsection 13.02(2); and

(b) the land purchased by Manitoba in accordance with Subsection 13.02(5).

(4) Where Manitoba is entitled to an easement for a "controlled area" in accordance with Subsection 13.02(2), Manitoba shall:

(a) determine the land subject to the "controlled area" and define the boundary by photogrammetric methods;

(b) produce or cause to be produced explanatory plans of the boundary of the easement of a nature referred to in section 31 of the *Canada Lands Surveys Act*; and

(c) provide copies of the explanatory plans to Canada and Peguis.

(5) Peguis and Canada shall, as soon as reasonably practicable after receipt of the explanatory plans referred to in Paragraph (4)(b), affirm, if that is the case, that the description of the land affected by the easement is approved by each of them.

13.05 Undeveloped Road Allowances

(1) Where land is Selected which includes an Undeveloped Road Allowance or where land is Acquired through which runs an Undeveloped Road Allowance and which is not required to provide ongoing essential public access:

(a) Manitoba shall request the Municipality in which the road is located to enact a bylaw in accordance with section 219 of *The Municipal Act* closing that portion of the Undeveloped Road Allowance within the Selection or that runs through the Acquisition;

(b) upon the enactment of that bylaw, Peguis may, by Council Resolution, request that that portion of the Undeveloped Road Allowance be set apart as Reserve; and

(c) upon Peguis making the request in accordance with Paragraph (b), the Undeveloped Road Allowance shall be considered a Selection for the purposes of Articles 6, 7 and 8.

(2) Where a Municipality does not enact a by-law closing that part of the Undeveloped Road Allowance in accordance with Paragraph (1)(a), the Minister of Highways and Transportation of Manitoba will close that Undeveloped Road Allowance in accordance with section 17 of *The Highways and Transportation Act* and Paragraphs (1)(b) and (c) shall apply with necessary modifications.

13.06 Land Adjacent to a Road Right of Way

(1) Where:

(a) Peguis Selects or Acquires land which is located immediately adjacent to and on both sides of a Road Right of Way;

(b) Canada sets the land apart as Reserve;

(c) the road is subsequently closed; and

(d) Peguis has Selected and has had all its Crown Land Amount set apart as Reserve

Peguis may, by Council Resolution, request the land comprising the closed road be set apart as Reserve within 90 days after receipt of notice from Manitoba that the road has been closed.

(2) Despite Section 2.01, where Peguis has made a request in accordance with Subsection (1):

(a) that land shall be considered a Selection for the purposes of Articles 6, 7 and 8; and

(b) the amount of land referred to in Paragraph (1) shall not be applied against the Crown Land Amount or Total Land Amount of Peguis.

13.07 Land Required for Highway Construction

(1) Where land is Selected by Peguis which Manitoba requires for a road of the class described at Paragraphs 13.01(a) to (c) inclusive for which construction will begin within four years of the Date of Selection, the following process shall apply:

(a) Manitoba shall, in the written reply provided in accordance with Subsection 6.02(7), notify Canada and Peguis that the land is required for a road and shall advise of the proposed time period for the design and construction of the road;

(b) Manitoba shall, as soon as reasonably practicable after the notice referred to in Paragraph (a), develop a preliminary Road Right of Way and provide a copy to Canada and Peguis and should Manitoba not provide a copy of the preliminary Road Right of Way within a reasonable period of

time, Canada or Peguis may refer the matter to the Peguis Implementation Committee;

(c) Canada and Peguis may, within a reasonable period after receiving the proposed Road Right of Way in accordance with Paragraph (b), comment in writing to Manitoba on the location of the proposed preliminary Road Right of Way; and

(d) Manitoba shall take the comments referred to in Paragraph (c) into account in making its decision as to the location of the Road Right of Way having appropriate regard for the right of Peguis to Select land under this Agreement.

(2) The land contained within the preliminary Road Right of Way will be excluded from the Selection, but the remainder of the Selection will be eligible to be set apart as Reserve in accordance with this Principle.

(3) The land in the preliminary Road Right of Way may be larger than the ordinary width of a Road Right of Way referred to in Section 13.03 to allow for variances in planning and construction and in that event, when the road is complete:

(a) Manitoba shall survey a final Road Right of Way; and

(b) in the event the land Selected by Peguis in accordance with Subsection (2) has been set apart as Reserve, Peguis may, by Council Resolution, request any land between the boundaries of that land and the Road Right of Way be set apart as Reserve.

(4) Where Peguis has made a request in accordance with Paragraph (3)(b):

(a) any land between the boundaries of the Selection and the Road Right of Way shall be considered a Selection for the purposes of Articles 6, 7 and 8; and

(b) the amount of land referred to in Paragraph (a) shall not be applied against the Crown Land Amount or Total Land Amount of Peguis.

13.08 Airports Operated by Manitoba

(1) Peguis may Select Crown Land in the vicinity of an airport operated by Manitoba, provided that the land available for the use of the airport is or will be of sufficient area to include:

(a) runways, including planned extensions;

(b) runway strips;

(c) restricted areas;

(d) apron, terminal area and fuel storage areas; and

(e) gravel storage areas.

(2) Without limiting the generality of Paragraphs (1) (a) to (e) inclusive, the land available for use of an airport is or will ordinarily be:

(a) 2,900 meters x 300 meters (about 9,515 feet x 984 feet) for runways, including planned extensions, runway strips and restricted areas; and

(b) 100 meters x 300 meters (about 328 feet x 984 feet) for apron, terminal area, fuel storage and gravel storage areas.

14. Municipal and School Taxes

14.01 Municipal and School Taxes

(1) Manitoba will consider on a case by case basis the relevant implications on Municipal and School Taxes, if any, of the setting apart of land as Reserve under this Agreement, following the conclusion of a Municipal Development and Services Agreement.

(2) Manitoba shall indemnify and save harmless Canada and Peguis from and against any claims, liabilities and demands of any nature whatsoever brought by a Municipality or School Division for any loss of Municipal and School Taxes arising from the setting apart of land as Reserve under this Agreement except to the extent that the claim arises from a failure of Canada to apply the practice of the Manitoba Regional Office of the Department of Indian Affairs and Northern Development set out in Schedule "E" (or any amendment to Schedule "E" made in accordance with Paragraph 3.05(2)(b)) where land Selected or Acquired by Peguis is located in an Urban Area, and in that event Canada indemnifies and saves harmless

Peguis from and against any claims, liabilities, demands or costs of any nature whatsoever arising from its default in its obligations.

(3) Nothing in this Agreement shall create any right of any Municipality or School Division to make a claim for any loss of Municipal and School Taxes resulting from the setting apart of land as Reserve under this Agreement.

PART IV: FINANCIAL PROVISIONS

15. Payments and Contributions by Canada

15.01 Canada to make Payments and Contributions

Canada agrees to make the following payments and contributions, which together constitute the Total Amount, being $64,425,000.00:

(a) a contribution toward Negotiation Costs in the amount of $2,000,000.00;

(b) a contribution toward the costs incurred by Peguis in undertaking and completing the Community Approval Process in the amount of $250,000.00;

(c) the Federal Payment in the amount of $5,400,000.00;

(d) the Land Acquisition Payment in the amount of $49,800,000.00;

(e) the Third Party Interest Payment in the amount of $1,600,000.00;

(f) the Implementation Payment in the amount of $5,350,000.00; and

(g) a contribution towards the costs incurred, or anticipated to be incurred by Peguis in completing the Land Selection Study in the amount of $25,000.00.

15.02 Adjustment of Allocation of Total Amount by Peguis

(1) Subject to Subsections (2) and (3), at any time after the Date of Execution, but before payment by Canada of the Total Amount, Peguis may adjust the allocation of the Total Amount set out in Paragraphs 15.01(a), (c), (e) and (f).

(2) In the event Peguis adjusts the allocation of the Total Amount in accordance with Subsection (1), the final amount allocated by Peguis toward Negotiation Costs may not be less than $1,527,785.00.

(3) In the event Peguis adjusts the allocation of the Total Amount in accordance with Subsection (1), the amount adjusted by Peguis from:

(a) the Federal Payment;

(b) the Third Party Interest Payment; and

(c) the Implementation Payment

may not, in total, exceed $1,500,000.00.

(4) In the event Peguis adjusts the allocation of the Total Amount in accordance with Subsection (1), that adjustment shall be confirmed by Council Resolution, a copy of which will be provided by Peguis to Canada.

16. Advance of the Total Amount

16.01 Advance of Total Amount

(1) Canada shall advance the Total Amount in accordance with this Article.

(2) In the event Canada fails to advance the Total Amount in accordance with this Article, that failure shall constitute an Event of Default.

16.02 Repayment of Loans

(1) Peguis acknowledges that it has, from time to time, received certain loans from Canada for the purposes of:

(a) paying a reasonable portion of Negotiation Costs; and

(b) undertaking and completing the Community Approval Process.

(2) The full amount of the loans owing by Peguis to Canada under the loans referred to in Subsection (1) is $1,777,785.00.

(3) Peguis authorizes, and directs, Canada to recover the loans referred to in Subsection (1) by deducting the full amount owing from the Total Amount.

16.03 Advance to Peguis

(1) Subject to Subsection (2), Canada will advance to Peguis the sum of $497,215.00 representing:

(a) the balance of its contribution toward Negotiation Costs that remains outstanding (following the repayment of the loans referred to in Paragraph 16.02(1)(a)); and

(b) its contribution towards the costs incurred, or anticipated to be incurred by Peguis in completing the Land Selection Study.

(2) In the event Peguis adjusts the allocation of the Total Amount in accordance with Subsection 15.02(1) to Negotiation Costs, the amount referred to in Subsection (1) will be adjusted by like amount.

(3) Canada shall advance the amount referred to in Subsection (1), or the amount as may be adjusted in accordance with Subsection (2), to Peguis within 30 days of:

(a) the Date of Execution; or

(b) in the event Peguis adjusts the allocation of the Total Amount in accordance with Subsection 15.02(1), the date Canada receives the Council Resolution referred to in Subsection 15.02(4),

whichever is the later date.

16.04 Advance into the Peguis First Nation Trust

(1) Peguis authorizes and directs Canada to deposit into the Trust those portions of the Total Amount allocated, in accordance with Section 15.01 or 15.02, to the Federal Payment, the Land Acquisition Payment, the Third Party Interest Payment and the Implementation Payment.

(2) Subject to any adjustment by Peguis in the allocation of the Total Amount in accordance with Section 15.02, the amount anticipated to be advanced by Canada to the Initial Trustees in accordance with Subsection (1) is $62,150,000.00.

(3) Canada shall advance the amount referred to in Subsection (1), or the amount as may be adjusted in accordance with Subsection (2), to Peguis within 30 days of:

(a) the Date of Execution; or

(b) in the event Peguis adjusts the allocation of the Total Amount in accordance with Subsection 15.02(1), the date Canada receives the Council Resolution referred to in Subsection 15.02(4),

whichever is the later date.

16.05 Acknowledgements upon Advance of the Total Amount

Upon Canada advancing the Total Amount in the manner set out in Article 16:

(a) Peguis shall obtain a resolution from the Initial Trustees acknowledging receipt of the funds Canada is to advance to the Trust in accordance with Subsection 16.04(1); and

(b) the Council shall, by Council Resolution, acknowledge that Canada has satisfied its obligations to advance the Total Amount in accordance with Article 16

and Peguis shall provide a copy of each resolution to Canada.

17. Management of the Payments and Contributions of Canada

17.01 Payments and Contributions to be managed in accordance with Trust Agreement

(1) Peguis has, concurrent with this Agreement, constituted the Trust by executing the Trust Agreement and settling the Trust upon the Initial Trustees.

(2) Peguis confirms that the Trust Agreement provides for the use, management and administration of the Trust Property in a manner consistent with this Article and that it will, to the extent of its ability under the terms of the Trust Agreement, ensure that the use, management and administration of the Trust Property continues to be consistent with this Article.

(3) The Trust Agreement shall at no time be amended, redrafted or varied in any way that is inconsistent with this Article.

17.02 No Distribution of Payments and Contributions to Individual Members

(1) The Trust Agreement shall at all times provide that the Trustees shall not make a distribution of Trust Property to individual Members or any other Person for the purpose of a disbursement to an individual Member.

(2) Without limiting Subsection (1):

(a) Trust Property distributed to Peguis, or to any other Person, by the Trustees shall only be used for the purposes of

permitting Peguis, or any Person acting for or on behalf of Peguis, to undertake or participate in the "authorized uses" (as defined in the Trust Agreement); and

(b) in the event Peguis receives a distribution of the Trust Property, no portion of that distribution shall be used, either directly or indirectly, for an individual distribution to any Member or to any other Person for that purpose.

(3) Subsections (1) and (2) do not apply to:

(a) the payment to any Person of a service fee, salary, or honorarium;

(b) the reimbursement to any Person of any claim for reimbursement of expenses that person has against the Trust; or

(c) the payment to any Person of an amount for the purpose of carrying out or achieving an "authorized use" as defined in the Trust Agreement

where that payment is made in accordance with the Trust Agreement or, where the Trust Agreement makes no provision for the payment, in accordance with the administrative practices established by the Trustees.

17.03 Additional Provision relating to the Land Acquisition Payment

The Trust Agreement shall at all times provide that unless and until the amount of land set apart as Reserve has been increased by the Minimum Entitlement Acres as a result of the implementation of this Agreement, the amount of capital retained in the Trust shall not be less than the amount determined by the following formula:

(A-B)

where

"A" is the amount of the Land Acquisition Payment, being $49,800,000.00; and

"B" is the total of all amounts disbursed from the Trust for the purpose of permitting Peguis, or any Person acting for or on behalf of Peguis, to Acquire Other Land.

17.04 Annual Audit

(1) Peguis shall ensure that, at all times, the Trust Agreement provides that the Trustees shall:

(a) maintain adequate records of all transactions affecting the Trust Property;

(b) prepare, for each fiscal year, financial statements in accordance with the "Generally Accepted Accounting Principles" established from time to time by the Canadian Institute of Chartered Accountants;

(c) within 90 days of the end of each fiscal year of the Trust, have a chartered accountant or firm of chartered accountants licensed to practice in the Province of Manitoba, independent of the Council and the Trustees, audit the financial statements, referred to in Paragraph (b) in accordance with the "Generally Accepted Auditing Practices" established from time to time by the Auditing and Assurance Standards Board;

(d) provide a copy of each audit referred to in Paragraph (c):

(i) to the Council within 30 days of receipt; and

(ii) to any Member, without charge, upon request; and

(e) post in the administrative offices of the Council in an area to which the public has access a copy of the audit referred to in Paragraph (c) within 30 days of receiving it.

(2) Peguis shall ensure that, at all times, the Trust Agreement requires the Trustees to take appropriate remedial action in the event any audit, of the nature referred to in Paragraph (1)(c), is not unqualified.

(3) Peguis shall, within 150 days of the end of each fiscal year of the Trust (and upon at least 30 days written notice posted in the administrative offices of the Council), call a public meeting of the Members for the purpose of, among other things, permitting the Members an opportunity to:

(a) receive from the Trustees a presentation of the audit for the previous fiscal year of the Trust and to make comment on that audit;

(b) receive from the Trustees a presentation on the activities of the Trust in the previous fiscal year of the Trust and to make comment on those activities; and

(c) discuss such other matters relating to the operation of the Trust in the present fiscal year of the Trust as Council shall permit

and the Trust Agreement shall, at all times, provide that the Trustees are required to attend at that meeting and carry out the functions described in this Subsection.

17.05 Conflict of Interest

(1) Peguis shall ensure that, at all times, it has in place appropriate conflict of interest practices and policies relating to the involvement of members of the Council in the operation of, and receipt by members of the Council of benefits or personal gain from, the Trust.

(2) Without limiting Subsection (1), Peguis shall ensure that at all times it has in place administrative practices and policies to ensure that, where a member of the Council:

(a) owns, either directly or beneficially, any material interest in Other Land, property, business or undertaking in respect of which a proposed disbursement from the Trust is being considered; or

(b) is "related" to someone who owns, directly or beneficially, property of the nature described in Paragraph (a) or otherwise not in an "arms length" relationship with that person (as those terms are defined in the *Income Tax Act*),

that member of Council will not make, participate directly in or in any way materially influence the decision of the Council, or the Trustees, on that proposed distribution.

(3) Without limiting Subsection (1), Peguis shall ensure that at all times it has in place administrative practices and policies to ensure that, where a member of the Council:

(a) is the holder of a Third Party Interest in respect of which a proposed disbursement from the Trust is being considered; or

(b) is "related" to the holder of that Third Party Interest or otherwise not in an "arms length" relationship with the holder of that interest (as those terms are defined in the *Income Tax Act*)

that member of Council will not make, participate directly in or in any way materially influence the decision of the Council, or the Trustees, on that proposed distribution.

(4) Without limiting Subsections (1) through (3) inclusive, Peguis shall ensure that a member of Council to whom one or more of those Subsections applies:

(a) shall not participate in, or be present during, any discussion regarding; or

(b) make, or second, any motion with respect to or vote on any motion involving

a proposed disbursement from the Trust in respect of which a material conflict of interest as anticipated by any of those Subsections exists.

(5) Peguis shall ensure that the Trust Agreement at all times provides for appropriate conflict of interest practices and policies relating to the involvement of the Trustees in the operation of, and receipt by the Trustees of benefits or personal gain from, the Trust at least of a similar nature to those set out in Subsections (2) through (4) inclusive, with the necessary modifications.

18. No Further Liability of Canada or Representation or Warranty by Canada

18.01 No Further Liability of Canada

Upon Canada paying the Total Amount in accordance with Article 16, Canada shall not be liable for any further or other costs incurred by Peguis, or the Trustees:

(a) in negotiating this Agreement or the Trust Agreement, including legal fees;

(b) in undertaking and completing the Community Approval Process;

(c) with respect to discharging, replacing or accommodating any Third Party Interest that may affect land Selected or Acquired by Peguis; or

(d) with respect to the costs incurred by Peguis in implementing this Agreement.

18.02 No Representation or Warranty by Canada

Nothing in this Agreement constitutes any representation or warranty of any kind or nature whatsoever by Canada that:

(a) the Land Acquisition Payment will provide Peguis with sufficient funds to Acquire the Other Land Amount or for purposes incidental to Acquiring that land;

(b) the Third Party Interest Payment to be made by Canada toward the anticipated costs of discharging, replacing or accommodating Third Party Interests will be sufficient for that purpose;

(c) the Implementation Payment to be made by Canada toward the anticipated costs of Peguis in carrying out its obligations under this Agreement will be sufficient for that purpose; or

(d) the contribution to be made by Canada toward the costs anticipated to be incurred by Peguis in completing the Land Selection Study will be sufficient for that purpose.

18.03 Payments and Contributions not "Indian Moneys"

The payments and contributions to be made by Canada referred to in Section 15.01, and any income generated or produced by those payments and contributions, are not "Indian moneys" for the purposes of the *Indian Act*.

19. Costs of Environmental Site Assessment

19.01 Environmental Site Assessment

(1) Canada shall undertake or cause to be undertaken at its cost an Environmental Site Assessment of land Selected or Acquired by Peguis that Canada and Manitoba have confirmed is eligible to be set apart as Reserve in accordance with the Principles in accordance with Subsections 6.02(5) and (7) respectively.

(2) Where an Environmental Site Assessment of land Selected or Acquired by Peguis determines that remediation or other

improvement or work is required prior to the environmental condition of the land being satisfactory to Canada or Peguis, Canada shall not be responsible for the costs of that remediation or other improvement or work.

(3) Where an undertaking, work or activity that would constitute a "project" as defined in the *Canadian Environmental Assessment* Act if it had been proposed to be located on a reserve is located, or is intended by Peguis to be undertaken, on land Selected or Acquired by Peguis, Canada shall not be responsible for the costs of any:

(a) "environmental assessment";

(b) "screening report";

(c) "mitigation" measures; or

(d) "follow-up program"

as defined in the *Canadian Environmental Assessment Act* that Canada may require for and in respect of that undertaking, work or physical activity in accordance with the *Canadian Environmental Assessment* Act before Canada is prepared to set the land apart as Reserve.

20. Requirements for Survey of Land and Costs of Survey

20.01 Survey Requirements

(1) Prior to land Selected or Acquired by Peguis being set apart as Reserve by Canada, the Selection or Acquisition shall be surveyed in accordance with the then-current technical standards and requirements of the Department of Indian Affairs and Northern Development and the Surveyor General of Canada.

(2) Despite Subsection (1), where land Selected or Acquired by Peguis is:

(a) wholly described in a certificate of title or deed;

(b) referenced to the existing township survey fabric; or

(c) capable of being legally described in a form satisfactory to Canada and Manitoba

then no survey of that Selection or Acquisition is required for the purpose of setting the Selection or Acquisition apart as Reserve by Canada.

(3) All surveys of land conducted under this Agreement shall meet the standards and requirements set from time to time by the Director of Surveys or the Examiner of Surveys of the Province of Manitoba and the Surveyor General of Canada.

20.02 Responsibility for Surveys

(1) Where Subsection 20.01(2) does not apply and a survey of land Selected or Acquired by Peguis is required, Canada shall, subject to Section 20.03, at its cost, undertake, or cause to be undertaken, the required survey of any Selection or Acquisition.

(2) Canada shall not be responsible for the completion of any surveys or any survey costs which are the responsibility of Manitoba or any Third Party in accordance with this Agreement.

(3) Where a survey is required in accordance with Section 20.01, Peguis has no responsibility for the survey of the boundaries of any Selection or Acquisition.

20.03 Period for Completion of Survey of Land

(1) Canada shall commence the process of completing the survey of a Selection or Acquisition for which it is responsible in accordance with Sections 20.01 and 20.02 as soon as practicable (but in any event not later than 12 months) after the last of the following events have occurred:

(a) Canada and Manitoba have confirmed that the Selection or Acquisition is eligible to be set apart as Reserve in accordance with the Principles in accordance with Subsections 6.02(5) and (7) respectively;

(b) Canada and Peguis are both satisfied with the results of the Environmental Site Assessment of the Selection or Acquisition;

(c) Canada has determined that the Selection or Acquisition satisfies the requirements of the Additions to Reserves Policy; and

(d) in the case of Crown Land, Canada, Manitoba and Peguis have signed a land selection photobase map of the Selection.

(2) Canada undertakes to complete the survey of a Selection or Acquisition as soon as reasonably practicable after the last of the events described in Paragraphs (1)(a) to (d) inclusive occurs in respect of the Selection or Acquisition but in any event within three years of the last of those events, having due consideration for:

(a) the location of the parcel or the location and number of other parcels of land Selected or Acquired by Peguis or selected or acquired by other First Nations in satisfaction of treaty land entitlement;

(b) the seasonal accessibility of the parcel or other parcels of land Selected or Acquired by Peguis or selected or acquired by other First Nations in satisfaction of treaty land entitlement;

(c) the availability of surveyors; and

(d) weather conditions.

21. National Topographical Series Maps

21.01 Canada to Provide National Topographical Series Maps

Canada will provide to Peguis on request 1:50,000 National Topographical Series maps of the Province of Manitoba for the purposes of enabling Peguis to identify Selections.

22. Costs of the Peguis Implementation Committee

22.01 Share of Costs

(1) Subject to Section 22.02, the reasonable costs of the Peguis Implementation Committee shall be shared equally by the parties in accordance with this Article.

(2) The reasonable costs of the Peguis Implementation Committee shall include:

(a) reasonable fees of and expenses incurred by the Chairperson, and

(b) other reasonable costs necessary for the effective operation of the Peguis Implementation Committee as agreed by the parties.

22.02 Costs of Representation

Each party shall be responsible for the costs of the representatives on the Peguis Implementation Committee which it appoints.

PART V: RELEASE AND INDEMNITY

23. Release in favour of Canada by Peguis

23.01 Release to Canada

(1) Despite Section 1.01, in this Article:

(a) "**Canada**" means Her Majesty the Queen in right of Canada and Her successors;

(b) "**Manitoba**" means Her Majesty the Queen in right of Manitoba and Her successors; and

(c) "**Peguis**" means the Peguis Band, as defined in the *Indian Act*, formerly known as the St. Peter's Indian band, on its own behalf, and on behalf of all past, present and future Members, and on behalf of their respective heirs, successors, administrators and assigns.

(2) In consideration of Canada entering into this Agreement and assuming the various obligations set out in this Agreement, Peguis provides the releases to Canada set out in Subsections (3) through (7) inclusive.

(3) Peguis releases and discharges Canada from all claims, rights and interest Peguis, ever had, now has or may hereafter have by reason of, or in any way arising from the Per Capita Provision including:

(a) all obligations or liability, and promises and undertakings made by Canada relating to land entitlement under the Per Capita Provision, including:

(i) all claims related to, or arising from, the Per Capita Provision based on membership of, or in Peguis; and

(ii) all claims related to, or arising from, the Per Capita Provision based on the amount of land set apart by Canada as Reserve for Peguis;

(b) all claims Peguis has had, has now or may in the future have relating to, or arising from, the fact that Peguis did not receive or have use and benefit of the land to which Peguis was entitled under the Per Capita Provision; and

(c) all obligations or liability, and all claims relating to, or arising from, the Community Approval Process.

(4) Peguis releases and discharges Canada from:

(a) all claims related to, or arising from, Canada not being able, due to land becoming occupied, to request Manitoba to set aside out of the unoccupied crown lands transferred to the administration and control of Manitoba under the *Manitoba Natural Resources Transfer Act* such areas of land as necessary to enable Canada to fulfill its obligations under the Per Capita Provision;

(b) all claims in respect of any losses, damages or expenses incurred by Peguis or the Trustees as a result of, or arising from Canada's decision not to set a particular parcel of land apart as Reserve, provided that nothing in this Paragraph shall affect:

(i) Canada's undertaking in Section 8.01 to proceed with due diligence, and use its best efforts, to set apart as Reserve land Selected or Acquired by Peguis; or

(ii) any other obligation or undertaking of Canada under this Agreement; and

(c) all claims related to, or arising from the existence of any Third Party Interest in land Selected or Acquired and set apart as Reserve pursuant to this Agreement.

(5) Peguis releases and discharges Canada from all obligations or liability, and all claims relating to, or arising from:

(a) the deposit, use, management or administration of, or any other dealing with respect to the contributions paid or loans made by Canada to Peguis for the purpose of negotiating this Agreement, completing the Community Approval Process and implementing this Agreement;

(b) Canada paying the Federal Payment, the Land Acquisition Payment, the Third Party Interest Payment and the Implementation Payment to the Trust;

(c) the deposit, use, management or administration of, and any other dealing with respect to the Trust Property, including without limitation the Federal Payment, the Land Acquisition

Payment, the Third Party Interest Payment and the Implementation Payment; and

(d) any actions, inactions, malfeasance or negligence of the Trustees.

(6) Peguis releases and discharges Canada from:

(a) all claims for or in respect of all costs, legal fees and disbursements, travel and expenses expended or incurred by Peguis, the Trustees or their representatives in relation to the negotiation, approval, execution and implementation, of this Agreement and the Trust Agreement;

(b) all claims for or in respect of expenses incurred by Peguis or the Trustees:

(i) associated with the Land Selection Study to be completed by Peguis and the approval of a Selection or Acquisition by Peguis, the Members, the Council or the Trustees;

(ii) in relation to or arising out of the Selection or Acquisition of land by Peguis, including the purchase price paid or payable to the vendor of land, real estate agent or broker commissions, legal fees and disbursements, applicable taxes and land search and transfer costs;

(iii) associated with discharging, replacing or accommodating Third Party Interests;

(iv) associated with the implementation of this Agreement including all costs incurred by Peguis, in approving, executing and delivering this Agreement and carrying out its obligations under this Agreement; and

(v) except as provided for in Section 30.07 or Subsection 31.04(2), associated with the resolution of any issue or matter in dispute under this Agreement; and

(c) all claims in the event:

(i) the Land Acquisition Payment does not provide Peguis with sufficient funds to Acquire its Other Land Amount and for the costs associated with the

Acquisition of that amount of land;

(ii) the Third Party Interest Payment does not provide Peguis with sufficient funds to address Third Party Interests associated with the Acquisition of the Other Land Amount; or

(iii) the Implementation Payment does not provide Peguis with sufficient funds for the implementation of this Agreement.

(7) Peguis releases and discharges Canada from all obligations, promises, undertakings, liability and claims relating to or arising from any letter or letters or written or oral statements made by Canada to Peguis or its agents validating, accepting or acknowledging any claim of Peguis to land entitlement under the Per Capita Provision, including the "Protocol - Negotiation of Treaty Land Entitlement and Surrender Claim" dated March 7, 2000, the "Statement of Consensus" dated February 25, 2003, among Peguis, Canada and Manitoba, and Canada's written offer of settlement dated August 18, 2003, to the extent any claim of Peguis is expressly released in this Section.

23.02 Other Matters Unaffected

(1) Despite Section 23.01, the Release shall not release or waive, nor be construed as releasing or in any way waiving or otherwise affecting, any rights, actions, causes of action, claims, demands, damages, costs, expenses, liability, or entitlement, promises, undertakings or grievances of any nature or kind whatsoever Peguis may have against Canada arising from:

(a) any oral promises, assurances, undertakings, explanations, representations or inducements of any kind or nature whatsoever made or offered by Canada, its agents, servants or representatives to Peguis to enter into Treaty, and without limiting the generality of the foregoing, includes any relating to:

(i) variations in the amount of land entitlement provided under Treaties No. 1, 3, 4, 5, 6 and 10; and

(ii) additional land entitlement based upon a growth of population of Peguis, as evidenced by, but not limited to, the record of a verbal exchange between the Lieutenant Governor of Manitoba, Adams Archibald,

and an individual named Wa-sus-koo-koon during the negotiations leading up to the signing of Treaty No. 1, reported in The Manitoban on August 5, 1871, as follows:

Wa-sus-koo-koon -

'I understand thoroughly that every 20 people get a mile square; but if an Indian with a family of five, settles down, he may have more children. Where is their land?'

His Excellency -

'Whenever his children get more numerous than they are now, they will be provided for further West. Whenever the reserves are found too small the Government will sell the land, and give the Indians land elsewhere'; and

(b) the alleged invalid surrender of the St. Peter's Indian Reserve 1 taken on September 24, 1907.

(2) Canada expressly denies the existence of, or validity of, any of the alleged rights, claims, grievances or other alleged legal rights of Peguis described in Subsection (1).

(3) Canada's express denial in Subsection (2), of the existence of, or validity of, any of the alleged rights, claims, grievances or other alleged legal rights of Peguis described in Subsection (1), shall not:

(a) be interpreted so as to affect any existing ability of Peguis to assert those alleged rights, claims or grievances or other alleged legal rights; and

(b) constitute a denial by Canada which obliges Peguis to commence legal proceedings to assert those alleged rights, claims, or grievances or other alleged legal rights within any period of time, provided that nothing in this Paragraph prevents Canada, should legal proceedings ever be commenced by Peguis, from asserting, as a defence, the failure by Peguis to prosecute any of its alleged rights, claims or grievances or other alleged legal rights within an appropriate period of time in accordance with any applicable statute, the common law or equity.

23.03 Claim of Individuals Unaffected

(1) Despite Section 23.01, the Release shall not release or waive, nor be construed as releasing or in any way waiving or otherwise affecting, any rights, actions, causes of actions, claims, demands, damages, costs, expenses, liability, or entitlement, promises, undertakings or grievances of any nature or kind whatsoever any Member may have against Canada arising from the oral promise, assurance, undertaking, explanation, representation or inducement made or offered by Canada, its agents, servants or representatives prior to Peguis entering into Treaty No. 1 in regard to the proprietary rights of Members to land occupied by them on August 3, 1871, as recorded in, among other communications and documents:

(a) a letter from Wemyss Simpson to the Deputy Minister of the Interior dated February 15, 1875, in which he states:

> "... the Indians of Henry Princes Band residing at the Indian Settlement below the Stone Fort on the Red River, were known to be in possession of houses and small plots of ground fenced in at the time of the signing of Treaty No. 1, and ... it was agreed that such plots should be considered as their own property and the Reserve to be laid out should comprise enough land to give one hundred and sixty acres to each family of five exclusive of any land held as settlers at the time of signing. ..."; and

(b) a memorandum by Molyneux St. John, titled "Memorandum in reference to understanding with Indians under Treaties Nos. 1 & 2 as to the proprietary rights of Indians in property held by them prior to the negotiation of the Stone Fort or No. 1 Treaty" in which he states:

> " ... I remember the Indians asking the question whether the amount of land set apart for each family; that is 160 acres for every family of five; was meant to include the land already occupied by them.
>
> The answer was that the allotment now provided for was irrespective of and in addition to their holdings on the river. These holdings run back two miles in the same way as their properties on the river and the Indians were told that the Reserve would be laid out round this line of settlement ...".

(2) Canada expressly denies the existence of, or validity of, any of the alleged rights, claims, grievances or other alleged legal rights of any Member described in Subsection (1).

(3) Canada's express denial in Subsection (2), of the existence of, or validity of, any of the alleged rights, claims, grievances or other alleged legal rights of any Member described in Subsection (1), shall not:

(a) be interpreted so as to affect any existing ability of a Member to assert those alleged rights, claims or grievances or other alleged legal rights; and

(b) constitute a denial by Canada which obliges a Member to commence legal proceedings to assert those alleged rights, claims, or grievances or other alleged legal rights within any period of time, provided that nothing in this Paragraph prevents Canada, should legal proceedings ever be commenced by a Member, from asserting, as a defence, the failure by that Member to prosecute any of that Member's alleged rights, claims or grievance of other alleged legal rights within an appropriate period of time in accordance with any applicable statute, the common law or equity.

(4) Despite Section 23.02, the Release releases and discharges Canada from all rights, actions, causes of action, claims, demands, damages, costs, expenses, liability, or entitlement, promises, undertakings or grievances of any nature or kind whatsoever Peguis or the individual Members collectively may have against Canada arising from any oral promise, assurance, undertaking, explanation, representation or inducement described in Subsection (1).

23.04 Right of Setoff by Canada Regarding Other Matters Unaffected

In the event Peguis advances any claim based on any matter described in Subsection 23.02(1), Canada shall be entitled to set off from any amount which may be agreed, determined or adjudged to be owing or payable to Peguis in respect of that matter (whether expressed as entitlement to land or money in lieu of or in addition to entitlement to land):

(a) the amount of land set apart as Reserve by Canada for Peguis prior to the date this Agreement comes into force;

(b) the amount of the Federal Payment and the Land Acquisition Payment, to the extent Peguis has not used the Land Acquisition Payment to Acquire Other Land; and

(c) the Crown Land Amount and the Other Land Amount to the extent Peguis has Selected Crown Land and Acquired Other Land and that land has been set apart as Reserve by Canada

to the extent only that it is agreed, determined or adjudged that the claim would otherwise result in Peguis being compensated for the claim (or any portion thereof) more than once having regard to this Agreement.

23.05 Effective Date of Release

The Release becomes fully effective and may be relied upon by Canada immediately upon the date of payment in full by Canada of the Total Amount.

23.06 Suspension of Release and Indemnity

(1) Subject to Subsections (2) and (3), the right of Canada to rely on the Release and Indemnity shall be suspended in the event Canada has committed an Event of Default.

(2) Upon Canada remedying an Event of Default referred to in Subsection (1), Canada shall again be entitled to rely upon the Release and Indemnity, subject to Subsection (4).

(3) For the purposes of Subsection (2), where the Event of Default is as described in Paragraph 31.02(b), Canada shall be deemed not to have remedied that Event of Default unless and until the Peguis Implementation Committee or an Adjudicator in binding arbitration has determined that Canada has taken reasonable steps to remedy the default.

(4) In the event Canada has committed an Event of Default and that Event of Default continues for a period of 180 days, Peguis shall be entitled to request a declaration before a court of competent jurisdiction that the Release and Indemnity is void or ineffective in whole or in part and that Canada is barred from relying on the Release and Indemnity.

(5) In the event Canada breaches any of its obligations under this Agreement, other than its obligation to make any payment of the Total Amount when due, Peguis:

(a) may refer the issue or matter in dispute to the Peguis Implementation Committee; and

(b) subject to Subsection (4), shall have no right to and shall not assert in any manner or in any forum (including, without limitation, seeking a declaration before any court of competent jurisdiction) that the Release and Indemnity are void or ineffective, whether in whole or in part, or that Canada is in any way barred from relying upon the Release and Indemnity.

23.07 No Claims and Rights of Action by Peguis

Subject to Subsection 23.06(4), Peguis hereby agrees not to assert any cause of action, action or a declaration, claim or demand of any kind or nature whatsoever in respect of any of the matters in respect of which Peguis has released Canada in the Release.

24. Indemnity in Favour of Canada from Peguis

24.01 Indemnity in Favour of Canada

(1) Peguis hereby agrees to indemnify and forever save harmless Canada from all claims, liabilities and demands, initiated, brought or incurred by or on behalf of Peguis, the Council, the Trustees or any Member, including any successors or assigns of Peguis or the Trustees after the date this Agreement comes into force against Canada in respect of any or all of the matters in respect of which Peguis has released Canada in the Release.

(2) The indemnity provided for in Subsection (1) does not extend to any legal proceedings commenced by a Member (other than the chief or a councilor of Peguis or a Trustee acting in that capacity) in respect of any claims, liabilities or demands alleged to have been made or incurred by or on behalf of Peguis, the Council, the Trustees or any Member, including any successors or assigns of Peguis, the Trustees or any Members, unless the decision to commence those legal proceedings has been endorsed by the Eligible Members in a community vote or by a Council Resolution.

24.02 Recovery of Judgment by Canada

If Canada, its successors or assigns should be held liable as a result of a judgment obtained in any proceedings of the type described in Section 24.01, Canada may have recourse to subsection 4(2) of the *Indian Act* for the purpose of declaring section 89 of that Act inapplicable to Peguis that

and to the extent Canada may recover from Peguis any judgment against Canada to satisfy the Indemnity.

25. Release and Indemnity in Favour of Manitoba

25.01 Release and Indemnity

(1) In consideration of this Agreement, Canada shall release and forever discharge, and agrees to indemnify Manitoba, Her servants and agents and successors from and against any and all claims, liabilities and demands relating to the obligations of Manitoba arising out of paragraph 11 of the MNRTA for Manitoba to provide to Canada unoccupied Crown land to enable Canada to fulfill Canada's obligations under the Per Capita Provision to Peguis.

(2) The release and indemnity contained in Subsection (1) shall continue to apply in the event that:

(a) the release in favour of Canada from Peguis is suspended in accordance with Subsection 23.06(1); or

(b) Canada is barred from relying on the Release in accordance with Subsection 23.06(4).

25.02 Limit on Release and Indemnity for MNRTA Obligations

(1) Manitoba agrees to indemnify and save harmless Canada from and against all claims, liabilities and demands in respect of the failure of Manitoba to fulfill its obligations under this Agreement.

(2) The release and indemnity given by Canada in favour of Manitoba under Subsection 25.01(1) shall not extend to any claims, liabilities or demands made against Manitoba by Canada or Peguis in respect of or arising out of the failure of Manitoba to fulfill its obligations under this Agreement.

(3) Section 25.01 shall not bar Canada from making further requests of Manitoba for land or from selecting, in agreement with Manitoba, further Crown land pursuant to paragraph 11 of the MNRTA, in the event a court of competent jurisdiction determines, or Canada and Peguis agree, that Peguis is entitled to land arising out of or by virtue of a provision of a treaty, including any entitlement to land which may arise from the subject matter referred to in Section 23.02(1) other than from the Per Capita Provision.

(4) Where a court of competent jurisdiction determines, or Canada and Peguis agree, that Peguis is entitled to land arising out of or by virtue of a provision of a treaty (including any entitlement to land which may arise from the subject matter referred to in Subsection 23.02(1)) other than from the Per Capita Provision, Canada may enter into discussions with Manitoba concerning any obligation Manitoba may have to provide unoccupied Crown land to Canada to fulfill that provision of that treaty.

25.03 Suspension of Release and Indemnity in Favour of Manitoba

(1) Subject to Subsections (2) and (3), the right of Manitoba to rely on the release and indemnity provided in Subsection 25.01(1) shall be suspended in the event Manitoba has committed an Event of Default.

(2) Upon Manitoba remedying an Event of Default referred to in Subsection (1), Manitoba shall again be entitled to rely upon the release and indemnity, subject to Subsection (4).

(3) For the purposes of Subsection (2), where the Event of Default is as described in Paragraph 31.02(b), Manitoba shall be deemed not to have remedied that Event of Default unless and until the Peguis Implementation Committee or an Adjudicator in binding arbitration has determined that Manitoba has taken reasonable steps to remedy the default.

(4) In the event Manitoba has committed an Event of Default and that Event of Default continues for a period of 180 days, Canada shall be entitled to request a declaration before a court of competent jurisdiction that the release and indemnity provided in Subsection 25.01(1) is void or ineffective in whole or in part and that Manitoba is barred from relying on the release and indemnity.

(5) In the event Manitoba breaches any of its obligations under this Agreement, Canada or Peguis:

(a) may refer the issue or matter in dispute to the Peguis Implementation Committee; and

(b) subject to Subsection (4), shall have no right to and shall not assert in any manner or in any forum (including, without limitation, seeking a declaration before any court of competent jurisdiction) that the release and indemnity given by Canada in favour of Manitoba in Subsection 25.01(1) is void or ineffective, whether in whole or in part, or that

Manitoba is in any way barred from relying upon that release and indemnity.

PART VI: IMPLEMENTATION

26. Community Approval Process

26.01 Community Approval Process

(1) The Community Approval Process is set out at Schedule "A".

(2) During the Community Approval Process, Peguis ensured that the Eligible Members were provided with a full explanation of the land entitlement of Peguis under the Per Capita Provision and the provisions and purpose of this Agreement and Trust Agreement prior to voting on the ballot question.

(3) This Agreement and the Trust Agreement were approved in accordance with the Community Approval Process as the question asked on the "ballot question" (as defined in the Community Approval Process) was answered in the affirmative by the Eligible Members in accordance with article 19 of the Community Approval Process.

27. Additional Matters

27.01 Additional Matters

In addition to the Eligible Members approving this Agreement and the Trust Agreement in accordance with the Community Approval Process, prior to executing this Agreement, all of the following have been completed:

(a) the Initial Trustees have been appointed in accordance with the Trust Agreement;

(b) the Trust Agreement has been executed by Peguis and the Initial Trustees;

(c) Peguis has advised Canada as to where Canada should advance the sum referred to in Subsection 16.03(1);

(d) a chartered bank, licensed trust company or incorporated credit union or caisse populaire has provided written confirmation to Canada that:

(i) it is in possession of an executed copy of the Trust Agreement;

(ii) the Initial Trustees and the financial institution have executed a "banking arrangement" governing the operation of the account or accounts established by the Initial Trustees and, where the form of that arrangement is prescribed by the Trust Agreement, the form of that banking arrangement is in the form prescribed by the Trust Agreement; and

(iii) the Initial Trustees have established an account or accounts into which Canada may deposit those portions of the Total Amount allocated in accordance with Section 15.01 or 15.02 to the Federal Payment, the Land Acquisition Payment, the Third Party Interest Payment and the Implementation Payment.

and has advised Canada as to where Canada should direct payment of those portions of the Total Amount referred to in Subparagraph (iii);

(e) Peguis received independent legal advice from a lawyer entitled to practice law in the Province of Manitoba, who advised Peguis of the land entitlement of Peguis under the Per Capita Provision and its rights and obligations under this Agreement, including advising Peguis of the legal effect of the Release and the Indemnity as evidenced by the certificates attached as Schedule "G";

(f) the Initial Trustees received independent legal advice from a lawyer entitled to practice law in the Province of Manitoba who advised the Initial Trustees of their rights, duties, responsibilities and liabilities under the Trust Agreement, and the implications under the *Income Tax* Act of administering and managing, through the Trust established in accordance with the Trust Agreement, certain payments to be made by Canada to Peguis in accordance with this Agreement as evidenced by the certificate attached as Schedule "H"; and

(g) the Initial Trustees have received independent advice from a financial advisor licensed to provide investment counseling services in the Province of Manitoba who has advised the Initial Trustees with regard to the investment and management of the Trust Property, as evidenced by the certificate attached as Schedule "I".

28. Best Efforts and Undertakings

28.01 Undertaking of Parties

Peguis, Canada and Manitoba agree that they will, in good faith, use their best efforts to fulfill the terms of this Agreement.

28.02 Best Efforts of Canada

Canada will use its best efforts:

(a) to ensure that appropriate personnel are assigned to fully and effectively discharge Canada's obligations under this Agreement;

(b) to provide promptly to Peguis and Manitoba relevant information and materials required to facilitate the fulfillment of the terms of this Agreement, the release of which is not prohibited by law;

(c) to undertake or cause to be undertaken Environmental Site Assessments and any required surveys in accordance with Articles 19 and 20;

(d) to comply with the requirements of any laws, policies, procedures or other requirements to set land apart as Reserve;

(e) to expedite the timely preparation and execution of any instruments under the *Federal Real Property and Federal Immovables Act*, orders in council or departmental or ministerial approvals required for the acceptance of administration and control of land or to set land apart as Reserve;

(f) to provide ongoing orientation of departmental personnel to the requirements of this Agreement to encourage and foster a positive and productive working relationship between and among its personnel, Manitoba and Peguis; and

(g) to participate in the Peguis Implementation Committee and dispute resolution processes as required.

28.03 Best Efforts of Manitoba

Manitoba will use its best efforts:

(a) to ensure that appropriate personnel are assigned to fully and effectively discharge Manitoba's obligations under this Agreement;

(b) to provide promptly to Canada and Peguis relevant information and materials required to facilitate the fulfillment of the terms of this Agreement, the release of which is not otherwise prohibited by law;

(c) to provide timely notice of proposed Dispositions in the Notice Area;

(d) to provide information in a timely manner concerning Crown interests in land Selected or Acquired by Peguis;

(e) to expedite the timely preparation of any orders in council, departmental or ministerial approvals required for the resolution of Third Party Interests or the transfer to Canada of administration and control of Crown Land or interests;

(f) to assist Peguis and Municipalities in the negotiation of issues relating to Municipal Services and Development Agreements;

(g) to review and revise any departmental policy, systems and practices as required to facilitate and enable the timely achievement of the implementation of this Agreement;

(h) to provide ongoing orientation of departmental personnel to the requirements of this Agreement to encourage and foster a positive and productive working relationship between and among its personnel, Canada and Peguis; and

(i) to participate in the Peguis Implementation Committee and dispute resolution processes as required.

28.04 Best Efforts of Peguis

Peguis will use its best efforts:

(a) to ensure that appropriate personnel are assigned to fully and effectively discharge Peguis' obligations under this Agreement;

(b) to provide promptly to Canada and Manitoba relevant information and materials required to facilitate the fulfillment of the terms of this Agreement, the release of which is not prohibited by law;

(c) to complete the Land Selection Study;

(d) to physically inspect land to be Selected or Acquired;

(e) to Select or Acquire land in accordance with the Principles up to its Total Land Amount;

(f) to negotiate and conclude legal arrangements for the purchase of Other Land to be Acquired;

(g) to expedite the timely preparation of the transfer of title to Other Land Acquired to Canada upon notice from Canada;

(h) to identify and resolve Third Party Interests;

(i) to negotiate a Municipal Development and Services Agreement with a Municipality where required if land has been Selected or Acquired in a Municipality;

(j) to provide ongoing orientation of Peguis personnel to the requirements of this Agreement to encourage and foster a positive and productive working relationship between and among its personnel, Canada and Manitoba;

(k) to report to the Members on the implementation of this Agreement on a timely basis; and

(l) to participate in the Peguis Implementation Committee and dispute resolution processes as required.

29. Peguis Implementation Committee and Senior Advisory Committee

29.01 Establishment of the Peguis Implementation Committee

(1) The Peguis Implementation Committee will be established consisting of one representative of each of the parties and the Chairperson.

(2) The Peguis Implementation Committee will remain in existence until the parties agree that:

(a) the provisions of this Agreement have been substantially performed; or

(b) the Peguis Implementation Committee is no longer required.

29.02 Appointment of Peguis Implementation Committee Members and Quorum

(1) Peguis, Canada and Manitoba shall each appoint their respective members of the Peguis Implementation Committee by notice in writing to the other parties no later than 30 days following the Date of Execution.

(2) A member of the Peguis Implementation Committee appointed by Peguis, Canada and Manitoba may designate in writing an alternate to attend a meeting of the Peguis Implementation Committee.

(3) Peguis, Canada and Manitoba may each change their respective members of the Peguis Implementation Committee from time to time by notice in writing to the other parties.

29.03 Appointment of Independent Chairperson

(1) Unless Peguis disagrees by notice in writing given to Canada and Manitoba, no later than 30 days following the Date of Execution, the same person who serves as chairperson of the Implementation Monitoring Committee established in accordance with the Framework Agreement shall be the Chairperson of the Peguis Implementation Committee.

(2) Where Peguis has given notice to Canada and Manitoba in accordance with Subsection (1), the members of the Peguis Implementation Committee representing the parties shall consider the availability of persons resident in Manitoba that may have the appropriate qualifications and experience to undertake and effectively discharge the responsibilities of Chairperson and shall, within 90 days of the Date of Execution or any longer period as the parties may agree, recommend to the Senior Advisory Committee a person to be appointed Chairperson.

(3) The Senior Advisory Committee shall, within 30 days of the date of receipt of the recommendation referred to in Subsection (2), appoint a Chairperson.

29.04 Terms of Appointment of Chairperson and Vacancy

(1) Where the Chairperson is the same person who serves as chairperson of the Implementation Monitoring Committee established in accordance with the Framework Agreement, the term of the Chairperson shall be the same as the term of that person's appointment in accordance with the Framework Agreement, but the parties may agree to all other terms and conditions of his or her appointment.

(2) Where the Chairperson is not the same person as the person who serves as chairperson of the Implementation Monitoring Committee established in accordance with the Framework Agreement, the Chairperson will be appointed on terms and conditions, including

remuneration, as the parties may agree, for a term of two years from the date of appointment and any person so appointed will be eligible for re-appointment.

(3) Where the Chairperson is not the same person as the person who serves as chairperson of the Implementation Monitoring Committee established in accordance with the Framework Agreement, he or she shall serve until:

(a) his or her term of appointment or re-appointment expires;

(b) he or she dies;

(c) he or she resigns;

(d) he or she is declared incapable of managing his or her own affairs by a Court of competent jurisdiction; or

(e) the parties agree in writing to withdraw his or her appointment.

29.05 Appointment of Chairperson upon Vacancy

(1) In the event of a vacancy in the position of Chairperson, the members of the Peguis Implementation Committee representing the parties shall:

(a) where the Chairperson was the same person as the person who served as chairperson of the Implementation Monitoring Committee established in accordance with the Framework Agreement, consider whether they wish to await the appointment of a new chairperson of that committee before appointing a new Chairperson and:

(i) if those members decide to proceed in that manner, Section 29.03 shall apply with necessary modifications; or

(ii) if those members decide not to proceed in that manner, Subsections 29.03(2) and (3) shall apply with the necessary modifications; or

(b) where the Chairperson was not the same person as the person who serves as chairperson of the Implementation Monitoring Committee established in accordance with the Framework Agreement, consider:

(i) the chairperson of the Implementation Monitoring Committee as Chairperson in accordance with Subsection 29.03(1); or

(ii) where Peguis has given notice to Canada and Manitoba that it disagrees with the parties appointing that person as Chairperson of the Peguis Implementation Committee, the availability of other persons resident in Manitoba that may have the appropriate qualifications and experience to undertake and effectively discharge the responsibilities of Chairperson in accordance with Subsection 29.03(2)

and shall, within 90 days of the vacancy occurring or any longer period as the parties may agree, recommend to the Senior Advisory Committee a person to be appointed Chairperson.

(2) The Senior Advisory Committee shall, within 30 days of the date of receipt of the recommendation referred to in Paragraph (1)(b), appoint a Chairperson.

29.06 Consensus Model Decision Making and Involvement of the Chairperson

(1) Except in matters requiring the direction of the Chairperson under this Article and Articles 30 and 31, the Peguis Implementation Committee will operate with and by the consensus of all of its members.

(2) Subject to Subsection (6), meetings of the Peguis Implementation Committee shall be chaired by a member representing one of the parties with the chair rotating each meeting between the representative of Peguis, Canada and Manitoba in that order.

(3) The Chairperson will not attend meetings of the Peguis Implementation Committee except in the circumstances described in Subsection (4) or unless invited to do so on some other basis than the circumstances described in Subsection (4) by the members of the Peguis Implementation Committee representing the parties.

(4) Where the Peguis Implementation Committee is unable to resolve an issue or matter in dispute on a consensus basis, the Peguis Implementation Committee or any member of the Peguis Implementation Committee representing one of the parties may

request that the Chairperson assist the Committee to resolve that issue or matter in dispute as further provided under this Article and Articles 30 and 31.

(5) Where the assistance of the Chairperson is sought in resolving an issue or matter in dispute in accordance with Subsection (4), the Chairperson shall attend all meetings of the Peguis Implementation Committee at which that issue or matter in dispute forms part, or all, of the agenda.

(6) Where the Chairperson attends a meeting of the Peguis Implementation Committee in the circumstances described in Subsection (4), he or she will chair that meeting.

(7) The members of the Peguis Implementation Committee will be guided by the principle that each of the parties have a continuing obligation to act in good faith in implementing this Agreement including the resolution of any issue or matter in dispute.

(8) The Peguis Implementation Committee may from time to time make rules of procedure to govern its operation not inconsistent with this Article.

29.07 Responsibilities of the Peguis Implementation Committee

The Peguis Implementation Committee shall be generally responsible for facilitating the implementation of this Agreement, including:

(a) monitoring of the progress of implementation;

(b) resolving, or making recommendations to the parties for the resolution of, any issue or matter in dispute relating to the implementation of this Agreement; and

(c) considering the appropriate method of resolution of an issue or matter in dispute relating to the implementation of this Agreement in accordance with Article 30.

29.08 Technical Support and Independent Professional Advice

(1) The Chairperson may, where the members of the Peguis Implementation Committee agree, retain technical support and independent professional advisors, including legal counsel, as necessary from time to time to assist in the proper discharge of the responsibilities of the Peguis Implementation Committee, including the responsibilities of the Chairperson.

(2) Technical support and independent professional advisors retained by the Chairperson on behalf of the Peguis Implementation Committee will provide advice, guidance and opinions to the Peguis Implementation Committee and the Chairperson as required to assist in the interpretation of this Agreement or to assist in the resolution of any issue or matter in dispute.

29.09 Operation of the Peguis Implementation Committee

(1) A meeting of the Peguis Implementation Committee shall include all members unless:

(a) a member not in attendance has agreed that the Peguis Implementation Committee may meet without that member being in attendance; or

(b) the Chairperson is not involved in accordance with Subsection 29.06(4) in assisting the members of the Peguis Implementation Committee to resolve an issue or matter in dispute which forms all or part of the agenda of a meeting of the Peguis Implementation Committee.

(2) The Peguis Implementation Committee shall:

(a) meet at the written request of at least two members of the Peguis Implementation Committee given at least 14 days before the date of the proposed meeting; and

(b) meet at least once every three months, unless otherwise agreed.

(3) The Peguis Implementation Committee shall ensure that:

(a) written minutes and records are kept of:

(i) meetings and decisions of the Peguis Implementation Committee;

(ii) decisions and notices of the Senior Advisory Committee;

(iii) decisions and Awards of Adjudicators; and

(b) the written minutes and records of the Peguis Implementation Committee are distributed to the members on a timely basis.

29.10 Operation of the Peguis Implementation Committee when the Chairperson is Involved

(1) Where the Chairperson has been requested to assist the members of the Peguis Implementation Committee representing the parties in resolving an issue or matter in dispute in accordance with Subsection 29.06(4), the Peguis Implementation Committee will operate in accordance with Section 29.09 with the necessary modifications and as provided in this Section.

(2) Where the Chairperson has been requested to assist the members of the Peguis Implementation Committee representing the parties in resolving an issue or matter in dispute in accordance with Subsection 29.06(4), a meeting of the Peguis Implementation Committee may also be called by the Chairperson on at least 14 days written notice to the other members of the Peguis Implementation Committee.

(3) In order to facilitate the resolution of the issues or the matters in dispute, the Chairperson may:

(a) propose time periods for the parties to respond to an issue or matter in dispute;

(b) direct any member of the Peguis Implementation Committee representing a party to submit to the Peguis Implementation Committee a report about any issue or matter in dispute and propose solutions to that issue or matter in dispute within a time period identified by the Chairperson;

(c) determine the sufficiency of any report provided by a member of the Peguis Implementation Committee representing a party and, if necessary, may request that member to take steps the Chairperson deems appropriate to ensure the sufficiency of that report;

(d) identify strengths and weaknesses of proposed solutions to an issue or matter in dispute;

(e) direct the members of the Peguis Implementation Committee representing the parties to assist in resolving an issue or matter in dispute by consensus; and

(f) propose solutions to an issue or matter in dispute.

(4) Where the Peguis Implementation Committee makes a decision on a means to resolve an issue or matter in dispute, the Chairperson will record the decision in the minutes or records of the Peguis Implementation Committee and provide notice of the decision to the parties.

(5) Where the Chairperson determines that the Peguis Implementation Committee is unable to make a decision on a means to resolve an issue or matter in dispute, the Chairperson will record in the minutes or records of the Peguis Implementation Committee:

(a) that the Peguis Implementation Committee has not been able to resolve the issue or matter in dispute;

(b) any means recommended by the Chairperson to resolve the issue or matter in dispute for the consideration of the members of the Peguis Implementation Committee and any direction to the members to consider the recommendation within a specified time period; and

(c) any response by the members of the Peguis Implementation Committee representing the parties to a recommendation of the Chairperson made in accordance with Paragraph (b).

(6) Where an issue or matter in dispute is not resolved by the Peguis Implementation Committee, the Chairperson, on behalf of the Peguis Implementation Committee, will refer the issue or matter in dispute to the Senior Advisory Committee.

(7) The Chairperson may, when referring a matter to the Senior Advisory Committee on behalf of the Peguis Implementation Committee in accordance with Subsection (6), set out in writing to the Senior Advisory Committee:

(a) any means recommended by the Chairperson for resolving the issue or matter in dispute made in accordance with Paragraph (5)(b);

(b) any response of the members of the Peguis Implementation Committee representing the parties provided in accordance with Paragraph (5)(c); and

(c) his or her recommendation on the proposed time period within which the Senior Advisory Committee should attempt to resolve the issue or matter in dispute.

(8) The Chairperson:

(a) may request and receive recommendations from any of the members of the Peguis Implementation Committee representing the parties concerning any aspect of implementation of this Agreement; and

(b) may, as requested by the Peguis Implementation Committee, provide reports to the Council, the Regional Director General of the Manitoba Regional Office of the Department of Indian Affairs and Northern Development of Canada and the Deputy Minister of Aboriginal and Northern Affairs of Manitoba from time to time relating to the implementation of this Agreement.

29.11 Senior Advisory Committee

(1) A Senior Advisory Committee representing the parties will be established consisting of:

(a) the Chief of Peguis;

(b) the Regional Director General or Associate Regional Director General of the Manitoba Regional Office of the Department of Indian Affairs and Northern Development; and

(c) the Deputy Minister of Aboriginal and Northern Affairs of Manitoba.

(2) A meeting of the Senior Advisory Committee shall not be held without all members in attendance, unless a member not in attendance has agreed otherwise.

(3) Decisions of the Senior Advisory Committee shall be by consensus of all of the members in attendance.

(4) Where the Senior Advisory Committee makes a decision on a means to resolve an issue or matter in dispute, the Senior Advisory Committee will set out in writing the decision and will send it to the Chairperson who will record the decision in the minutes or records of the Peguis Implementation Committee.

(5) Where the Senior Advisory Committee does not make a decision on a means to resolve an issue or matter in dispute within the time period proposed by the Chairperson or any longer time period as

the Senior Advisory Committee may agree, the Senior Advisory Committee will give notice in writing to the Chairperson who will record in the minutes or records of the Peguis Implementation Committee:

(a) that the Senior Advisory Committee has not made a decision on a method to resolve the issue or matter in dispute; and

(b) the appropriate dispute resolution method to be used to resolve the issue or matter in dispute in accordance with Section 30.02, where the Senior Advisory Committee agrees on the method to be used.

(6) Where the Chairperson receives a notice from the Senior Advisory Committee in accordance with Subsection (5), the Chairperson will, within 30 days of notice from the Senior Advisory Committee:

(a) where there is an agreement among the members of the Senior Advisory Committee on the appropriate method of dispute resolution to be used, refer the issue or matter in dispute to be resolved in accordance with that agreement; or

(b) where there is no agreement among the members of the Senior Advisory Committee on the appropriate method of dispute resolution to be used, refer the matter to an appropriate method of dispute resolution in accordance with Section 30.02.

30. Dispute Resolution

30.01 Identification of Adjudicators

(1) An issue or matter in dispute referred to a method of dispute resolution in accordance with Subsection 29.11(6) shall be resolved in accordance with this Article.

(2) The Peguis Implementation Committee will identify persons qualified in the techniques of alternate dispute resolution to act as Adjudicators.

(3) Adjudicators identified in accordance with Subsection (2) shall be available to resolve issues or matters in dispute arising in the implementation of this Agreement as may be referred to them from time to time upon reasonable notice for a period as may be agreed by the Peguis Implementation Committee and the Adjudicator.

(4) The rates of remuneration for services to be provided by an Adjudicator shall be as determined by the Peguis Implementation Committee having regard to the experience and qualifications of that Adjudicator.

(5) The Peguis Implementation Committee or the Chairperson shall appoint an Adjudicator to resolve an issue or matter in dispute in accordance with this Article.

30.02 Methods of Dispute Resolution

(1) The methods of dispute resolution will be:

(a) "fact finding", being the review of the issue or matter in dispute by an Adjudicator who shall conduct the review and assist the parties in resolving the issue or matter in dispute by the determination of relevant facts bearing upon the issue or matter in dispute;

(b) "mediation", being the exploration of the positions of the parties to the issue or matter in dispute by an Adjudicator as a means of increasing the level of understanding of the positions of the parties, reconciling their positions to the extent possible and assisting the parties in reaching a consensus on the resolution of the issue or matter in dispute and the Adjudicator may offer suggestions, recommendations and alternatives for consideration by the parties and, if requested, assist in preparing a written agreement on the means of resolving an issue or matter in dispute;

(c) "non-binding arbitration", being a hearing before an Adjudicator at which all parties to the issue or matter in dispute have an opportunity to be fully heard (orally or in writing) on an issue or matter in dispute after which the Adjudicator will make a decision in writing on the understanding that the parties will give serious regard to the decision, but the resulting decision is not legally binding on them; and

(d) "binding arbitration", being a hearing in accordance with the *Commercial Arbitration Act* before an Adjudicator at which all parties to the issue or matter in dispute have an opportunity to be fully heard (orally or in writing) on the issue or matter in dispute after which the Adjudicator will make a decision in writing and the resulting decision is legally binding on them.

(2) Subject to Subsection 31.01(5), the resolution of issues or matters in dispute shall be a progressive process, from fact finding to binding arbitration, unless determined otherwise by the Senior Advisory Committee in accordance with Paragraph 29.11(5)(b) or the Chairperson in accordance with Subsection 29.11(6).

(3) All issues or matters resolved by non-binding arbitration or binding arbitration will be addressed by written decision of the Adjudicator.

(4) An Adjudicator who has provided dispute resolution services for one method of dispute resolution may not be appointed as an Adjudicator for the same issue or matter in dispute for another method of dispute resolution unless all parties to the issue or matter in dispute agree.

30.03 Procedure for Dispute Resolution other than Binding Arbitration

Subject to any directions provided by the Peguis Implementation Committee or Senior Advisory Committee, except where binding arbitration is being used to resolve the issue or matter in dispute, the Chairperson, in consultation with the members of the Peguis Implementation Committee shall:

(a) prepare appropriate written directions to the Adjudicator for the completion of the dispute resolution process;

(b) provide the Adjudicator with information about the issue or matter in dispute, including a written definition of the issue or matter in dispute, any report on or proposed solution of the issue or matter in dispute submitted to the Peguis Implementation Committee by any party, and any means of resolving the issue or matter in dispute recommended by the Chairperson;

(c) determine a time period for the completion of the method of dispute resolution recognizing the parties agree that the following time frames should apply for each method unless an issue or matter in dispute is of a complex nature:

(i) fact finding should be completed in no more than three days of review;

(ii) mediation should be completed in no more than five days of meetings; and

(iii) non-binding arbitration should be completed in no more than seven days of hearing; and

(d) determine other appropriate procedures in order to ensure the issue or matter in dispute is resolved in a timely and cost efficient manner.

30.04 Procedure for Binding Arbitration

(1) Subject to Subsections (2) and (4), where binding arbitration is used as a means to resolve an issue or matter in dispute, the Peguis Implementation Committee shall prepare and submit to the Adjudicator a reference setting out in writing the terms of reference to define the jurisdiction of the Adjudicator, including, without limitation:

(a) a question or the questions for the Adjudicator to determine; and

(b) a time period for the completion of the binding arbitration, recognizing that binding arbitration should be completed in no more than seven days of hearing unless the issue or matter in dispute is of a complex nature.

(2) Subject to Subsection (4), where the Peguis Implementation Committee does not prepare and submit to the Adjudicator a reference referred to in Subsection (1) on a timely basis or the Chairperson refers a matter to binding arbitration in accordance with Subsection 29.11(6) or 31.01(5), the Chairperson shall, after consultation with the other members of the Peguis Implementation Committee, prepare and submit a reference of the nature referred to in Subsection (1) to the Adjudicator.

(3) Subject to Subsection (4), on an issue or matter in dispute submitted to binding arbitration, an Adjudicator shall make an Award which addresses the issue or matter in dispute in accordance with the reference, and which may include:

(a) the determination of facts relating to the issue or matter in dispute;

(b) an interpretation of this Agreement;

(c) a determination that one or more of the parties is required to take certain action to give effect to this Agreement; or

(d) a finding that an Event of Default has occurred.

(4) An Adjudicator on an issue or matter in dispute submitted to binding arbitration shall not have jurisdiction to make an Award which:

(a) requires any of the parties to change any of its policies, provided that:

(i) the Adjudicator may identify and determine any inconsistencies or deficiencies in the policies of any party and make recommendations to that party concerning its policies affecting the due implementation of this Agreement; and

(ii) a party which receives a recommendation from the Adjudicator made in accordance with Subparagraph (i) shall have due regard for its obligations under this Agreement in the consideration of any determination or recommendation of the Adjudicator;

(b) subject to Subsection 31.04(2), requires any of the parties to make a payment to any other party for or in respect of damages or loss alleged to have been suffered by that other party as a result of any action or inaction of that party; or

(c) requires Canada to set any parcel of land apart as Reserve.

(5) The resolution of an issue or matter in dispute referred to binding arbitration that is resolved by the consent of the parties involved in that issue or matter in dispute shall issue as an Award.

30.05 Appeal of Binding Arbitration Awards

(1) An Award, other than an Award issued in accordance with Subsection 30.04(5), may be appealed to the Manitoba Court of Queen's Bench within 30 days of the date of the Award by a party to the issue or matter in dispute on the grounds of:

(a) failure of the Adjudicator to consider the matter fairly;

(b) bias of the Adjudicator;

(c) failure of the Adjudicator to act within the jurisdiction provided to the Adjudicator; or

(d) error of law committed by the Adjudicator, including an error in interpretation of this Agreement.

(2) Where an Award is appealed in accordance with Subsection (1), the Manitoba Court of Queen's Bench may:

(a) dismiss the appeal;

(b) allow the appeal and remit the issue or matter in dispute to the Adjudicator or to the Peguis Implementation Committee to appoint a different Adjudicator to be reconsidered based on the decision of the Court; or

(c) allow the appeal and substitute the decision of the Court in place of the Award where the determination of the appeal would reasonably resolve the issue or matter in dispute

and may make an order for costs.

(3) There shall be no right of appeal from a decision of the Manitoba Court of Queen's Bench made in accordance with Subsection (2).

30.06 Default of Obligations in Dispute Resolution Methods

(1) Where an issue or matter in dispute has been referred to a method of dispute resolution and the party which has submitted the issue or matter in dispute to the Peguis Implementation Committee withdraws the issue or matter in dispute, the method of dispute resolution will end.

(2) Where a party to an issue or matter in dispute does not comply with any time period for the provision of information to the Adjudicator which is part of a method of dispute resolution, the method of dispute resolution may proceed.

(3) Where any party to an issue or matter in dispute does not appear at any hearing, the method of dispute resolution will proceed based on the information before the Adjudicator and a finding, direction, decision or Award may be rendered with respect to the issue or matter in dispute.

30.07 Costs of Dispute Resolution

(1) Subject to Subsection (2), the costs of fact finding, mediation and non-binding arbitration will be paid equally by the parties involved based upon invoices for services rendered by the Adjudicator.

(2) Where in a method of dispute resolution, a party does not comply with time periods for the provision of information or does not appear

at a hearing and the method of dispute resolution proceeds in accordance with Subsection 30.06(3), the Adjudicator may determine the payment of costs in accordance with Subsection (5) as may be reasonable in the circumstances and Subsection (3) shall apply with necessary modifications.

(3) In matters referred to binding arbitration, the Adjudicator may, in addition to determining an Award on the issue or matter in dispute, determine:

(a) the allocation of the costs of arbitration; and

(b) the payment of costs of the parties to the proceedings.

(4) Where an issue or matter in dispute is resolved in accordance with Subsection 30.04(5), the Adjudicator may determine costs in accordance with Subsection (3) unless the parties involved in that issue or matter in dispute otherwise agree.

(5) The Adjudicator shall be guided in making an Award relating to the payment of costs in accordance with Subsection (3) by the Manitoba Court of Queen's Bench rules relating to the award of costs in litigation, including the principle that ordinarily the unsuccessful party to the proceedings would be required to pay reasonable costs of the proceedings and of the other parties.

30.08 Record and Report of Issues or Matters in Dispute and Events of Default

(1) The Peguis Implementation Committee will maintain a record of all issues or matters in dispute and Events of Default and the means identified to resolve any issue or matter in dispute and any Event of Default.

(2) The record maintained by the Peguis Implementation Committee in accordance with Subsection (1) may be used:

(a) as a means of identifying problem areas in implementation which may require consideration by the parties or amendment of this Agreement; and

(b) as information which may be considered by an Adjudicator in determining if an Event of Default has occurred.

31. Material Failure and Events of Default

31.01 Material Failure to Comply with Fundamental Term or Condition

(1) Where a party alleges that another party has materially failed to comply with a fundamental term or condition of this Agreement, the party making that allegation may submit a notice in writing to the other party containing:

(a) an identification of the fundamental term or condition of this Agreement;

(b) a description of the circumstances of that alleged material failure; and

(c) a statement that:

(i) the party receiving the notice may within 30 days of the receipt of the notice:

A. remedy that material failure; or

B. refer the matter to the Peguis Implementation Committee; and

(ii) where the alleged material failure to comply with the fundamental term or condition identified in Paragraph (a) is not remedied within 30 days of the receipt of the notice, the matter may be referred to binding arbitration to determine whether the party has failed to materially comply with that fundamental term or condition.

(2) A party which receives a notice in accordance with Subsection (1) may within 30 days of the receipt of the notice:

(a) remedy the alleged material failure; or

(b) refer the matter to the Peguis Implementation Committee.

(3) Where a party which receives a notice in accordance with Subsection (1) refers the matter to the Peguis Implementation Committee in accordance with Paragraph (2)(b), the Peguis Implementation Committee shall consider the matter on a priority basis within 30 days of the matter being referred to it.

(4) Where a party which receives a notice in accordance with Subsection (1) does not remedy the alleged failure or refer the matter to the Peguis Implementation Committee in accordance with Subsection (2), the party which has been given that notice may by notice in writing refer the matter directly to the Chairperson.

(5) Where the Peguis Implementation Committee does not resolve the matter on a priority basis in accordance with Subsection (3), or a matter is referred to the Chairperson in accordance with Subsection (4), the Chairperson shall refer the matter directly to binding arbitration to determine whether the party against which the allegation has been made has failed to materially comply with a fundamental term or condition of this Agreement.

31.02 Matters Constituting Events of Default

The following constitute Events of Default by a party:

(a) a party has failed to comply with any Award of an Adjudicator in binding arbitration within the time period specified in an Award or, where no time period is specified, within a reasonable period of time, provided that:

(i) the party has not filed an appeal of that Award in accordance with Subsection 30.05(1); or

(ii) the failure of that party to comply with the Award does not result from the failure of any other party or any Person to undertake or perform any action as an obligation under this Agreement or a condition precedent to the party complying with the terms of the Award;

(b) an Adjudicator in binding arbitration has determined:

(i) that a party has, repeatedly and in a manner which clearly establishes a pattern, materially failed to comply with its obligations under this Agreement; and

(ii) the failure of a party to comply with its obligations under this Agreement was not the result of the failure of a party or any Person to undertake or perform any action as an obligation under this Agreement or as a condition precedent to a party complying with its obligations under this Agreement;

(c) a party has failed to comply with a decision of the Manitoba Court of Queen's Bench made in accordance with Subsection 30.05(2)

within the time period specified in that decision or, where no time period is specified, within a reasonable period of time, provided that the failure of the party to comply with the decision of the Manitoba Court of Queen's Bench does not result from the failure of any other party or any Person to undertake or perform any action as an obligation under this Agreement or a condition precedent to the party complying with the terms of the decision; or

(d) an Adjudicator in binding arbitration has determined that a party has materially failed to comply with a fundamental term or condition of this Agreement and has not remedied that material failure within 30 days of receipt of notice in writing from another party in accordance with Subsection 31.01(1).

31.03 Identification of Means of Resolving Events of Default

Any party that admits, or is determined by an Adjudicator in binding arbitration to have committed, an Event of Default shall determine and identify reasonable means of remedying the Event of Default.

31.04 Loss or Damage as a Result of an Event of Default

(1) Where an Adjudicator in binding arbitration has determined that a party has committed an Event of Default, a party which has suffered loss or damages as a result of that Event of Default may refer the matter of that loss or damage to the Peguis Implementation Committee as an issue or matter in dispute.

(2) Where an issue or matter in dispute of the nature referred to in Subsection (1) is referred to an Adjudicator to be resolved by binding arbitration, the Adjudicator may make an Award setting damages to be paid by the party committing the Event of Default to the party suffering the loss or damages.

32. Taxation

32.01 Goods and Services Tax

Canada shall remit any tax under Part IX of the *Excise Tax Act*, or any other identical or substantially similar tax imposed under an act of Parliament, that is paid or payable in respect of:

(a) a supply to Peguis of land Selected or Acquired by Peguis; or

(b) a supply that is a purchase by or on behalf of Peguis, or a cancellation in favour of Peguis, of a Third Party Interest in land so Selected or Acquired by Peguis

where the land is Selected or Acquired before Peguis has Selected its Crown Land Amount or Acquired its Other Land Amount, and Canada shall remit any penalties or interest relating to any such tax that is so remitted.

32.02 Land Transfer Tax, Retail Sales Tax or Other Value-Added Tax

Manitoba shall ensure that where Peguis, either directly or indirectly by its agent, lawyer or trustee, Acquires Acquired Property Peguis shall not, with respect to the Acquired Property, be subject, directly or indirectly, to land transfer tax imposed by Manitoba pursuant to *The Revenue Act* and retail sales tax imposed by Manitoba pursuant to *The Retail Sales Tax Act* or any other value-added tax, sales tax or other form of tax or fee calculated with reference to either:

(a) the consideration paid or payable for the Acquired Property by Peguis to the vendor of the Acquired Property or any part thereof; or

(b) the value, fair market value or fair value of the Acquired Property or any part thereof

imposed by any other applicable act now in effect or subsequently enacted.

32.03 Municipal or School Tax Assessment

(1) Manitoba shall ensure that Acquired Property of Peguis shall not be subject to municipal tax, school tax or any other form of tax or fee pursuant to *The Municipal Assessment Act* or any other applicable statutory enactment in effect or subsequently enacted during the period when the Acquired Property is held by or on behalf of Peguis prior to that land being set apart by Canada as Reserve upon:

(a) Peguis and the Municipality entering into a Municipal Development and Services Agreement; or

(b) Canada confirming that the land is eligible to be set apart as Reserve without a Municipal Development and Services Agreement.

(2) Subsection (1) will not apply after the date Canada advises Manitoba and Peguis that, in accordance with this Agreement, the Acquired Property will not be set apart as Reserve.

33. Agreed Forms

33.01 Use of Agreed Forms

(1) Agreed Forms to be used in the implementation of this Agreement will be prepared from time to time as required.

(2) Agreed Forms shall be approved by agreement in writing of the representatives of each of the parties on the Peguis Implementation Committee.

(3) Despite Subsection (2), a form of document which has been agreed upon by the parties to the Framework Agreement as a standard form for the purposes of implementation of that agreement shall be deemed to be an Agreed Form if applicable to any process set out in this Agreement with necessary modifications.

PART VII: GENERAL PROVISIONS

34. Funding of Programs

34.01 No Effect on Existing or Future Funding of Programs

(1) Nothing in this Agreement shall affect the ability of Peguis to have access to programs and services offered by Canada and Manitoba on the same basis as other First Nations in Canada in accordance with the laws, policies and practices established from time to time for those programs and services.

(2) With respect to section 1.5 of Annex A of the Additions to Reserves Policy, at the time of a renewal of any funding agreement between Peguis and Canada:

(a) Peguis shall be entitled to apply for; and

(b) Canada shall determine whether Peguis is eligible for

any new or additional funding as a result of the amount of land set apart as Reserve having increased by virtue of the implementation of this Agreement.

(3) Peguis shall not be entitled to any preferential treatment in determining its eligibility to apply for funding solely as a result of Peguis having executed this Agreement.

(4) Neither the amount of the Federal Payment, nor the income from the Federal Payment shall be factored into or considered in any negative manner in the determination of any amount of funding for any programs or services of Canada or Manitoba for which Peguis qualifies under the criteria for those programs or services.

35. Miscellaneous Provisions

35.01 Entire Agreement

(1) Upon the execution of this Agreement by the parties, this Agreement shall constitute the entire agreement among them relating to:

(a) the fulfillment of Canada's obligation to lay aside and reserve tracts of land under the Per Capita Provision for Peguis in

the manner and to the extent provided in this Agreement; and

(b) Manitoba's obligations arising out of paragraph 11 of the MNRTA to provide Canada with unoccupied Crown land to permit Canada to satisfy its obligation to Peguis under the Per Capita Provision in the manner and to the extent provided in this Agreement.

and there are no undertakings, representations or promises express or implied, other than those expressly set out in this Agreement.

(2) This Agreement supersedes, merges and cancels any and all pre-existing agreements and understandings in the course of negotiations between the parties including, without limitation, the "Protocol – Negotiation of Treaty Land Entitlement and Surrender Claim" dated March 7, 2000, the "Statement of Consensus" dated February 25, 2003, among Peguis, Canada and Manitoba, and Canada's written offer of settlement dated August 18, 2003.

35.02 Severability

(1) In the event any provision of this Agreement should be found to be invalid, the provision shall be severed and the Agreement read without reference to that provision.

(2) Where any provision of this Agreement has been severed in accordance with Subsection (1) and that severance materially affects the implementation of this Agreement, the parties agree to meet to resolve any issues as may arise as a result of that severance and to amend this Agreement accordingly.

35.03 Applicable Law

This Agreement shall be governed by and construed in accordance with all applicable laws of Manitoba and Canada.

35.04 Currency and Current Dollars

All references in this Agreement to dollars are expressed and shall be payable in Canadian currency and determined in the year of expenditure.

35.05 Place of Delivery

(1) The address for delivery of any notice or other written communication required or permitted to be given in accordance with this Agreement, including any notice advising another party of any change of address, will be as follows:

to CANADA:

Regional Director General
Manitoba Regional Office
Department of Indian Affairs and Northern Development
365 Hargrave Street, Room 200
Winnipeg, Manitoba R3B 3A3
Fax: (204) 983-6500

to MANITOBA:

Deputy Minister of Aboriginal and Northern Affairs
Room 350, Legislative Building
Winnipeg, Manitoba R3C 0V8
Fax: (204) 945-1256; and

to PEGUIS:

The Council,
Peguis First Nation,
Box 10,
Peguis Reserve, Manitoba
R0C 3J0
Fax: (204) 645-2360

(2) The parties may change their address for delivery of any notice or other written communication in accordance with Subsection (1).

35.06 Effective Date of Notice

Any notice or other written communication shall be sufficient if delivered personally, or if delivered by registered mail, postage prepaid or if delivered by facsimile transmission to the facsimile number provided by the party to whom the notice or other written communication is addressed in accordance with Section 35.05, and shall be deemed to be effective on the last of the following dates:

(a) the date stated in the notice as the effective date of the notice;

(b) if mailed by prepaid registered mail, on the date five business days after mailing;

(c) if delivered personally, on the date of the delivery; and

(d) if delivered by facsimile transmission, on the date of receipt of the transmission

provided that during an actual or anticipated postal disruption or stoppage, postal delivery shall not be used by any party.

35.07 Amendment

This Agreement shall not be varied or amended except by written agreement of the parties.

35.08 Assignment

The parties agree that the rights and obligations of the parties may not be assigned or otherwise transferred without the prior written consent of the other parties.

35.09 No Presumptions at Law

There shall be no presumption at law that any ambiguity in this Agreement should be interpreted in favour of or against the interests of any of the parties.

35.10 No Creation of New Treaty Rights

This Agreement is not a treaty and does not create any new treaty rights for Peguis within the meaning of subsection 35(1) of the *Constitution Act, 1982*.

35.11 No Effect on Existing Aboriginal or Treaty Rights

(1) Except as to matters dealt with in Section 23.01, this Agreement shall not be construed so as to abrogate or derogate from any existing aboriginal or treaty right of Peguis or any Member.

(2) Except as to matters dealt with in Section 23.01, this Agreement shall not be construed so as to abrogate or derogate from the application of subsection 35(1) of the *Constitution Act, 1982* to any aboriginal or treaty right of Peguis or any Member that may accrue after the Date of Execution.

(3) If any provision of this Agreement is found by a court of competent jurisdiction to be invalid or void as being inconsistent with the recognition and affirmation of any existing aboriginal or treaty right within the meaning of subsection 35(1) of the *Constitution Act, 1982* or any such right that may accrue after the Date of Execution to Peguis or the Members, the provision shall, to the extent of that inconsistency, be dealt with in accordance with Section 35.02.

35.12 Constitutional or Legislative Changes

Where any amendment not contemplated by this Agreement is enacted to the *Constitution Act, 1982*, the *Indian Act* or to any other legislation, the result of which amendment is inconsistent with the legal rights or obligations of the parties under this Agreement and which, in turn, materially affects the implementation, operation or effect of this Agreement, the parties agree to enter into good faith negotiations designed to determine and implement any necessary amendments to this Agreement required to remedy or alleviate the effect of such constitutional or legislative changes.

35.13 Further Assurances

The parties covenant each with the other to do such things and to execute such further documents and take all necessary measures to carry out and implement the terms of this Agreement.

35.14 Enurement of this Agreement

This Agreement enures to the benefit of and is binding upon Canada, Manitoba and Peguis, their heirs, successors and on all past, present, and future Members.

35.15 Members of Senate and House of Commons and Legislative Assembly

No member of:

(a) the House of Commons or Senate of Canada; or

(b) the Legislative Assembly of Manitoba

shall be admitted to any share or part of this Agreement or to any benefit which may arise out of this Agreement not enjoyed by any other Member.

35.16 Payments Subject to Appropriations

Despite any other provision of this Agreement, any obligation on the part of Canada to make any payment of money is subject to the appropriation of sufficient funds from Parliament.

35.17 Use of Agreement in Interpretation of Other Agreements

This Agreement shall not be used in the interpretation of any agreement other than this Agreement, the Trust Agreement, any other Agreed Form or any other agreement necessarily incidental to implementing the provisions of this Agreement.

35.18 No Agency

This Agreement does not create the relationship of employee and employer or principal and agent between Canada or Manitoba and Peguis or between Canada and Manitoba and any of the employees or agents of Peguis.

PART VIII - SCHEDULES

36. Schedules

36.01 Schedules to Agreement

(1) The following schedules are attached to and form part of this Agreement:

"A" Community Approval Process

"B" Map of Initial Selection

"C" Map of Notice Area

"D" Map of Limestone Point Planning Area

"E" Practice of the Manitoba Regional Office of the Department of Indian Affairs and Northern Development Relating to the Application of the Additions to Reserves Policy in Urban Areas;

"F" Map of Sites with Hydro-Electric Development Potential on Developed Waterways and Hayes River;

"G" Certificates of Independent Legal Advice for Peguis

"H" Certificate of Independent Legal Advice for Initial Trustees

"I" Certificate of Independent Financial Advice.

(2) In the event of a conflict between the text of this Agreement and the Schedules, the text of this Agreement shall apply.

IN WITNESS WHEREOF, the parties have executed this Agreement by their respective officers.

PEGUIS FIRST NATION
by the Council

Date: Sept. 7, 2007

Witness as to all signatures

HER MAJESTY THE QUEEN IN RIGHT OF CANADA, as represented by the Minister of Indian Affairs and Northern Development

Date: April 29, 2008

Witness

HER MAJESTY THE QUEEN IN RIGHT OF MANITOBA, as represented by the Minister of Aboriginal and Northern Affairs

Date: Oct. 22, 2007

Witness

SCHEDULE "A"

COMMUNITY APPROVAL PROCESS

1. **Definitions**

1.01 In this Community Approval Process:

(a) "**Advance Poll**" means a poll which is open to permit voting prior to the Voting Day;

(b) "**Assistant Deputy Minister of Claims and Indian Government**" means the Assistant Deputy Minister, Claims and Indian Government, of the Department;

(c) "**Ballot**" means the instrument by which a Voter casts his or her vote on the Ballot Question;

(d) "**Ballot Question**" means the question set out in Appendix "A", which is the question upon which the Voters shall cast their Ballots in the Vote;

(e) "**Council**" means, in respect of Peguis, the "council of the band" as defined in the *Indian Act*;

(f) "**Council Resolution**" means a written resolution signed by a quorum of the Council adopted at a duly convened meeting of the Council;

(g) "**Department**" means the Department of Indian Affairs and Northern Development;

(h) "**Director**" means:

(i) the Director of Lands of the Manitoba region of the Department; or

(ii) any other official of the Department designated by the Regional Director General in substitution for the Director of Lands of the Manitoba region of the Department;

(i) "**Eligible Member**" means a person:

(i) whose name appears on the Membership List or whose name does not appear but who has submitted an application to have his or her name entered on the Membership List and that application has been approved;

(ii) is 18 years of age or older; and

(iii) has not been found mentally incompetent or otherwise unable to manage his or her own affairs by a court of competent jurisdiction

as of the Voting Day;

(j) "**Information Meeting**" means a meeting held in accordance with Section 5.01 for the purpose set out in Section 5.02;

(k) "**List of Voters**" means either the preliminary list containing the names of the Voters for the purpose of the Vote or the revised list of Voters as the context may require;

(l) "**Mail In Ballot Package**" means:

(i) the package of materials, consisting of those items set out in Section 8.04, to be provided to any Voter entitled to request to receive that package in accordance with Section 8.01 or 8.02; or

(ii) the package of materials, consisting of those items set out in Paragraphs 8.05(d) to (f) inclusive provided to any Voter entitled to request and receive that package in accordance with Section 8.05;

(m) "**Membership List**" means the list of persons maintained by Peguis as its "Band List" as defined in the *Indian Act,* R.S.C., c. I-5;

(n) "**Minister**" means the Minister of Indian Affairs and Northern Development;

(o) "**Ordinary Residence**" means the place which has always been, or which has been adopted as, the place of habitation or home of a Voter, where, when away from, he or she intends to return;

(p) **"Peguis"** means Peguis Band, a "band" as defined in the *Indian Act*, and also known as the Peguis First Nation;

(q) "**Poll**" means the place at which the Voters vote and includes, where appropriate, any Advance Poll;

(r) "**Process Officer**" means the person appointed by the Regional Director General to oversee the conduct of the Vote and includes, where applicable, any assistant appointed by the Process Officer in accordance with Section 3.03;

(s) **"Regional Director General"** means the Regional Director General of the Manitoba region of the Department;

(t) "**Reserve**" means Peguis Indian Reserve 1B, in Manitoba, set apart for the use and benefit of Peguis;

(u) "**Spoiled Ballot**" means a Ballot:

(i) that was not supplied by the Process Officer or that does not bear his or her initials;

(ii) that has not been marked by a Voter in such a way so as to clearly indicate the intention of the Voter in accordance with Section 11.06;

(iii) upon which there is any writing or mark by which a Voter can be identified; or

(iv) which, in the case of a Ballot which has been mailed in by a Voter who has received a Mail In Ballot Package, is rejected by the Process Officer in accordance with Section 15.02, 15.03 or 15.06;

(v) "**Treaty Entitlement Agreement**" means the proposed agreement among Peguis, Her Majesty the Queen in right of Canada and Her Majesty the Queen in right of Manitoba pursuant to which the unfulfilled land entitlement of Peguis under the Per Capita Provision (as defined in that Agreement) is to be addressed and a release and indemnity on the terms set out in that Agreement provided to Canada;

(w) "**Trust Agreement**" means the proposed agreement between Peguis and the Initial Trustees (as defined in the Trust Agreement) pursuant to which the terms for the administration and management of certain monies to be paid by Canada in accordance with the Treaty Entitlement Agreement are set out;

(x) "**Vote**" means the vote by the Voters on the Ballot Question;

(y) "**Voter**" means any one of the Eligible Members who appear on the List of Voters; and

(z) "**Voting Day**" means the date set for the Vote to approve the Treaty

Entitlement Agreement and Trust Agreement.

2. Preliminary Matters

2.01 By Council Resolution, in the form set out in Appendix "B", the Council shall resolve to:

(a) call the Vote, to be conducted in accordance with this Community Approval Process including setting the date, time and place of the Vote;

(b) set the date, time and place of all Information Meetings in accordance with Section 5.01;

(c) set the date, time and place of any Advance Polls in accordance with Section 9.01; and

(d) request the Regional Director General to designate a Process Officer.

2.02 An original, executed copy of the Council Resolution referred to in Section 2.01 shall be provided to the Regional Director General by the Council at least 75 days before the Voting Day.

2.03 Concurrent with the delivery of the Council Resolution referred to in Section 2.02, the Council shall further:

(a) provide the Regional Director General with a list of all Eligible Members and the mailing address of each Eligible Member whose Ordinary Residence is not on the Reserve; and

(b) advise the Regional Director General whether, in the opinion of the Council, it is anticipated that an interpreter will be required at any Information Meeting (and if so, which Information Meeting) or at any Poll for the purpose of providing translation services to Eligible Members.

2.04 In the event the Council is not aware of the mailing address of an Eligible Member whose Ordinary Residence is not on the Reserve, the Council shall provide to the Regional Director General:

(a) the mailing address of a parent of that Eligible Member;

(b) if the parents of that Eligible Member are unknown or deceased or the mailing address of the parents are unknown, the mailing address of an adult sibling or adult offspring of that Eligible Member; or

(c) if the Council cannot provide a mailing address for an adult sibling or adult offspring of that Eligible Member, a mailing address where the Council

reasonably believes that Eligible Member may be contacted, if any,

and shall further advise the Regional Director General that the address is one given in substitution for the mailing address of that Eligible Member.

2.05 In the event the Council is not aware of the mailing address of an Eligible Member whose Ordinary Residence is not on the Reserve and the Council is unable to provide a substitutional address for that Eligible Member in accordance with Section 2.04, the Council shall advise the Regional Director General that the whereabouts of that Eligible Member is unknown.

3. Designation and Duties of Process Officer

3.01 Prior to the posting of the "Notice of Vote" in accordance with Article 4, the Regional Director General shall designate a Process Officer to oversee the conduct of the Vote and advise the Council of the name of the Process Officer.

3.02 The Process Officer, with the cooperation of the Council, shall:

(a) prepare the List of Voters from the list of Eligible Members to be provided to the Regional Director General by the Council in accordance with Section 2.03 and make any required revisions to the List of Voters in accordance with Article 6;

(b) designate the location of the Polls in consultation with the Council;

(c) appoint and empower any assistants as he or she determines appropriate, by completing and executing and having each assistant execute an "Appointment of Assistant" in the form attached as Appendix "I", provided that there shall be at least one assistant who has been identified by the Council;

(d) appoint any interpreters as the Council has advised may be required to provide translation services for Eligible Members at any Information Meeting or at any Poll and, in that case, the Process Officer shall complete and execute and have each interpreter execute an "Appointment of Interpreter" in the form attached as Appendix "J";

(e) post the Notice of Vote in accordance with Section 4.01;

(f) provide sufficient copies of the Notice of Vote including all attachments to Peguis for delivery in accordance with Section 4.05;

(g) ensure the Mail In Ballot Packages are prepared and sent out in accordance with Article 8;

(h) attend all Information Meetings;

(i) prepare or cause to be prepared Ballots in accordance with Section 7.01 and ensure there are a sufficient number of Ballots to permit each Voter to vote;

(j) obtain a sufficient number of Ballot boxes;

(k) arrange to provide a polling booth or booths at the Polls where a Voter can mark his or her Ballot free from observation;

(l) arrange to provide at the Polls a sufficient number of lead pencils for marking the Ballots;

(m) ensure that samples of the Ballot Question are posted or available for examination by Voters at the Polls;

(n) conduct any Advance Polls in accordance with Article 9;

(o) subject to Section 17.04, ensure that a Commissioner for Taking Oaths, Notary Public or Magistrate or Justice of the Peace in and for the Province of Manitoba will be available when and as required at any Advance Poll and on the Voting Day;

(p) conduct the Vote in accordance with this Community Approval Process or as amended in accordance with Section 17.01; and

(q) respond to any objections to the conduct of the Vote as may be filed with the Assistant Deputy Minister in accordance with Section 18.04.

3.03 The Process Officer may delegate to any assistant any of his or her duties under this Community Approval Process as he or she determines appropriate or necessary provided that the Process Officer may not delegate the duties described in Paragraphs 3.02(a), (c) and (i), Articles 16 and 17 and Section 18.04.

4. Notice of Vote

4.01 The Process Officer:

(a) shall post a copy of the Notice of Vote at least 68 days prior to Voting Day and at least 13 days prior to the first Advance Poll (if any) in a prominent location in the administrative offices of Peguis; and

(b) may post a copy of the Notice of Vote in any other prominent, public places and at any other times as he or she determines (in consultation with the Council) will provide the maximum exposure of Notice of the Vote to the

Voters.

4.02 The Notice of Vote shall be in the form set out in Appendix "C".

4.03 The following shall be attached to the Notice of Vote:

(a) a copy of the Treaty Entitlement Agreement;

(b) a copy of the Trust Agreement; and

(c) a copy of the List of Voters.

4.04 Despite Sections 4.02 and 4.03, in the event the Process Officer intends to post a copy of the Notice of Vote in accordance with Paragraph 4.01(b):

(a) the form of the Notice of Vote posted shall be amended in the following respects:

(i) by deleting in the form of Notice of Vote set out in Appendix "C" the following words:

> "A copy of the Treaty Entitlement Agreement is attached to this Notice of Vote and marked 'A'. A copy of the Trust Agreement is attached to this Notice of Vote and marked 'B'";

(ii) by deleting in the form of Notice of Vote set out in Appendix "C" the following words:

> "Attached to this Notice of Vote and marked 'C' is a List of Voters which has been prepared from information supplied by the Council of Peguis First Nation"

and substituting for those words the following:

> "Attached to this Notice of Vote and marked 'A' is a List of Voters which has been prepared from information supplied by the Council of Peguis First Nation"; and

(iii) by deleting in the form of Notice of Vote set out in Appendix "C" the following words:

> "The following are attached to this Notice of Vote and marked as indicated:
>
> 'A' Treaty Entitlement Agreement

'B' Trust Agreement

'C' List of Voters

and substituting for those words the following:

'A' List of Voters"; and

(b) only the List of Voters shall be attached to copies of the Notice of Vote so posted.

4.05 Within seven days of the posting of the Notice of Vote in the administrative offices of Peguis, the Council shall cause a copy of the Notice of Vote as amended in accordance with Section 4.06, including a copy of the Treaty Entitlement Agreement and Trust Agreement, to be delivered to each Eligible Member who has his or her Ordinary Residence on the Reserve.

4.06 Despite Sections 4.02 and 4.03,

(a) the form of the Notice of Vote to be delivered to each Eligible Member whose Ordinary Residence is on the Reserve in accordance with Section 4.05 shall be amended in the following respects:

(i) by deleting in the form of Notice of Vote set out in Appendix "C' the following words:

"Attached to this Notice of Vote and marked 'C' is a List of Voters which has been prepared from information supplied by the Council of Peguis First Nation"; and

(ii) by deleting in the form of Notice of Vote set out in Appendix "C" the following words:

"The following are attached to this Notice of Vote and marked as indicated:

'A' Treaty Entitlement Agreement

'B' Trust Agreement

'C' List of Voters"

and substituting for those words the following:

"The following are attached to this Notice of Vote and marked as indicated:

'A' Treaty Entitlement Agreement

'B' Trust Agreement"; and

(b) only the Treaty Entitlement Agreement and Trust Agreement shall be attached to copies of the Notice of Vote so delivered.

4.07 The delivery of the Notice of Vote, and attachments, to an Eligible Member whose Ordinary Residence is on the Reserve in accordance with Section 4.05 may be made by:

(a) personal delivery to that Eligible Member; or

(b) leaving a copy of the Notice of Vote, and attachments, with an adult person at the last known principal residence of the Eligible Member; or

(c) where the Notice of Vote and attachments cannot, after reasonable effort by the Council, be delivered to that Eligible Member in accordance with Paragraph (a) or (b), leaving a copy of those documents for the Eligible Member at the administrative offices of Peguis.

5. Information Meetings

5.01 Information Meetings shall be held at the time and place as the Council may determine, provided that:

(a) at least four Information Meetings shall be held of which at least one meeting shall be held on the Reserve, one meeting in the City of Brandon, Manitoba, one meeting in the City of Selkirk, Manitoba, and one meeting in the City of Winnipeg, Manitoba;

(b) the date, time and place of all Information Meetings shall be stated in the Notice of Vote; and

(c) no Information Meeting shall be held earlier than 54 days prior to the Voting Day or later than two days prior to the Voting Day.

5.02 The purpose of each Information Meeting is to provide an opportunity for the Council, Peguis' legal counsel and any other persons as requested by the Council to explain the land entitlement of the Peguis First Nation under the Per Capita Provision (as defined in the Treaty Entitlement Agreement) and the provisions of the Treaty Entitlement Agreement and the Trust Agreement to all Eligible Members in attendance, with a view to ensuring that they are fully informed prior to casting their votes on the Ballot Question in the Vote.

5.03 Each Information Meeting shall be open to all Eligible Members to attend and shall

be attended by at least two members of the Council, the Process Officer and any interpreter as may be required.

5.04 An interpreter appointed in accordance with Paragraph 3.02(d) shall be the means of communicating the information disseminated at the Information Meeting to those Eligible Members who require translation services.

5.05 The Process Officer and any other employee of the Department that may be present shall, at the request of a member of the Council, leave the Information Meeting at any time that legal counsel for Peguis is providing the Eligible Members with legal advice that is subject to solicitor-client privilege.

5.06 Despite the provisions of this Article, Peguis may have further or other meetings for the same purposes as an Information Meeting at times and places as the Council may determine appropriate.

6. **Revisions to the List of Voters**

6.01 Any Eligible Member may apply to the Process Officer at least 14 days prior to the Voting Day to have the List of Voters revised if that Eligible Member believes that:

(a) the name of a Voter has been omitted from the List of Voters; or

(b) the name of a Voter is incorrectly set out or should not be included on the List of Voters.

6.02 An Eligible Member may, up to and including the Voting Day, apply to the Process Officer to have his or her name added to the List of Voters if that Eligible Member can:

(a) produce adequate and current identification;

(b) provide adequate proof of age;

(c) provide evidence that he or she is on the Membership List or has submitted an application to Peguis to have his or her name entered on the Membership List and that application has been approved; and

(d) if required by the Process Officer, obtain corroborating testimony from another Voter who is willing to make oath in the form of a statutory declaration as to the identity of the applicant.

6.03 Where the Process Officer is satisfied that a revision is necessary to the List of Voters, he or she shall:

(a) keep a record of the basis on which the Process Officer determines a

revision is necessary; and

(b) make the revision,

and the decision of the Process Officer shall be final and not subject to further review.

6.04 Where the Process Officer revises the List of Voters such that the name of a person who appears on the list is removed from the list, the Process Officer shall draw a line through the name of that person where it appears on the List of Voters and make a notation of the reason and the date on which that person's name has been removed.

7. Ballots

7.01 The Ballots to be used in the Vote shall:

(a) be printed on paper of a quality, weight and size determined and supplied by the Process Officer;

(b) be of similar description, one to another;

(c) contain a stub on the top edge which shall be one half inch in width, with a perforation lying immediately beneath the stub so as to separate the stub from the rest of the Ballot and upon which stub the Process Officer shall place his or her initials;

(d) be consecutively numbered on the back of each Ballot;

(e) contain the Ballot Question in the area beneath the stub; and

(f) contain a statement immediately beneath the Ballot Question instructing the Voter to mark his or her Ballot with a cross (an "X") in the box containing the word "Yes" or "No" as he or she considers appropriate.

8. Mail in Ballots

8.01 At least 61 days prior to the Voting Day, the Process Officer shall send or cause to be sent by registered mail, with a request for confirmation of receipt, a Mail In Ballot Package to each Voter who does not have his or her Ordinary Residence on the Reserve other than those Voters whose whereabouts the Council has advised the Regional Director General are unknown.

8.02 In addition, any Voter who has his or her Ordinary Residence on the Reserve but informs the Process Officer at least seven days prior to the Voting Day that, due to a planned absence or for medical reasons, he or she will not be available to

vote in person at any Advance Poll or on the Voting Day, shall be entitled to request a Mail In Ballot Package, and upon that request being made, the Process Officer shall:

(a) satisfy himself or herself that the Voter has not already voted in person at any Advance Poll; and

(b) thereafter either:

(i) deliver a Mail In Ballot Package by hand to the Voter and obtain a signed receipt of delivery; or

(ii) provided the request is made at least seven days before the Voting Day, send or cause to be sent by registered mail, with a request for confirmation of receipt, a Mail In Ballot Package to the Voter at the address that the Voter may advise the Process Officer at the time the request is made.

8.03 The Vote shall be held notwithstanding, and may not be impinged on the grounds, that:

(a) the Process Officer having sent or causing to be sent the Mail In Ballot Package to a Voter who is entitled to receive a Mail in Ballot in accordance with Section 8.01 at the address given for that Voter on the list of Eligible Members provided by the Council in accordance with Paragraph 2.03(a) or to a Voter who requested a Mail in Ballot in accordance with Section 8.02 at the address provided to him or her by the Voter:

(i) the Voter does not receive the Mail In Ballot Package sent to him or her;

(ii) no confirmation of receipt is received confirming the Voter received the Mail In Ballot Package sent to him or her; or

(iii) no Ballot is received from the Voter;

(b) the Process Officer having delivered by hand a Mail In Ballot Package to a Voter who requested a Mail in Ballot package in accordance with Section 8.02, no Ballot is received from the Voter; or

(c) a Voter who does not have his or her Ordinary Residence on the Reserve is not sent a Mail In Ballot Package as the Council has advised the Regional Director General that his or her whereabouts is unknown in accordance with Section 2.05.

8.04 The Mail In Ballot Package shall consist of:

(a) a letter from the Council providing any information the Council determines appropriate relating to the land entitlement of Peguis under the Per Capita Provision (as defined in the Treaty Entitlement Agreement), the Treaty Entitlement Agreement and the Trust Agreement with a view to ensuring that the Voters receiving Mail In Ballot Packages are fully informed;

(b) a copy of the Notice of Vote in the form set out in Appendix "C", as amended in accordance with Section 4.06, and copies of the Treaty Entitlement Agreement and the Trust Agreement;

(c) a letter of instruction from the Process Officer explaining the procedure for casting a Ballot by mail;

(d) a Ballot, with the initials of the Process Officer affixed;

(e) a Ballot envelope in which the Ballot may be enclosed after use by the Voter and upon which the Voter Declaration in the form set out in Appendix "K" is printed; and

(f) a pre-addressed return envelope with postage prepaid in which the Ballot may be returned by the Voter to the Process Officer.

8.05 During the hours the Poll is open on the Voting Day, a Voter who has his, or her, Ordinary Residence on the Reserve, or the Council, or an Eligible Member, on behalf of such a Voter may advise the Process Officer that the Voter is unable to vote in person by reason of illness, infirmity or other incapacity and where the Process Officer has ensured that the Voter:

(a) did not request a Mail In Ballot Package;

(b) did not vote at any Advance Poll; and

(c) has not voted in person on Voting Day,

the Process Officer shall, personally or by means of an assistant Process Officer who is an employee of the Department, deliver to the Voter:

(d) a Ballot, with the initials of the Process Officer affixed;

(e) a Ballot envelope in which the Ballot may be enclosed after use by the Voter and upon which the Voter Declaration in the form set out in Appendix "K" is printed; and

(f) a return envelope in which the Ballot may be returned by the Voter

for use by the Voter for the purposes of voting.

8.06 A Voter who receives a Mail In Ballot Package in accordance with Section 8.05 shall, after voting, give the return envelope to the Process Officer or the assistant Process Officer referred to in that Section who, in turn, shall, upon returning to the Poll, place it with the other Mail In Ballots to be processed in accordance with Article 15.

8.07 The Process Officer shall record the number of the Ballot beside the name of each Voter to whom a Mail In Ballot Package is sent or provided on the List of Voters.

8.08 Despite a Voter having been sent a Mail In Ballot Package in accordance with Section 8.01 or 8.02, that Voter may vote in person at any Advance Poll or on the Voting Day.

8.09 Despite a Voter having been provided a Mail in Ballot Package in accordance with Section 8.05, that Voter may vote in person on the Voting Day.

8.10 In the event such a Voter attends at a Poll and:

(a) desires to vote in person, the Process Officer shall proceed in accordance with Section 11.03; and

(b) votes in person and subsequently mails in the Ballot sent to him or her in the Mail In Ballot Package, the Process Officer shall proceed in accordance with Section 15.03.

9. Advance Polls

9.01 Advance Polls may be held at the times and places the Council may determine, provided that no Advance Poll shall be held:

(a) unless the time, date and place of any Advance Poll is set out in the Notice of Vote;

(b) earlier than 21 days after the Notice of Vote is posted;

(c) in the same place and before or at the same time as an Information Meeting is being conducted, provided that an Advance Poll may be held:

(i) before or at the same time as an Information Meeting but in a place so distant from the place where the Information Meeting is being held that it is unlikely a Voter would be faced with a conflicting choice of attending the Information Meeting or voting at the Advance Poll; or

(ii) in the same place as an Information Meeting but following the conclusion of an Information Meeting; or

(d) later than two days prior to the Voting Day.

9.02 Subject to Sections 9.03 to 9.05 inclusive, every Advance Poll shall be conducted in the same manner as the Vote is conducted on the Voting Day.

9.03 Voting hours for every Advance Poll shall be:

(a) determined by the Council; and

(b) set out in the Notice of Vote

but, in any event, shall not be:

(c) less than two consecutive hours in duration;

(d) more than a total of four hours in duration; or

(e) held between the hours of 11:00 p.m. and 8 a.m.

9.04 Immediately after the close of every Advance Poll, the Process Officer, in front of those persons who may be present, shall seal each Ballot box in such a manner that no further Ballots may be deposited into the Ballot box or that none of the Ballots contained within the Ballot box may be removed.

9.05 Each Ballot box used in any Advance Poll shall not be opened until the Poll is closed on the Voting Day.

10. Voting Hours

10.01 The Poll shall be kept open from 9:00 a.m. until 8:00 p.m. on the Voting Day.

11. Voting Procedures

11.01 The Process Officer shall, immediately before the time of commencement of the Vote:

(a) open each Ballot box and ask any person who may be present to witness that the Ballot box is empty;

(b) lock and properly seal each Ballot box;

(c) place each Ballot box in view for the reception of the Ballots;

(d) prepare a "Declaration of Process Officer" and make oath in the form set out in Appendix "D"; and

(e) ensure that a "Declaration of Witness" is prepared and that the person confirming that each Ballot box was empty makes oath in the form set out in Appendix "E".

11.02 During the hours the Poll is open, the Process Officer, shall ensure that a person presenting himself or herself for the purpose of voting:

(a) is a Voter; and

(b) is not a Voter who has previously voted, either at an Advance Poll or on the Voting Day

and, except as provided in Section 11.03, shall then:

(c) affix his or her initials to the back of the Ballot in a manner so that when the Ballot is folded the initials can be seen without unfolding the Ballot;

(d) provide the Voter with a Ballot;

(e) place a line through the name of the Voter on the List of Voters; and

(f) explain the method of voting to the Voter when requested to do so by any Voter.

11.03 In the event a person presenting himself or herself for the purpose of voting is someone who was sent or provided a Mail In Ballot Package, the Process Officer shall:

(a) ensure that the person:

(i) is not someone whose name was removed from the List of Voters after the Mail In Ballot Packages was sent out or provided as a result of a revision to the List of Voters in accordance with Article 6; and

(ii) is not a Voter who has previously voted, either at an Advance Poll or on the Voting Day;

(b) then determine if the Voter has in his or her possession the Ballot which was sent or provided to him or her in the Mail In Ballot Package; and

(c) in the event:

(i) the Voter does have the Ballot in his or her possession:

(A) satisfy himself or herself that the Ballot is the Ballot provided to that Voter, has not been marked in any way and still has the stub attached; and

(B) thereafter instruct the Voter that he or she is to utilize the Ballot in his or her possession for the purpose of casting his or her vote;

(ii) the Voter does have the Ballot in his or her possession but the Process Officer is not satisfied that the Ballot is the Ballot provided to that Voter, has been marked in some way or does not still have the stub attached, proceed in accordance with Paragraphs 11.02(c) to (f) inclusive; or

(iii) the Voter does not have the Ballot in his or her possession, proceed in accordance with Paragraphs 11.02(c) to (f) inclusive.

11.04 If requested by a Voter who is not able to read, is incapacitated by blindness or other physical cause or requires translation service, the Process Officer shall:

(a) assist that Voter by marking his or her Ballot in the manner directed by the Voter or request the interpreter to assist that Voter by marking his or her Ballot in the manner directed by that Voter, as the case may require;

(b) thereafter immediately fold and place that Voter's Ballot into the Ballot box;

(c) make an entry on the List of Voters opposite the name of the Voter to indicate that the Ballot was marked by the Process Officer or the interpreter at the request of the Voter; and

(d) indicate the reason for the Voter's request for assistance.

11.05 Except as provided in Section 11.04, every Voter receiving a Ballot shall without undue delay:

(a) proceed immediately to a polling booth provided for marking his or her Ballot;

(b) mark his or her Ballot in accordance with Section 11.06;

(c) fold his or her Ballot so as to conceal his or her mark on the face of the Ballot and so as to expose the Process Officer's initials on the back of the Ballot; and

(d) immediately give his or her folded Ballot to the Process Officer who without unfolding it shall tear off the stub and deposit the Ballot into the Ballot box

after verifying his or her initials.

11.06 Despite Paragraph 7.01(f), a Ballot marked in any way in which the intention of the Voter is clearly evident shall be counted as validly marked.

12. Replacement of Defective Ballots and Forfeiture of Right to Vote

12.01 A Voter who receives a Ballot which, in the opinion of the Process Officer, cannot be used by the Voter, owing to a printing error or otherwise, or who accidentally spoils his or her Ballot when marking it, shall, upon returning that Ballot to the Process Officer, be entitled to receive another Ballot.

12.02 A Voter who has received a Ballot and who:

(a) leaves the polling booth without delivering his or her Ballot to the Process Officer in accordance with Section 11.05; or

(b) refuses to vote

shall forfeit his or her right to cast a vote in the Vote, and the Process Officer shall make an entry on the List of Voters opposite the name of that Voter stating that the Voter did not return his or her Ballot or refused to vote.

12.03 The Vote may not be impinged as a result of a Voter forfeiting his or her right to Vote in accordance with Section 12.02.

13. Orderly Voting

13.01 The Process Officer shall allow only one Voter at any one time into a polling booth for marking his or her Ballot.

13.02 No person shall:

(a) interfere or attempt to interfere with a Voter when he or she is marking his or her Ballot; or

(b) obtain, or attempt to obtain, information as to how a Voter is about to vote or has voted at the Polls.

13.03 The Council with the assistance of the Process Officer shall ensure that peace and good order are maintained at the Polls.

14. Closing of the Poll

14.01 At the time set for closing the Poll, the Process Officer shall declare the Poll closed and thereafter, entry to the Poll shall be denied and the location shall be secured

or locked, as the case may be.

14.02 Despite Section 14.01, a Voter who is inside a Poll at the time fixed for closing the Poll and who has not cast a vote, shall be entitled to vote before the Poll is closed.

15. Processing Mail In Ballots

15.01 At any time after the opening of the Poll on Voting Day, the Process Officer, in the presence of at least two Council members and any Voters who may be present, shall examine the envelopes in which those Voters who were sent or provided Mail In Ballot Packages returned their Ballots to determine whether, in each case, the Voter has completed the Voter Declaration endorsed on the envelope in a manner in which the identity of the Voter is discernible and thereafter, in the presence of those Council members, shall proceed in accordance with this Article.

15.02 In the event a Voter who was sent or provided a Mail In Ballot Package:

(a) has not completed the Voter Declaration; or

(b) has completed the Voter Declaration in a manner in which the identity of the Voter is not discernible,

the Process Officer shall endorse the words "Spoiled Ballot" on the outside of the envelope.

15.03 In the event a Voter who was sent or provided a Mail In Ballot Package has completed the Voter Declaration in a manner in which the identity of the Voter is discernible, the Process Officer shall examine the List of Voters to determine if the Voter:

(a) is someone whose name was removed from the List of Voters after the Mail In Ballot Packages were sent out or provided as a result of a revision to the List of Voters in accordance with Article 6; or

(b) voted in person at any Advance poll or if the polls have closed, on the Voting Day,

and if Paragraphs (a) or (b) apply in respect of that Voter, the Process Officer shall endorse the words "Spoiled Ballot" on the outside of the envelope in which the Voter returned his or her Ballot.

15.04 In the event a Voter who was sent or provided a Mail In Ballot Package has completed the Voter Declaration in a manner in which the identity of the Voter is discernible and Section 15.03 does not apply with respect to the Voter, the Process Officer shall:

(a) open the envelope in which the Voter returned his or her Ballot;

(b) remove the Ballot; and

(c) without unfolding the Ballot, or in any other way disclosing the manner in which the Ballot has been marked:

(i) determine that the stub is intact on the Ballot; and

(ii) examine the initials appearing on the Ballot to determine that the Ballot is genuine.

15.05 In the event the Process Officer is satisfied that the stub is intact on the Ballot and that the Ballot appears to be genuine, the Process Officer shall:

(a) tear off the stub from the Ballot;

(b) draw a line through the Voter's name on the List of Voters;

(c) destroy the stub; and

(d) deposit the Ballot in the Ballot box.

15.06 In the event the stub is not attached to the Ballot or the Process Officer is not satisfied the Ballot is genuine, the Process Officer shall return the Ballot to the envelope in which it was mailed and endorse the words "Spoiled Ballot" on the outside of the envelope.

16. Certification of Results of Voting

16.01 Immediately after the close of the Polls, the Process Officer, in the presence of at least two members of the Council and any Voters who may be present, shall:

(a) examine all Ballots contained in each Ballot Box;

(b) count and reject all Spoiled Ballots;

(c) count the votes in which a Voter has voted "YES" or "NO" in accordance with Section 11.06; and

(d) count the number of Ballots that were returned to the Process Officer in accordance with Section 12.01.

16.02 When the results of the Vote have been determined by the Process Officer, he or she shall:

(a) immediately prepare a "Statement of Vote Results" in the form set out in Appendix "F" indicating:

(i) the number of Voters who were entitled to vote;

(ii) the total number of Ballots cast, including any Spoiled Ballots;

(iii) the number of Voters who voted "YES" in accordance with Section 11.06;

(iv) the number of Voters who voted "NO" in accordance with Section 11.06;

(v) the number of Spoiled Ballots;

(b) prepare a "Certification of Vote" and make oath in the form set out in Appendix "G";

(c) ensure that a "Certification of Vote" is prepared and that a member of Council makes oath in the form set out in Appendix "H"; and

(d) immediately deliver a copy of the "Statement of Vote Results" to the Council and the Director.

16.03 The Process Officer shall separately seal in envelopes:

(a) the Ballots referred to in Paragraph 16.01(c);

(b) any Spoiled Ballots;

(c) any Ballots returned to the Process Officer in accordance with Section 12.01; and

(d) any unused Ballots.

and shall affix his signature to the seal and deliver the envelopes to the Director.

16.04 The Director shall retain the material provided to him or her by the Process Officer in accordance with Section 16.03 for 90 days, after which time, and no legal proceeding concerning the Vote having been initiated or commenced, he or she may, in the presence of at least two witnesses, destroy the Ballots.

17. Procedural Amendments

17.01 In the event circumstances are such as to suggest discretion should be exercised in the implementation of this Community Approval Process, the Process Officer

and the assistant Process Officer identified by the Council may agree on a departure from the procedural requirements set out in this Community Approval Process, where such departure will not result in a substantive change in the Community Approval Process and where it is determined necessary for the proper and sufficient completion of the Community Approval Process.

17.02 Where this Community Approval Process has been amended in accordance with Section 17.01, the Process Officer shall post the amendment:

(a) before the Vote, in the administrative offices of Peguis;

(b) at any Advance Poll; and

(c) at any Poll on the Voting Day.

17.03 Where this Community Approval Process has been amended in accordance with Section 17.01, the Process Officer shall further cause to be recorded a report setting out:

(a) the circumstances which gave rise to the need to amend this Community Approval Process;

(b) the amendment made;

(c) the reasons why any amendment was considered necessary; and

(d) confirmation that the assistant Process Officer identified by the Council consented to the amendment

and a copy of the report shall be provided by the Process Officer to the Director and the Council within 15 days of the Voting Day.

17.04 In the event the Process Officer is unable to arrange for a Commissioner for Taking Oaths, Notary Public, Magistrate or Justice of the Peace in and for the Province of Manitoba to be available when and as required at any Advance Poll or on the Voting Day, any declarations otherwise required by this Community Approval Process to be completed at an Advance Poll or on the Voting Day may be completed and executed not later than three days after the Voting Day.

18. Objections

18.01 Any Voter who voted and has reasonable grounds for believing that:

(a) there was a violation of this Community Approval Process that may affect the results of the Vote; or

(b) there was corrupt practice in connection with the Vote

may, not later than seven days from the Voting Day, file an objection by forwarding by registered mail to the Assistant Deputy Minister in accordance with Section 18.02:

(c) notice of his or her objection; and

(d) a statutory declaration containing the grounds for the objection and full particulars of the objection.

18.02 An objection made in accordance with Section 18.01 shall be sent addressed as follows:

Assistant Deputy Minister (Claims and Indian Government)
Department of Indian Affairs and Northern Development
10 Wellington Street
Ottawa, Ontario K1A 0H4

18.03 Where an objection is filed in accordance with Section 18.01, the Assistant Deputy Minister shall, not later than 21 days from the receipt of the objection, forward a copy of the objection by registered mail to the Process Officer.

18.04 The Process Officer shall, not later than 21 days from the receipt of the objection, forward to the Assistant Deputy Minister by registered mail a statutory declaration containing an answer to the particulars stated in the objection.

18.05 The Assistant Deputy Minister shall, not later than 21 days from the receipt of the response from the Process Officer, forward to the Minister the material filed by the Voter in accordance with Section 18.01 and the response of the Process Officer in accordance with Section 18.04.

18.06 The Minister may, if the material provided in accordance with this Article is not sufficient to decide the validity of the grounds of the objection, conduct any further investigations as the Minister deems necessary.

18.07 The Minister may dispose of an objection by:

(a) allowing it, in which case the Minister shall call another Vote; or

(b) dismissing it, where the Minister is of the opinion that the grounds of the objection:

(i) are not established; or

(ii) do not affect the results of the Vote.

18.08 In the event the Minister allows an objection and calls another Vote, Sections 20.01 through 20.03 inclusive shall apply with necessary modifications unless the Minister otherwise orders.

18.09 The Minister may delegate the Minister's responsibilities under this Article to the Assistant Deputy Minister of Claims and Indian Government or any other assistant deputy minister of the Department.

19. Minimum Requirements for Approval

19.01 In order for it to be determined the question asked on the Ballot Question has been answered in the affirmative:

(a) a majority of the Voters must Vote; and

(b) of those voting "YES" or "NO" in accordance with Section 11.06, a majority must vote "YES".

19.02 In the event a majority of Voters do not Vote, at least one additional Vote shall be held not later than 180 days after the Voting Day and in order for it to be determined the question asked on the Ballot Question has been answered in the affirmative, a majority of the Voters need not vote, but a majority of those Voters voting "Yes" or "No" in accordance with Section 11.06 must vote "Yes".

20. Procedure on Subsequent Vote

20.01 In the event a subsequent Vote is required in accordance with Paragraph 18.07(a) or Section 19.02, this Community Approval Process shall apply to that or those Votes, provided that:

(a) the Council shall not be required to undertake any of the actions set out in Sections 2.01 to 2.05 inclusive or Section 4.05;

(b) the Process Officer shall prepare the List of Voters from the List of Voters used in the first Vote (as may have been revised), provided that the Process Officer shall make any required revisions to that list in accordance with Article 6; and

(c) the Process Officer shall not send or cause to be sent a Mail In Ballot Package to any Voter who does not have his or her Ordinary Residence on the Reserve and:

(i) whose whereabouts the Council previously advised the Regional Director General were unknown; or

(ii) whose Mail In Ballot Package previously sent was returned

endorsed to the effect that the Voter did not reside at the address to which that Mail In Ballot Package was addressed or that the address was otherwise incorrect or did not exist

and the Vote shall be held notwithstanding, and may not be impinged on the grounds that, that Voter does not receive a Mail In Ballot Package.

20.02 The Mail In Ballot Package shall consist of:

(a) a letter from the Council providing information as the Council determines appropriate relating to the matter of the subsequent Vote, the land entitlement of Peguis First Nation under the Per Capita Provision (as defined in the Treaty Entitlement Agreement) and the provisions of the Treaty Entitlement Agreement and Trust Agreement with a view to ensuring that the Voters receiving Mail In Ballot Packages are fully informed;

(b) a letter from the Process Officer stating:

(i) why a subsequent Vote is necessary under the Community Approval Process;

(ii) that copies of the Treaty Entitlement Agreement, the Trust Agreement and List of Voters were previously provided to the Voter;

(iii) where further copies of the Treaty Entitlement Agreement, the Trust Agreement and List of Voters may be obtained by the Voter; and

(iv) the procedure for casting a Ballot by mail;

(c) a copy of the Notice of Vote, but without any of the attachments to the Notice of Vote;

(d) a Ballot, with the initials of the Process Officer affixed;

(e) a Ballot envelope in which the Ballot may be enclosed after use by the Voter and upon which the Voter Declaration in the form set out in Appendix "K" is printed; and

(f) a pre-addressed return envelope with postage prepaid in which the Ballot may be returned by the Voter to the Process Officer.

20.03 The Notice of Vote for any subsequent Vote ordered by the Minister in accordance with Paragraph 18.07(a) shall be amended by:

(a) deleting in Appendix "C" the words:

"TAKE NOTICE that a vote of the Eligible members (as hereinafter described) of the Peguis First Nation will be held on _____"

where those words appear in the first paragraph and substituting for those words the following:

"TAKE NOTICE that as the Minister of Indian Affairs and Northern Development has allowed an objection to a Vote of the Eligible Members held on _____, another Vote of the Eligible Members (as hereinafter described) of the Peguis First Nation will be held on _____"; and

(b) deleting in Appendix "C" the words:

"Eligible members who live on the Peguis Reserve will have copies of these documents delivered to their homes or left for them at the Administration Offices. Eligible members who do not live on the Peguis Reserve will have copies of these documents sent to them by registered mail, provided the Council of Peguis First Nation has a current address for them.

DESPITE THIS, ELIGIBLE MEMBERS MAY MAKE REQUESTS FOR COPIES OF THESE DOCUMENTS TO THE COUNCIL OF THE PEGUIS FIRST NATION AT:"

where those words appear in the first paragraph and substituting for those words the following:

"ELIGIBLE MEMBERS MAY MAKE REQUESTS FOR COPIES OF THESE DOCUMENTS TO THE COUNCIL OF THE PEGUIS FIRST NATION AT:"

20.04 The Notice of Vote for any subsequent Vote required in accordance with Section 19.02 shall be amended by:

(a) deleting in Appendix "C" the words:

"TAKE NOTICE that a vote of the Eligible Members (as hereinafter described) of the Peguis First Nation will be held on _____"

where those words appear in the first paragraph and substituting for those words the following:

"TAKE NOTICE that an additional vote of the Eligible Members (as hereinafter described) of the Peguis First Nation will be held on _____"; and

(b) deleting in Appendix "C" the words:

"Eligible members who live on the Peguis Reserve will have copies of these documents delivered to their homes or left for them at the Administration Offices. Eligible members who do not live on the Peguis Reserve will have copies of these documents sent to them by registered mail, provided the Council of Peguis First Nation has a current address for them.

DESPITE THIS, ELIGIBLE MEMBERS MAY MAKE REQUESTS FOR COPIES OF THESE DOCUMENTS TO THE COUNCIL OF THE PEGUIS FIRST NATION AT:"

where those words appear in the first paragraph and substituting for those words the following:

"ELIGIBLE MEMBERS MAY MAKE REQUESTS FOR COPIES OF THESE DOCUMENTS TO THE COUNCIL OF THE PEGUIS FIRST NATION AT:"

20.05 The Statement of Vote Results for any additional vote in accordance with Section 19.02 shall be amended by deleting in Appendix "F" the words "We declare therefore that a majority (over 50%) of all of the Voters did (not) vote in the Vote and" where those words appear in the final Subparagraph and substituting for those words: "We declare therefore".

21. Calculation of Time

21.01 Where in this Community Approval Process there is a reference to a number of days between an event and the Voting Day (or an Advance Poll), the number of days shall in all cases be counted including the day on which the event is to occur but excluding the Voting Day (or Advance Poll).

22. Appendices

22.01 The following Appendices form part of this Community Approval Process:

"A" Ballot Question
"B" Council Resolution
"C" Notice of Vote
"D" Declaration of Process Officer
"E" Declaration of Witness
"F" Statement of Vote Results
"G" Certification of Vote by Process Officer
"H" Certification of Vote by Member of Council
"I" Appointment of Assistant
"J" Appointment of Interpreter
"K" Voter Declaration

APPENDIX "A"

BALLOT QUESTION

As an Eligible Member of the Peguis First Nation do you authorize and direct:

(a) the Council of the Peguis First Nation to execute the Treaty Entitlement Agreement in which the unfulfilled land entitlement of Peguis First Nation under the "Per Capita Provision" of Treaty No. 1 (as defined in the Treaty Entitlement Agreement) will be addressed and a release and indemnity provided by Peguis First Nation to Canada on the terms set out in that Agreement; and

(b) the Council of the Peguis First Nation and the Initial Trustees to execute the Trust Agreement which sets out how certain monies to be paid by Canada under the Treaty Entitlement Agreement to the Peguis First Nation Trust for the benefit of the Peguis First Nation are to be used, managed and dealt with; and

(c) the Council of the Peguis First Nation and the Initial Trustees, and their successors to execute all other necessary documents to give effect to the Treaty Entitlement Agreement and the Trust Agreement?

MARK THIS BALLOT BY PLACING **A CROSS (AN "X")** IN THE BOX CONTAINING THE WORD "**YES**", IF YOU AGREE, OR "**NO**" IF YOU DO NOT AGREE.

YES	*NO*

CANADA HAS NOT REVIEWED THE TRUST AGREEMENT AND WILL HAVE NO ROLE IN, OR RESPONSIBILITY FOR, THE USE, MANAGEMENT OR ANY OTHER DEALINGS INVOLVING THE MONIES TO BE PAID BY CANADA TO THE PEGUIS FIRST NATION TRUST UNDER THE TREATY ENTITLEMENT AGREEMENT.

APPENDIX "B"

COUNCIL RESOLUTION

Pursuant to the consent of a majority of the Council of the Peguis First Nation ("the Council") present at a duly convened meeting held on the ___ day of _____, 2006, the COUNCIL RESOLVES AS FOLLOWS:

1. THAT the Council does hereby call a Vote to determine whether the Eligible Members (as defined in the Community Approval Process) of the Peguis First Nation authorize and direct:

   (a) the Council of the Peguis First Nation to execute the Treaty Entitlement Agreement in which the unfulfilled land entitlement of Peguis First Nation under the "Per Capita Provision" of Treaty No. 1 (as defined in the Treaty Entitlement Agreement) will be addressed and a release and indemnity provided by Peguis First Nation to Canada on the terms set out in that Agreement; and

   (b) the Council of the Peguis First Nation and the Initial Trustees to execute the Trust Agreement which sets out how certain monies to be paid by Canada under the Treaty Entitlement Agreement to the Peguis First Nation Trust for the benefit of the Peguis First Nation are to be used, managed and dealt with; and

   (c) the Council of the Peguis First Nation and the Initial Trustees and their successors to execute all other necessary documents to give effect to the Treaty Entitlement Agreement and the Trust Agreement,

   which vote shall be conducted pursuant to the Community Approval Process attached as Schedule "A" to the proposed Treaty Entitlement Agreement;

2. THAT the Council, by copy of this resolution to the Regional Director General of Indian Affairs and Northern Development ("the Regional Director General"), does hereby request that the Regional Director General order that the Vote be conducted by means of a secret Ballot, and also that the Regional Director General designate a Process Officer for the purpose of conducting the Vote;

3. THAT the Vote of the Peguis First Nation shall be held at Peguis Indian Reserve No. 1B in the Province of Manitoba on _____, and that the Poll shall be open from 9:00 a.m. until 8:00 p.m. on that date and further that Advance Polls be held at the times, places and on the dates set out below:

DATE	TIME	LOCATION
_____	_____	Brandon
_____	_____	Peguis
_____	_____	Selkirk
_____	_____	Winnipeg

4. THAT Information Meetings be held for the purpose of providing an opportunity for the Council, the Peguis First Nation's legal counsel and any other persons as requested by the Council to explain the land entitlement of the Peguis First Nation under the Per Capita Provision (as defined in the Treaty Entitlement Agreement) and the provisions of the proposed Treaty Entitlement Agreement and the Trust Agreement to all Eligible Members in attendance, with a view to ensuring that they are fully informed prior to casting their votes on the Ballot Question in the Vote at the following dates, times and places:

DATE	TIME	LOCATION
_____	_____	Brandon
_____	_____	Peguis
_____	_____	Selkirk
_____	_____	Winnipeg

5. THAT, in the Council's opinion, it is anticipated that an interpreter will (not) be required at any Information Meetings (and if so, at those meetings indicated with an asterisk in paragraph 4 above), any Advance Polls (and, if so, at the Advance Polls indicated with an asterisk in paragraph 3) and at the Polls on the Voting Day for the purpose of providing translation services to Eligible Members.

PEGUIS FIRST NATION, by its Chief and Councillors

_____
Chief

_____
Councillor

_____
Councillor

_____
Councillor

_____
Councillor

A quorum for the Peguis First Nation consists of three Council members.

APPENDIX "C"

NOTICE OF VOTE

TO: THE MEMBERS OF THE PEGUIS FIRST NATION

NOTICE OF VOTE

TAKE NOTICE that a vote of the Eligible Members (as described here) of the Peguis First Nation will be held on _____ at Peguis Indian Reserve No. 1B between the hours of 9:00 a.m. and 8:00 p.m. for the purpose of determining if the Eligible Members authorize and direct:

(a) the Council of the Peguis First Nation to execute the Treaty Entitlement Agreement in which the unfulfilled land entitlement of Peguis First Nation under the "Per Capita Provision" of Treaty No. 1 (as defined in the Treaty Entitlement Agreement) will be addressed and a release and indemnity provided by Peguis First Nation to Canada on the terms set out in that Agreement; and

(b) the Council of the Peguis First Nation and the Initial Trustees to execute the Trust Agreement which sets out how certain monies to be paid by Canada under the Treaty Entitlement Agreement to the Peguis First Nation Trust for the benefit of the Peguis First Nation are to be used, managed and dealt with; and

(c) the Council of the Peguis First Nation and the Initial Trustees and their successors to execute all other necessary documents to give effect to the Treaty Entitlement Agreement and the Trust Agreement.

A copy of the Treaty Entitlement Agreement is attached to this Notice of Vote and marked "A". A copy of the Trust Agreement is attached to this Notice of Vote and marked "B".

Eligible members who live on the Peguis Reserve will have copies of these documents delivered to their homes or left for them at the Administration Offices. Eligible members who do not live on the Peguis Reserve will have copies of these documents sent to them by registered mail, provided the Council of Peguis First Nation has a current address for them.

DESPITE THIS, ELIGIBLE MEMBERS MAY MAKE REQUESTS FOR COPIES OF THESE DOCUMENTS TO THE COUNCIL OF THE PEGUIS FIRST NATION AT:

Peguis First Nation
Box 10
Peguis Reserve, Manitoba
R0C 3J0
(Fax) 204-645-2360

VOTING PROCEDURE

The Eligible Members will be asked to vote on the following question:

As an Eligible member of the Peguis First Nation do you authorize and direct:

(a) *the Council of the Peguis First Nation to execute the Treaty Entitlement Agreement in which the unfulfilled land entitlement of Peguis First Nation under the "Per Capita Provision" of Treaty No. 1 (as defined in the Treaty Entitlement Agreement) will be addressed and a release and indemnity provided by Peguis First Nation to Canada on the terms set out in that Agreement; and*

(b) *the Council of the Peguis First Nation and the Initial Trustees to execute the Trust Agreement which sets out how certain monies to be paid by Canada under the Treaty Entitlement Agreement to the Peguis First Nation Trust for the benefit of the Peguis First Nation are to be used, managed and dealt with; and*

(c) *the Council of the Peguis First Nation and the Initial Trustees and their successors to execute all other necessary documents to give effect to the Treaty Entitlement Agreement and the Trust Agreement?*

The Vote will be conducted in accordance with the Community Approval Process. The Community Approval Process forms Schedule "A" to the proposed Treaty Entitlement Agreement.

ELIGIBLE MEMBERS

All members of the Peguis First Nation who:

(a) appear on the Membership List maintained by Peguis First Nation;

(b) are 18 years of age or older; and

(c) have not been found mentally incompetent or otherwise unable to manage their own affairs by a court of competent jurisdiction

as of the Voting Day are eligible to vote as "Eligible Members".

Attached to this Notice of Vote and marked "C" is a List of Voters which has been prepared from information supplied by the Council of Peguis First Nation. The List of Voters should contain the names of all Eligible Members. In addition to the criteria set out above, the name of an Eligible Member must appear on the List of Voters for that Eligible Member to be entitled to vote.

An Eligible Member may, up to and including the Voting Day, apply to the Process Officer to have his or her name added to the List of Voters if it does not appear, provided that person can:

(a) produce adequate and current identification;

(b) provide adequate proof of age;

(c) provide evidence that he or she is on the Membership List maintained by Peguis First Nation or has submitted an application to have his or her name entered on the Membership List and the application has been approved; and

(d) if required by the Process Officer, obtain corroborating testimony from another Eligible Member who is willing to make oath in the form of a statutory declaration as to the identity of that person.

Any Eligible Member may apply to the Process Officer by no later than _____, 2006 to have the List of Voters revised if he or she believes that:

(a) the name of an Eligible Member has been omitted from the List of Voters in error; or

(b) the name of an Eligible Member is incorrectly set out or should not be included on the List of Voters.

MAIL IN BALLOTS AND ADVANCE POLLS

Eligible Members whose Ordinary Residence is off Peguis Indian Reserve 1B need not be in attendance at Peguis Indian Reserve No. 1B on _____ in order to cast their vote. These Eligible Members will be sent a Mail In Ballot package by registered mail to their last address known to the Council (or to a specified substitutional address, if their mailing address is not known) which will permit them to mail in their vote. Those Eligible Members who cannot be sent a package if their whereabouts are not known and, if no substitutional address is known, will have to vote in person.

In addition, Eligible Members whose Ordinary Residence is on the Peguis Indian Reserve 1B but who, due to a planned absence or for medical reasons, will not be available to Vote in person on _____, may cast their vote by mail provided they make a request to the Process Officer no later than _____, 2006.

Alternatively, any Eligible Member may vote at an Advance Poll if he or she so chooses. Advance Polls will be open at the following locations and on the dates and at the times indicated:

DATE	TIME	LOCATION
_____	_____	Brandon
_____	_____	Peguis
_____	_____	Selkirk
_____	_____	Winnipeg

INFORMATION MEETINGS

Information Meetings for purposes of providing an opportunity for the Peguis First Nation Council, the First Nation's legal counsel and any other persons as requested by the Council to explain the land entitlement of the Peguis First Nation under Treaty No. 1 and the provisions of the Treaty Entitlement Agreement and the Trust Agreement to all Eligible Members in attendance, with a view to ensuring that they are fully informed prior to casting their votes on the Ballot Question in the Vote will be held at the following dates, times, and places:

DATE	TIME	LOCATION
_____	_____	Brandon
_____	_____	Peguis
_____	_____	Selkirk
_____	_____	Winnipeg

QUESTIONS

Any questions concerning the Treaty Entitlement Agreement or the Trust Agreement should be directed to the Council of the Peguis First Nation.

Any questions concerning the manner in which the vote is to be conducted, including requests for revisions to the List of Voters and requests for Mail In Ballots, should be directed to the Process Officer.

PROCESS OFFICER

The Process Officer is _____ and may be reached by calling (204) 983-____ (collect calls will be accepted).

ATTACHMENTS

The following are attached to this Notice of Vote marked as indicated:

A. Treaty Entitlement Agreement

B. Trust Agreement

C. List of Voters

IN THE EVENT OF ANY DISCREPANCIES BETWEEN THE INFORMATION CONTAINED IN THIS NOTICE OF VOTE AND THE COMMUNITY APPROVAL PROCESS, THE COMMUNITY APPROVAL PROCESS SHALL GOVERN.

SIGNED at _____ this day of , 2006

_____
Process Officer

APPENDIX "D"

DECLARATION OF PROCESS OFFICER

C A N A D A)
PROVINCE OF MANITOBA)
TO WIT:)

I, _____, (Assistant) Process Officer, of _____ , in the Province of Manitoba, DO SOLEMNLY DECLARE:

1. THAT I was personally present at _____ on _____ when the Eligible Members of the Peguis First Nation voted in a Vote concerning a proposed Treaty Entitlement Agreement and a proposed Trust Agreement.

2. THAT immediately before the opening of the poll on that date, I opened the Ballot box to be used in connection with the Vote.

3. THAT the Ballot box was seen by me to be empty and I called upon persons who were present to witness that the Ballot box was empty.

4. THAT I then locked and properly sealed the Ballot box and placed it in view for the reception of Ballot papers.

AND I make this solemn declaration conscientiously and believing it to be true and knowing it is of the same force and effect as if made under oath and by virtue of the *Canada Evidence Act*.

DECLARED before me at the)
_____ of _____)
in the Province of Manitoba this) _____
_____ day of _____, 2006)

My Commission expires:

APPENDIX "E"

DECLARATION OF WITNESS

C A N A D A)
PROVINCE OF MANITOBA)
TO WIT:)

I,_____, DO SOLEMNLY DECLARE:

1. THAT I was personally present at _____ on _____ and did witness, before the opening of the poll on such date, the opening of the Ballot box to be used in connection with the Vote by the (Assistant) Process Officer.

2. THAT the Ballot box was seen by me to be empty and the (Assistant) Process Officer called on me to verify that such was the case.

AND I make this solemn declaration conscientiously and believing it to be true and knowing it is of the same force and effect as if made under oath and by virtue of the *Canada Evidence Act*.

DECLARED before me at the _____)
_____ of _____)
in the Province of Manitoba this _____)
_____ day of _____, 2006)

_____

My Commission expires:

APPENDIX "F"

STATEMENT OF VOTE RESULTS

We, the undersigned, severally state that the Eligible Members of the Peguis First Nation voted in a Vote concerning a proposed Treaty Entitlement Agreement and a proposed Trust Agreement on _____ in accordance with the Community Approval Process and the results of this Vote were as follows:

(a) the names of _____ Voters appeared on the List of Voters prepared by the (Assistant) Process Officer in accordance with Paragraph 3.02(a) and Article 6 of the Community Approval Process, and the number of Voters who were entitled to cast a vote on the Vote was therefore _____;

(b) _____ Ballots were cast in the Vote in accordance with the Community Approval Process (including Spoiled Ballots);

(c) _____ Voters voted "YES" in accordance with Section 11.06 of the Community Approval Process;

(d) _____ Voters voted "NO" in accordance with Section 11.06 of the Community Approval Process; and

(e) _____ Ballots were rejected as Spoiled Ballots as defined in Paragraph 1.01(u) of the Community Approval Process, in accordance with Paragraph 16.01(b) of the Community Approval Process.

We declare therefore that:

(a) a majority (over 50%) of all of the Voters did (not) vote in the Vote and

(b) a majority (over 50%) of those Voters who did vote "YES" or "NO" in accordance with Section 11.06 of the Community Approval Process did (not) vote "YES" thereby (approving)(failing to approve) and (not) authorizing the execution of the proposed Treaty Entitlement Agreement and the proposed Trust Agreement.

SIGNED at _____, in the Province of Manitoba this ___ day of _____, 2006.

_____
Process Officer

_____
(Chief)(Councillor) of the
Peguis First Nation

_____
(Chief)(Councillor) of the Peguis First Nation

APPENDIX "G"

CERTIFICATION OF VOTE BY PROCESS OFFICER

C A N A D A)
PROVINCE OF MANITOBA)
TO WIT:)

I, _____, Process Officer, of _____, in the Province of Manitoba, DO SOLEMNLY DECLARE:

1. THAT I was present at _____ on _____, when Eligible Members of the Peguis First Nation voted in a Vote concerning a proposed Treaty Entitlement Agreement and a proposed Trust Agreement in accordance with the Community Approval Process.

2. THAT a true copy of the Notice of Vote to the Eligible Members of the Peguis First Nation to ratify and approve the proposed Treaty Entitlement Agreement and proposed Trust Agreement is attached as Exhibit "1" to this my Declaration.

3. THAT I did cause the said Notice of Vote to be posted in accordance with Paragraph 4.01(a) of the Community Approval Process at least 68 days prior to the Voting Day.

4. THAT (I did attend)(I or an assistant appointed by me attended) every Information Meeting set out in the Notice of Vote in accordance with Sections 5.03 and 5.05 of the Community Approval Process.

5. THAT the voting procedure was conducted in accordance with the Community Approval Process.

6. THAT the proposed Treaty Entitlement Agreement and proposed Trust Agreement was (not) approved by the Vote, the results of which are set out in a true copy of the Statement of Vote Results attached as Exhibit "2" to this my Declaration.

AND I make this solemn declaration conscientiously and believing it to be true and knowing it is of the same force and effect as if made under oath and by virtue of the *Canada Evidence Act.*

DECLARED before me at the _____ of _____)
in the Province of Manitoba this _____ day of _____, 2006)

_____
Process Officer

My Commission expires:

APPENDIX "H"

CERTIFICATION OF VOTE BY MEMBER OF COUNCIL

C A N A D A)
PROVINCE OF MANITOBA)
TO WIT:)

I, _____, member of the Council of the Peguis First Nation, in the Province of Manitoba, DO SOLEMNLY DECLARE:

1. THAT I was present at _____ on _____ when Eligible Members of the Peguis First Nation voted in the Vote concerning a proposed Treaty Entitlement Agreement and a proposed Trust Agreement in accordance with the Community Approval Process.

2. THAT a true copy of the Notice of Vote to the Eligible Members to approve and ratify the proposed Treaty Entitlement Agreement and a proposed Trust Agreement is attached as Exhibit "1" to this my Declaration.

3. THAT the Process Officer did cause to be posted a Notice of Vote in accordance with Paragraph 4.01(a) of the Community Approval Process at least 68 days prior to the Voting Day.

4. THAT the Council delivered a copy of the Notice of Vote, including all attachments, to each Eligible Member whose Ordinary Residence was on the Reserve in accordance with Sections 4.05 and 4.06.

5. THAT at least two members of the Council did attend every Information Meeting set out in the Notice of Vote in accordance with Section 5.03 of the Community Approval Process.

6. THAT the proposed Treaty Entitlement Agreement and proposed Trust Agreement was (not) approved by the Vote, the results of which are set out in a true copy of the Statement of Vote Results attached as Exhibit "2" to this my Declaration.

AND I make this solemn declaration conscientiously and believing it to be true and knowing it is of the same force and effect as if made under oath and by virtue of the *Canada Evidence Act*.

DECLARED before me at the _____ of _____ in the Province of Manitoba this _____ day of _____, 2006

_____
Member of the Council of the Peguis First Nation

My Commission expires:

APPENDIX "I"

APPOINTMENT OF ASSISTANT

I, _____, Process Officer, appoint _____ to act as an Assistant for the purpose of carrying out such duties and assignments under the Community Approval Process as delegated by me.

Date:_____, 2006

_____
Process Officer

I, _____, hereby agree to act as an Assistant to carry out such duties and assignments under the Community Approval Process as delegated by the Process Officer to me and I do hereby solemnly undertake to carry out such tasks to the best of my ability and in accordance with the Community Approval Process.

Date:_____, 2006

_____
Assistant Process Officer

APPENDIX "J"

APPOINTMENT OF INTERPRETER

I, _____, Process Officer, appoint _____ to act as an interpreter for the purpose of providing translation services to such Eligible Members at any information meeting or to assist such Voters who require translation services to cast their Votes at the Polls.

Date:_____, 2006

_____
Process Officer

I, _____, hereby agree to act as an interpreter for the purpose of providing translation services to such Eligible Members at any information meeting or to assist such Voters who require translation services to cast their Votes at the Polls and I do hereby solemnly undertake to carry out such task accurately, honestly and to the best of my ability.

Date:_____, 2006

_____

APPENDIX "K"

VOTER DECLARATION

I, _____,
(Name of Voter – please print)

DO SOLEMNLY DECLARE THAT:

1. I am a member of the Peguis First Nation, and am or will be 18 years of age or older on the Voting Day.

2. I have read and understood the Mail In Ballot Package regarding the proposed Treaty Entitlement Agreement and proposed Trust Agreement and I am voting freely, without the compulsion or undue influence of anyone.

3. I understand that I may only vote once, and that if I vote in person that this Ballot will not be counted.

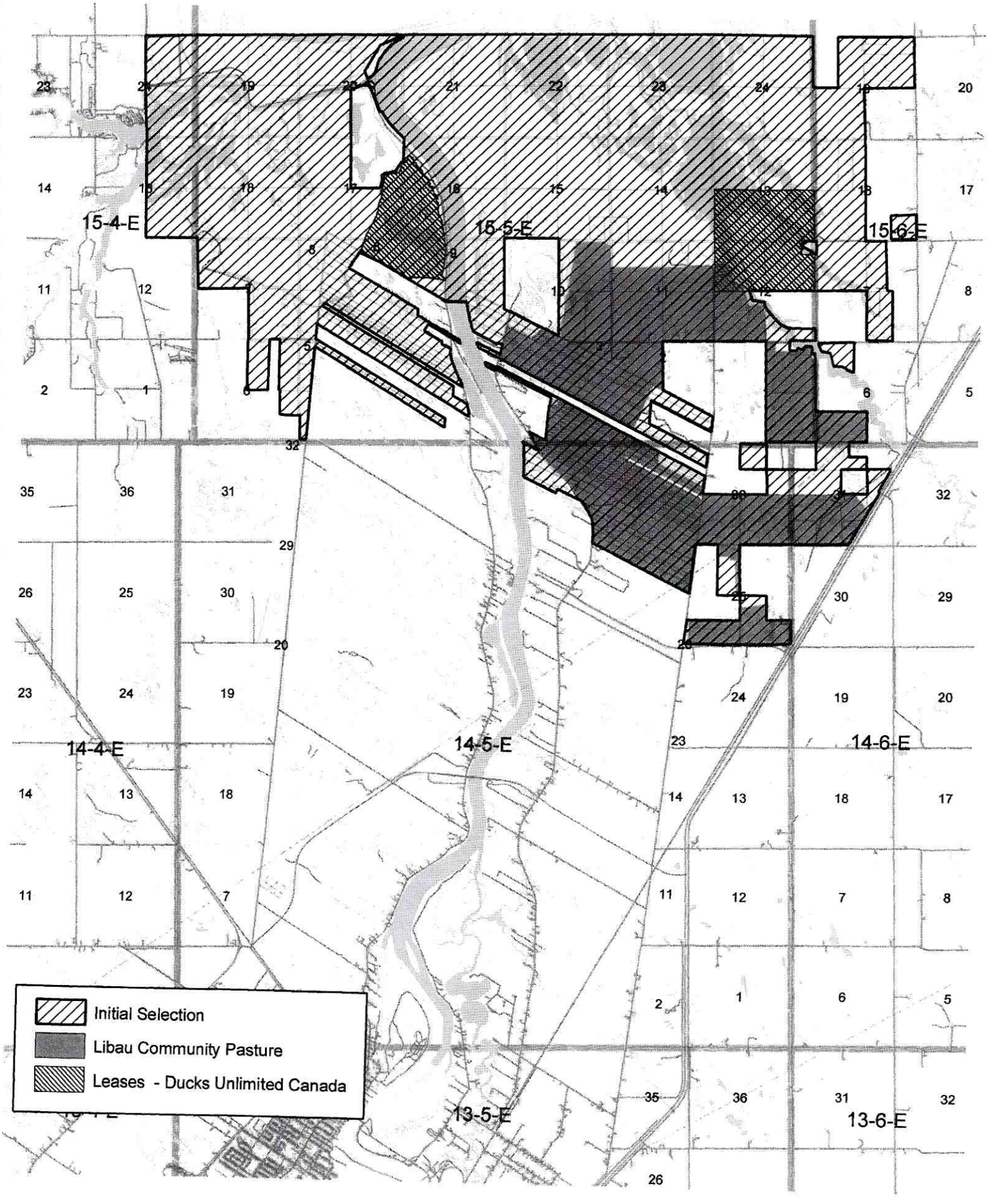
DATE: _____, 2006 _____
(print date) Signature of Voter

IMPORTANT NOTE TO VOTER

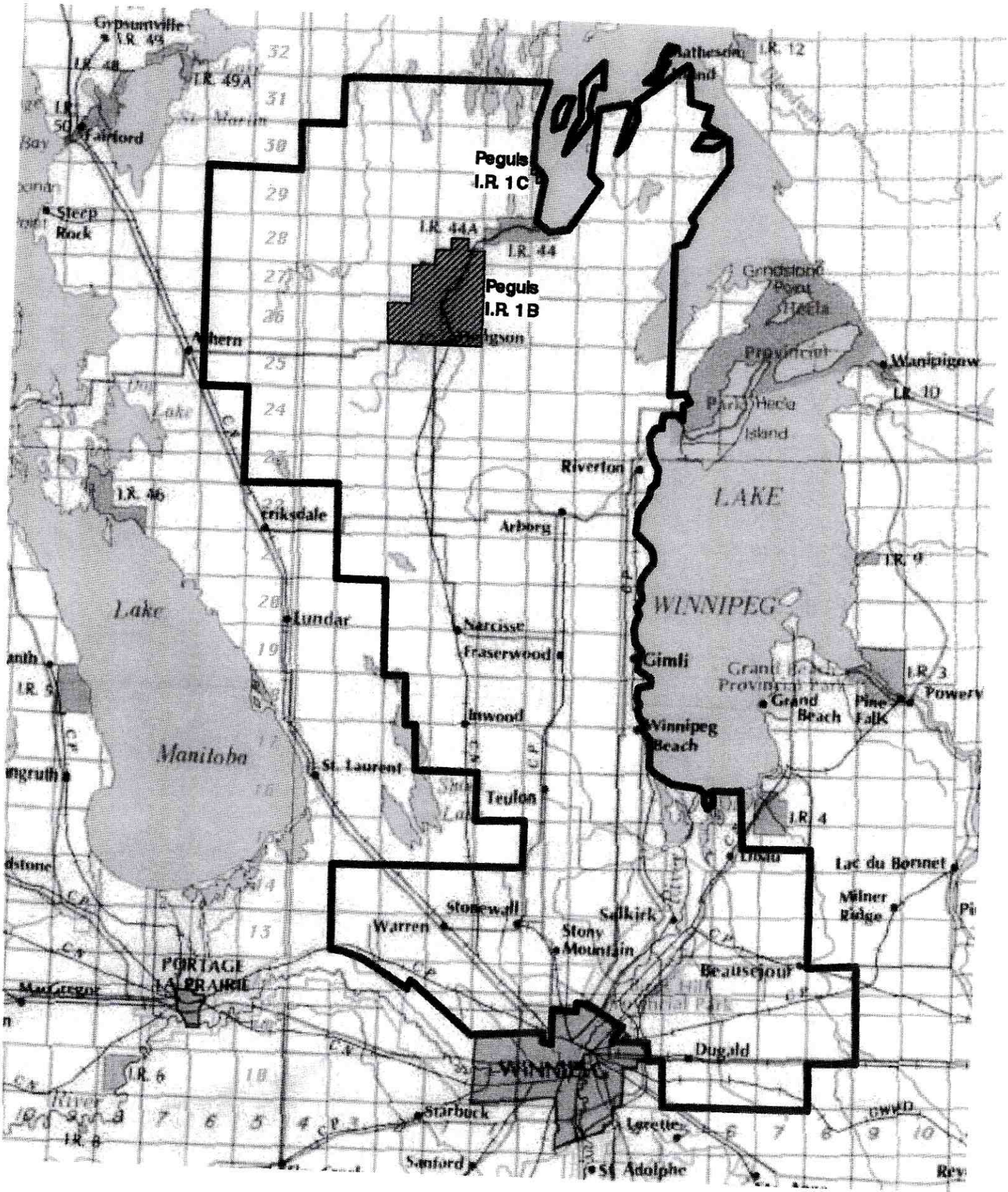
FOR YOUR VOTE TO COUNT:

- **YOU MUST PRINT YOUR NAME AT THE TOP OF THIS FORM**
- **YOU MUST SIGN AT THE BOTTOM OF THIS FORM**

Schedule "B"
Map of Initial Selection

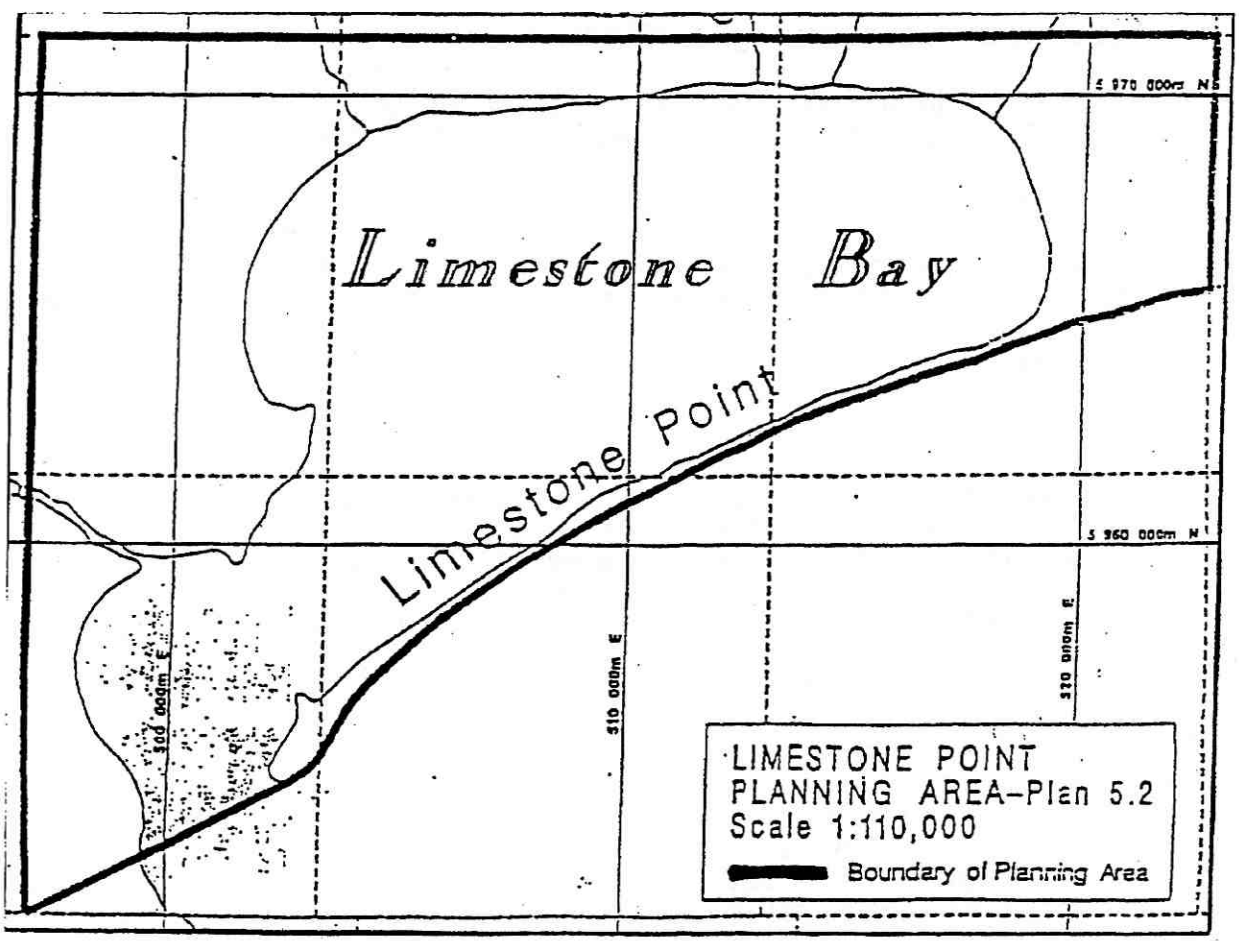


Schedule "C"
Map of Notice Area



SCHEDULE "D"

MAP OF "LIMESTONE POINT PLANNING AREA"



SCHEDULE "E"

PRACTICE OF THE MANITOBA REGIONAL OFFICE OF THE DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT RELATING TO THE APPLICATION OF THE ADDITIONS TO RESERVES POLICY IN URBAN AREAS

1. Practice of the Manitoba Region of DIAND

1.01 The Additions to Reserves Policy of the Department of Indian Affairs and Northern Development is found at Chapter 9 of its "Land Management Manual".

1.02 This Schedule sets out the practice of the Manitoba Regional Office of the Department of Indian Affairs and Northern Development in applying the Additions to Reserves Policy with respect to land Peguis First Nation proposes be set apart by Canada as Reserve where that land is located in an Urban Area.

2. Definitions

2.01 In this Schedule:

(a) **"Acquire"** means to purchase or otherwise obtain title to Other Land which Peguis First Nation wishes to be set apart as Reserve in accordance with the Treaty Entitlement Agreement;

(b) **"Canada"** means Her Majesty the Queen in right of Canada;

(c) **"Crown Land"** means land which is owned by, or is under the administration and control of, Manitoba and is within the Province of Manitoba, but does not include:

(i) land that at the date on which the Treaty Entitlement Agreement was executed is administered by Manitoba on behalf of a "local government district" as defined in *The Local Government Districts Act* under a "Memorandum of Understanding" between the Minister of Municipal Affairs and the Minister of Mines and Natural Resources of Manitoba dated May 11, 1964; or

(ii) land with or without improvements of value which is owned by, or is under the administration and control of, Manitoba which has been used or occupied, is no longer required and is declared surplus by Manitoba;

(d) **"Department"** means the Manitoba Regional Office of the Department of Indian Affairs and Northern Development;

(e) **"Manitoba"** means Her Majesty the Queen in right of Manitoba;

(f) **"Minister"** means the Minister of Indian Affairs and Northern Development or the Governor-in-Council;

(g) **"Municipal Development and Services Agreement"** means an agreement between Peguis First Nation and a Municipality, concluded in anticipation of a parcel of land located in the Municipality being set apart as Reserve and which may provide for, among other matters:

(i) the use of infrastructure (including sewer and water facilities, roads, sidewalks and waste disposal sites) located on the land after the land is set apart as Reserve;

(ii) the continuation or extension of services, (including sewer and water, garbage collection, snow removal, fire protection, policing, public utilities, infrastructure maintenance and other similar municipal services) to that land after the land is set apart as Reserve;

(iii) the rates of payment or the means of determining rates of payment for the actual and direct costs incurred by the Municipality in permitting Peguis First Nation to use its infrastructure or in providing services to that land and the timing and enforcement of payment for the use of that infrastructure and the provision of those services;

(iv) any need for joint planning and development between Peguis First Nation and the Municipality;

(v) the maintenance of reasonably compatible use of that land and of adjoining land in the Municipality by the enactment of bylaws for zoning and development; and

(vi) the resolution of disputes between Peguis First Nation and the Municipality;

(h) **"Municipal and School Taxes"** means all taxes levied in respect of land and improvements by a Municipality or a "school division" or "school district" as defined in *The Public Schools Act*, including taxes, charges or levies against occupants of the land and grants-in-lieu of taxes paid by either Canada or Manitoba;

(i) **"Municipality"** means a "municipality" as defined in *The Municipal Act* or "local government district" as defined in *The Local Government Districts Act* in which land Selected or Acquired by Peguis First Nation is located;

(j) **"Other Land"** means land that is not Crown Land;

(k) **"Peguis First Nation"** means the Peguis Band, a "band" of Indians, as defined in the *Indian Act*;

(l) **"Reserve"** means land which is set apart by the Minister for the use and benefit of Peguis First Nation as a "reserve" as defined in the *Indian Act*;

m) **"Select"** means to identify Crown Land that Peguis First Nation wishes to be set apart as Reserve in accordance with the Treaty Entitlement Agreement; and

(n) "**Treaty Entitlement Agreement"** means the agreement entered into among the Peguis First Nation, Canada and Manitoba dated _____;

(o) **"Urban Area"** means land within the boundaries of a "city", "town" or "village" as defined in *The Municipal Act.*

2.02 In this Schedule:

(a) words or phrases which are defined under Section 2.01 have been identified in the text by the capitalization of the first letter of the words or the first letter of each word in phrases;

(b) the definition of words or phrases which are defined under Section 2.01 in one tense shall apply to all tenses as the context so requires;

(c) the singular includes the plural and vice versa; and

(d) headings used in this Schedule are for ease of reference only and do not form part of this Schedule.

2.03 The following acts are referred to in this Schedule, and when described by the title set out in this Section shall be interpreted to include the act as cited in this Section:

(a) acts of the Parliament of Canada:

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

(b) acts of the Legislature of Manitoba:

The Local Government Districts Act, CCSM, c. L190;

The Municipal Act, CCSM, c. M225; and

The Public Schools Act, CCSM, c. P250.

2.04 All references to an act referred to in Section 2.03 shall include all regulations made in accordance with that act and any amendment, re-enactment or replacement from time to time of that act.

3. Obligations of Peguis First Nation

3.01 Where Peguis First Nation Selects or Acquires land in an Urban Area in accordance with the Treaty Entitlement Agreement, Peguis First Nation shall:

(a) give the Department, Manitoba and the Municipality notice in writing of the intention of Peguis First Nation to request that the Minister set the land apart as Reserve;

(b) provide the Municipality with a copy of this Schedule;

(c) request that the Municipality, immediately following the giving of the notice referred to in Paragraph (a), enter into negotiations with Peguis First Nation with the objective of concluding a Municipal Development and Services Agreement, and:

(i) where Peguis First Nation and the Municipality thereafter enter into negotiations and reach agreement, Peguis First Nation shall enter into a Municipal Development and Services Agreement with the Municipality; or

(ii) where the Municipality refuses to enter into a Municipal Development and Services Agreement, Peguis First Nation shall give the Municipality notice in writing that:

A. the Municipality must provide Peguis First Nation, the Department and Manitoba with written reasons for refusing to enter into a Municipal Development and Services Agreement; and

B. in the event the Municipality fails to provide the reasons referred to in Clause A within 60 days of the notice, the Minister may set the land apart as Reserve without further notice to the Municipality.

4. Effect of Response by Municipality

4.01 Where Peguis First Nation has Selected or Acquired land in an Urban Area and Peguis First Nation and the Municipality enter into a Municipal Development and Service Agreement, the Department shall:

(a) determine whether the land satisfies the Additions to Reserves Policy; and

(b) thereafter, proceed in accordance with the provisions of the Treaty Entitlement Agreement.

4.02 Where Peguis First Nation has Selected or Acquired land in an Urban Area and has satisfied its obligations under Section 3.01 of this Schedule, but the Municipality refuses to enter into a Municipal Development and Services Agreement and:

(a) the Municipality fails to provide written reasons for refusing to enter into a Municipal Development and Services Agreement within 60 days of receiving the notice referred to in Clause 3.01(c)(ii)A:

(i) the Department may confirm that the land satisfies the requirements of the Additions to Reserves Policy; and

(ii) the Minister may, subject to the provisions of the Treaty Entitlement Agreement, set the land apart as Reserve; or

(b) the Municipality provides written reasons for refusing to enter into a Municipal Development and Services Agreement and where, following a meeting between Peguis First Nation, the Department, Manitoba and the Municipality:

(i) it is the opinion of the Department that the reasons of the Municipality for refusing to enter into a Municipal Development and Services Agreement are unreasonable or unfounded, the Department shall give notice in writing to the Municipality that:

A. in the Department's opinion the reasons of the Municipality for refusing to enter into a Municipal Development and Services Agreement are unreasonable or unfounded;

B. the Department will be confirming that the land satisfies the requirements of the Additions to Reserves Policy; and

C. the Department will be recommending to the Minister that the land be set apart as Reserve

provided that where, upon the Municipality receiving that notice, the Municipality agrees to enter into a Municipal Development and Services Agreement with Peguis First Nation, the Department shall not proceed in accordance with Clauses B or C and the Minister shall not proceed to set the land apart as Reserve until:

D. a Municipal Development and Services Agreement has been entered into between the Municipality and Peguis First Nation; or

E. the expiration of 90 days from the date the Department gave the Municipality the notice

whichever date occurs first; or

(ii) it is the opinion of the Department that the reasons for the Municipality refusing to enter into a Municipal Development and Services Agreement are reasonable:

A. the Department shall give notice in writing to Peguis First Nation that in the Department's opinion, the reasons for the

Municipality refusing to enter into a Municipal Development and Services Agreement are reasonable;

B. Peguis First Nation shall attempt to address the reasons the Municipality is refusing to enter into a Municipal Development and Services Agreement; and

C. subject to Subparagraph (iii), the Department shall not confirm that the land satisfies the requirements of the Additions to Reserves Policy and the Minister shall not set the land apart as Reserve until the reasons the Municipality is refusing to enter into a Municipal Development and Services Agreement have been addressed in a manner satisfactory to the Municipality and a Municipal Development and Services Agreement has been entered into between Peguis First Nation and the Municipality; or

(iii) it is the opinion of the Department that the reasons for the Municipality refusing to enter into a Municipal Development and Services Agreement are reasonable and Peguis First Nation has attempted to address those reasons with the Municipality in a manner which in the Department's opinion is reasonable but the Municipality thereafter refuses to enter into a Municipal Development and Services Agreement, the Department shall give notice in writing to the Municipality that:

A. in the Department's opinion, Peguis First Nation has made a reasonable attempt to address the refusal of the Municipality to enter into a Municipal Development and Services Agreement;

B. the Department will be confirming that the land satisfies the requirements of the Additions to Reserves Policy; and

C. the Department will be recommending to the Minister that the land be set apart as Reserve

provided that where, upon the Municipality receiving that notice, the Municipality agrees to enter into a Municipal Development and Services Agreement with Peguis First Nation, the Department shall not proceed as set out in Clauses B or C and the Minister shall not proceed to set the land apart as Reserve until:

D. a Municipal Development and Services Agreement has been entered into between the Municipality and Peguis First Nation; or

E. the expiration of 90 days from the date the Department gave the Municipality the notice

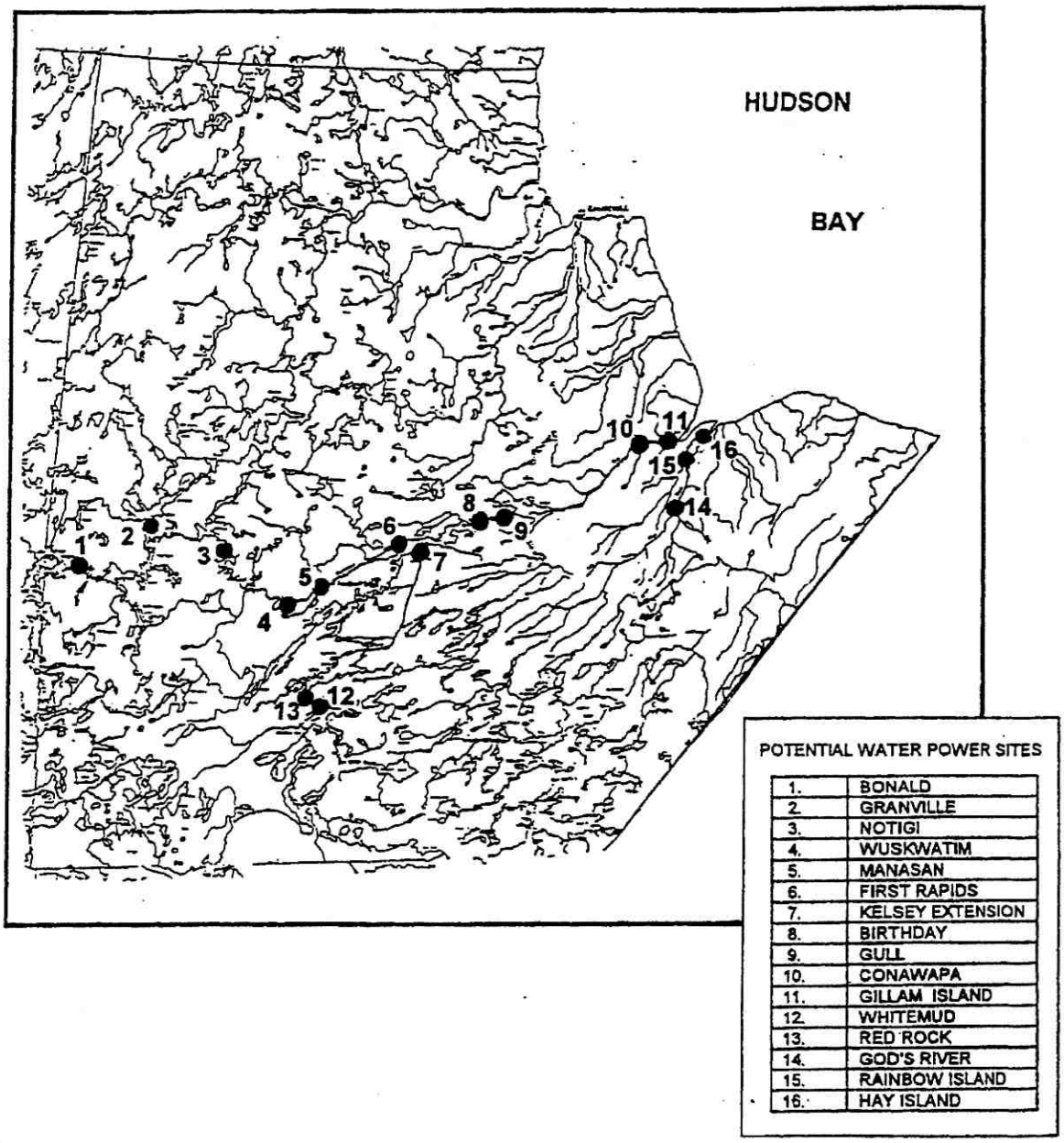
whichever date occurs first.

5. Assertions of Loss of Municipal and School Taxes

5.01 An assertion by a Municipality that the setting apart of land Selected or Acquired by Peguis First Nation as Reserve will result in a loss of Municipal and School Taxes shall be deemed not to be a reasonable reason for a Municipality to refuse to enter into a Municipal Development and Services Agreement.

SCHEDULE "F"

SITES WITH HYDRO-ELECTRIC DEVELOPMENT POTENTIAL ON DEVELOPED WATERWAYS AND HAYES RIVER



POTENTIAL WATER POWER SITES

1.	BONALD
2.	GRANVILLE
3.	NOTIGI
4.	WUSKWATIM
5.	MANASAN
6.	FIRST RAPIDS
7.	KELSEY EXTENSION
8.	BIRTHDAY
9.	GULL
10.	CONAWAPA
11.	GILLAM ISLAND
12.	WHITEMUD
13.	RED ROCK
14.	GOD'S RIVER
15.	RAINBOW ISLAND
16.	HAY ISLAND

SCHEDULE "G"

CERTIFICATE OF INDEPENDENT LEGAL ADVICE

IN THE MATTER OF:

An agreement among the Peguis First Nation (referred to as "Peguis"), Her Majesty the Queen in right of Canada (referred to as "Canada") and Her Majesty the Queen in right of Manitoba (referred to as "Manitoba") pursuant to which the unfulfilled land entitlement of Peguis under the "Per Capita Provision" (as therein defined) is to be addressed and a release and indemnity on the terms therein set out provided to Canada (referred to as the "Treaty Entitlement Agreement");

AND IN THE MATTER OF:

A further agreement relating thereto, being an agreement between Peguis and certain persons named as trustees pursuant to which terms for the administration and management of certain payments by Canada to Peguis as provided for in the Treaty Entitlement Agreement are set out (referred to as the "Trust Agreement").

I, JAMES ROGER McLEOD, being entitled to practice law in the Province of Manitoba, being legal counsel to Peguis, duly appointed, DO HEREBY CERTIFY THAT:

1. I am entitled to practice law in the Province of Manitoba and have been retained to advise Peguis with regard to all matters relating to and arising out of the matter of the unfulfilled land entitlement of Peguis under the "Per Capita Provision" (as that term is defined in the Treaty Entitlement Agreement).

2. I have explained the legal nature and effect of the Treaty Entitlement Agreement and the implementation of the agreement including, without limitation:

   (a) the entitlement of Peguis to land pursuant to the "Per Capita Provision" (as that term is defined in the Treaty Entitlement Agreement);

   (b) the manner in which the entitlement referred to in Paragraph (a) and other potential or related claims of Peguis against Canada in that regard are dealt with under the provisions of the Treaty Entitlement Agreement;

   (c) the treatment and placement of the "Federal Payment", the "Land Acquisition Payment", the "Third Party Interest Payment" and the

"Implementation Payment" (each as defined in the Treaty Entitlement Agreement) into the Trust Account established pursuant to the Trust Agreement, rather than into the Consolidated Revenue Fund of Canada; and

(d) the release and indemnification required by Canada from Peguis in consideration of the terms of the Treaty Entitlement Agreement (as each are set out in the Treaty Entitlement Agreement)

to the Council of Peguis and to the Members of Peguis present at the Information Meetings listed below (held in accordance with the Community Approval Process which forms Schedule "A" to the Treaty Entitlement Agreement):

DATE	**LOCATION**
_____	_____
_____	_____
_____	_____
_____	_____

This, my Certificate, is effective as of the Date of Execution as defined in the Treaty Entitlement Agreement.

SIGNED at the _____ of _____, in the Province of Manitoba, this _____ day of _____, 2006

_____ _____

Witness **James Roger McLeod**

CERTIFICATE OF INDEPENDENT LEGAL ADVICE

IN THE MATTER OF:

An agreement (referred to as the "Trust Agreement") between Peguis First Nation (referred to as "Peguis") and certain persons named as trustees (referred to as "the Initial Trustees") pursuant to which terms for the administration and management of certain payments by Her Majesty the Queen in right of Canada (referred to as "Canada") to Peguis, as provided for in an agreement between Peguis, Canada and Her Majesty the Queen in right of Manitoba are set out (which agreement is referred to as "the Treaty Entitlement Agreement").

I, Brian Sexton, of the law firm of Taylor McCaffrey LLP, being entitled to practice law in the Province of Manitoba, being legal counsel to Peguis, duly appointed, DO HEREBY CERTIFY THAT:

1. I am entitled to practice law in the Province of Manitoba and have been retained to advise Peguis with regard to all legal matters relating to and arising out of the Trust Agreement.

2. I have explained the legal nature and effect of the Trust Agreement to the Council of Peguis, and to the Members of Peguis present at the Information Meetings listed below (held in accordance with the Community Approval Process which forms Schedule "A" to the Treaty Entitlement Agreement):

DATE	**LOCATION**
_____	_____
_____	_____
_____	_____
_____	_____

3. In explaining the legal nature and effect of the Trust Agreement, I have explained:

   (a) the rights, duties, responsibilities and liabilities of the Initial Trustees appointed in accordance with the Trust Agreement, including, without limitation, their responsibilities for the investment, management and distribution of certain payments by Canada to Peguis, as provided for in the Treaty Entitlement Agreement; and

   (b) the implications under the *Income Tax Act* of administering and managing, through the Trust established in accordance with the Trust Agreement, certain payments to be made by Canada to Peguis in accordance with the Treaty Entitlement Agreement, including the implications of an advance ruling on these matters obtained by Peguis from the Canada Customs and Revenue Agency.

4. To the best of my knowledge and belief, the Trust Agreement complies with the requirements of Sections 17.01 to 17.04 inclusive and Subsection 17.05(5) of the Treaty Entitlement Agreement.

This, my Certificate, is effective as of the Date of Execution as defined in the Treaty Entitlement Agreement.

SIGNED at the _____ of _____, in the Province of Manitoba, this _____ day of _____, 2006

_____ _____

Witness **Brian Sexton**

SCHEDULE "H"

CERTIFICATE OF INDEPENDENT LEGAL ADVICE FOR INITIAL TRUSTEES

IN THE MATTER OF:

An agreement (referred to as the "Trust Agreement") between Peguis First Nation (referred to as "Peguis") and certain persons named as trustees (referred to as "the Initial Trustees") pursuant to which terms for the administration and management of certain payments by Her Majesty the Queen in right of Canada (referred to as "Canada") to Peguis, as provided for in an agreement between Peguis, Canada and Her Majesty the Queen in right of Manitoba are set out (which agreement is referred to as the "Treaty Entitlement Agreement").

I, BRIAN SEXTON of the law firm Taylor McCaffrey LLP, being entitled to practice law in the Province of Manitoba, being legal counsel to the Initial Trustees, duly appointed, DO HEREBY CERTIFY THAT:

1. I am entitled to practice law in the Province of Manitoba and have been retained to advise the Initial Trustees with regard to all legal matters relating to and arising out of the matter of the Trust Agreement.

2. In explaining the legal nature and effect of the Trust Agreement, I have explained:

   (a) the rights, duties, responsibilities and liabilities of the Initial Trustees appointed in accordance with the Trust Agreement, including, without limitation, their responsibilities for the investment, management and distribution of certain payments by Canada to Peguis, as provided for in the Treaty Entitlement Agreement; and

   (b) the implications under the *Income Tax Act* of administering and managing, through the Trust established in accordance with the Trust Agreement, certain payments to be made by Canada to Peguis in accordance with the Treaty Entitlement Agreement, including the implications of an advance ruling on these matters obtained by Peguis from the Canada Customs and Revenue Agency.

This, my Certificate, is effective as of the Date of Execution as defined in the Trust Agreement.

SIGNED at the _____ of _____, in the Province of Manitoba, this _____ day of _____, 2006

Witness:

_____ _____

Brian Sexton

SCHEDULE "I"

CERTIFICATE OF INDEPENDENT FINANCIAL ADVICE

IN THE MATTER OF:

An agreement (referred to as the "Trust Agreement") between Peguis First Nation (referred to as "Peguis") and certain persons named as trustees (referred to as "the Initial Trustees") pursuant to which terms for the administration and management of certain payments by Canada to Peguis as provided for in an agreement between Peguis, Canada and Her Majesty the Queen in right of Manitoba are set out (referred to as the Treaty Entitlement Agreement.

I, _____, being a financial advisor licensed to provide investment counselling services in the Province of Manitoba, duly appointed, DO HEREBY CERTIFY THAT:

1. I am entitled to practice as a _____ in the Province of Manitoba and was retained to advise the Initial Trustees with regard to the investment and management of certain payments by Canada to Peguis, as provided for in the Treaty Entitlement Agreement.

2. I have fully discharged my retainer to the best of my ability.

This, my Certificate, is effective as of the Date of Execution as defined in the Trust Agreement.

SIGNED at the _____ of _____, in Manitoba, this _____ day of _____, 2006

_____ _____

Witness