IN ACCORDANCE WITH THE MANITOBA ENVIRONMENT ACT (C.C.S.M. c. E125) THIS LICENCE IS ISSUED PURSUANT TO SECTION 11(1) TO:

MANITOBA DEPARTMENT OF CONSERVATION AS REPRESENTED BY THE WATER RESOURCES BRANCH: "the Licencsee"

for the construction and operation of the Development being a flood protection system consisting of a ring dyke and a floodway diversion of the Morris River and related works located in and near Rosenort in the Rural Municipality of Morris, in accordance with the Proposal filed under The Environment Act and dated September 4, 1998, and subject to the following specifications, limits, terms and conditions:

GENERAL TERMS AND CONDITIONS

This Section of the Licence contains requirements intended to provide guidance to the Licencsee in implementing practices to ensure that the environment is maintained in such a manner as to sustain a high quality of life, including social and economic development, recreation and leisure for present and future Manitobans.

1. The Licencsee shall ensure that all used oil products and other regulated hazardous wastes generated by the machinery used in the construction and operation of the Development are collected and disposed of in accordance with applicable Manitoba Conservation and legislation requirements.

2. The Licencsee shall ensure, during and after construction of the Development, that all necessary measures are taken to prevent the erosion of fill and its deposition in natural or constructed waterways near the Development.

3. The Licencsee shall revegetate areas disturbed by the construction of the Development with a mixture of native or introduced grasses or legumes. Native vegetation shall be used to revegetate areas where native vegetation existed prior to the construction of the Development. Disturbed areas shall be revegetated as quickly as possible following construction to prevent soil erosion and the establishment of noxious weeds.

4. The Licencsee shall rehabilitate and revegetate all borrow areas associated with the Development which are not incorporated in related drainage works. These isolated borrow areas shall be graded and shaped so as not to present a safety hazard or nuisance to adjacent property owners or other members of the public.
5. The Licencee shall, prior to construction of the Development, obtain all necessary permits from Manitoba Highways and Transportation and the Highway Traffic Board.

**SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS**

6. The Licencee shall ensure that fuel storage and equipment serving areas established for the construction and operation of the Development are located a minimum distance of 100 metres from any waterbody, and shall comply with the requirements of *Manitoba Regulation 97/88R* respecting *Storage and Handling of Gasoline and Associated Products*. During construction and operation of the Development, the Licencee shall take all precautions necessary to prevent fuel from entering any waterbody. Fuel spills in excess of 100 litres shall be immediately reported to an Environment Officer.

7. The Licencee shall, not less than one week prior to the commencement of construction of the Development, notify the South-Central Region of Manitoba Conservation of the expected starting date of construction, and the name of the contractor.

8. The Licencee shall, upon completion of final construction plans for the Development, notify the Historic Resources Branch of the location of all components of the Development, including the location of intended borrow areas associated with the Development.

9. The Licencee shall construct the Development in accordance with the May, 1996 publication "Manitoba Stream Crossing Guidelines for the Protection of Fish and Fish Habitat", published by the Department of Fisheries and Oceans and Manitoba Natural Resources.

10. The Licencee shall construct the floodway diversion channel component of the Development in accordance with drawings 99-311-03 01, 02 and 03, prepared for the Licencee by the KGS Group and dated May 26, 1999, August 24, 1999 and August 24, 1999 respectively. Any revised versions of these drawings shall be provided to the Director for approval prior to construction. Revised drawings shall contain notes detailing the revisions and their reasons.

11. The Licencee shall comply with all conditions specified in an "Authorization for Works or Undertakings Affecting Fish Habitat", to be issued by the Department of Fisheries and Oceans in respect of the Development. A copy of the executed Authorization and any subsequent amendments or alterations shall be provided to the Environment Officer by the Licencee within two weeks of the date of the Authorization and amendments or alterations.
12. The Licencee shall submit for the approval of the Director, prior to construction of the Development, a detailed operating plan for the water control structures which regulate flows in the floodway diversion channel and the Morris River inside the dyke system.

REVIEW AND REVOCATION

A. If, in the opinion of the Director, the Licencee has exceeded or is exceeding or has or is failing to meet the specifications, limits, terms, or conditions set out in this Licence, the Director may, temporarily or permanently, revoke this Licence.

B. If construction of the development has not commenced within three years of the date of this Licence, the Licence is revoked.

C. If, in the opinion of the Director, new evidence warrants a change in the specifications, limits, terms or conditions of this Licence, the Director may require the filing of a new proposal pursuant to Section 11 of The Environment Act.

[Signature]
Larry Strachan, P. Eng.
Director
Environment Act

Client File No.: 4375.00