

QUARRY ADMINISTRATION AGREEMENT

FILE NO. 6 03 -0-QUA

THIS INDENTURE made in duplicate this 1st day of , September 2009

BETWEEN

THE COMMISSIONER OF NUNAVUT,

Hereinafter called "the Commissioner"

AND

THE MUNICIPAL CORPORATION OF THE HAMLET OF ARVIAT, in Nunavut

Hereinafter called "the Municipality"

This Agreement witnesses, and the parties hereto covenant and agree, in consideration of the mutual terms, conditions and covenants herein set out, as follows:

1. **THIS AGREEMENT** is made pursuant to, or by reference to, subsections 14.1.1(d), 14.3.1 and 14.4.1 of Article 14 of the *Nunavut Land Claims Agreement*, and section 53.8 of the *Hamlets Act*. Having regard to the provisions of section 4 and subsection 6(1) of the *Nunavut Land Claims Agreement Act* (Canada), and the necessity for orderly regulation and operation of Municipal quarries, the parties agree that, for all lawful purposes (and, specifically, the purposes of this Agreement) and to the full extent lawfully permissible, references in the aforesaid section of the *Hamlets Act* to "Commissioner's land" and the "Commissioner's *Land Act*" shall be deemed to be references, respectively, to Municipal Lands falling within both of the aforesaid subsections 14.1.1(d) and 14.4.1, and to the aforesaid Article 14.

2. Subject to the foregoing, this Agreement is entered into pursuant to subsections 53.8(2) (b) and 53.8(3) of the *Hamlets Act*. Notwithstanding anything herein which might be interpreted to the contrary, but subject always to law, the administration of this Agreement shall be conducted in accordance with sections 31, 31.2 and 33.1 of the *Commissioner's Land Regulations*, and the by-law or by-laws relating to quarry administration enacted by the Municipality and approved by the Commissioner.

3. This Agreement applies to all those parcels of land within the municipal boundaries of the Hamlet of Arviat shown outlined in red on the sketch or sketches annexed hereto and/or listed on the attached schedule "A", all of the same being initialed for identification and forming a part hereof.

4. THIS AGREEMENT shall be in force and effect for a period of five (5) years beginning on September 1, 2009.

5. Any act of the Commissioner pursuant to or with respect to this Agreement or any of its provisions is valid if done by the Deputy Minister of the Department of Community Government and Transportation of the Government of Nunavut, or by any person authorized in writing by the Commissioner to so act.
6. Termination of this Agreement shall not prejudice either party's right to any remedy arising in consequence of any provision hereof during its currency, any breach hereof, or the termination hereof.
7. The Municipality shall ensure the land subject to this Agreement is used only for quarry purposes, as contemplated by section 53.8 of the *Hamlets Act*.
8. The Municipality will not enter into any agreements with respect to any matters dealt with herein except as specifically authorized by the terms hereof.
9. The Municipality will assume sole responsibility and liability for the lawful administration and operation of the quarries under this Agreement; and will indemnify and save harmless the Commissioner against and from any and all claims and liabilities, of whatever kind or nature and however arising, occurring in consequence of such administration and operation.
10. Government and Municipal requirements for granular material will be given precedence to private interests.
11. The Municipality will take all reasonable precautions to ensure that granular material is used for the purpose for which it is best suited, keeping in mind such factors as quality, quantity and the conservation of the same.
12. The Municipality shall issue complete and correct quarry permits in accordance with the form prescribed by the Commissioner's Land Regulations, as amended from time to time.
13. The Municipality shall retain the fees it collects in accordance with the Commissioner's Land Regulations.
14. The Municipality will not charge additional fees unless the Commissioner's Land Regulations, as amended from time to time, allow for such additional charges and the Municipality is authorized to do so under municipal legislation at the time. The Municipality will issue a receipt for all funds collected.
15. The Municipality shall establish and deposit all fees for quarry restoration into a Restoration Reserve Fund consistent with the provisions of the Tax-Based Financial Handbook published by the Department of Community Government and Transportation. The Municipality shall provide an audited report the Deputy Minister within one hundred and twenty (120) days of the end of the Municipality's fiscal year indicating the standing of the Restoration Reserve.

16. Subject to s.31.2 of the Commissioner's Land Regulations, the Municipality shall use all monies in the Restoration Reserve Fund to restore quarries, including the development of a restoration plan and for no other purposes. Should monies remain in the reserve fund after restoration is complete, the balance will be remitted to the commissioner. If sufficient funds are not available in the Restoration Fund to complete the approved restoration, the Commissioner may assist the Municipality to providing up to Fifty (50%) of the additional funds to complete restoration.
17. The Municipality shall pay royalties collected pursuant hereto to the Commissioner, and shall deliver a statement indicating the types and quantities of materials quarried from all quarries under this Agreement to the Deputy Minister on or before the 31st day of March in each and every year of this Agreement.
18. The Municipality shall have a Management and Restoration Plan for each quarry. The Plan must be received and acknowledged by the Regional Lands Administrator as being complete prior to the execution of this Agreement and will form part of this agreement as Appendix One (1). Without restricting the scope or contents of the Plan, it shall include:
 - a) a statement of estimated material in the quarry
 - b) a statement of the management of the site, including removal methodology, depth of excavation, sequence of extraction
 - c) a statement on the method of operation, including stripping and location of overburden and topsoil materials, drainage and erosion control measures
 - d) a statement on the method and timing for restoration which will prevent substantial water-ponding, and include a final site contouring design and/or preparation of the land for a different land use; and such a Management Restoration Plan shall be prepared with the objective of operating and managing the land in an environmentally safe manner.
19. Unless otherwise agreed, the Municipality shall manage and restore all quarries under this Agreement in accordance with the Management and Restoration Plan prepared pursuant to Clause 18, and quarries shall be restored within twelve (12) months of depletion of the quarry.
20. The Commissioner may, at any time during the term of the Agreement, request the Municipality to review and update the Management and Restoration Plan.
21. Notwithstanding anything herein to the contrary, the Municipality shall, at all times, keep the land in a condition satisfactory to the Commissioner.
22. On the termination of this Agreement, the Municipality shall deliver up possession of the land in a condition satisfactory to the Commissioner.
23. Time shall be of the essence in this Agreement.

24. Unless a waiver is given in writing by the Commissioner, the Commissioner shall not be deemed to have waived any breach by the Municipality of any of the covenants or Agreements herein contained, and a waiver relates only to the specific breach to which it refers.

25. Wherever in this Agreement it is required or permitted that notice or demand be given or served by any party to this Agreement to or on the other, such notice or demand shall be given or served in writing and forwarded by registered mail, addressed as follows:

To the Commissioner:

Deputy Minister
Department of Community Government and Transportation
Government of Nunavut
Bag Service 800
Iqaluit, NU
X0A 0H0

To the Municipality:

The Municipal Corporation of the Hamlet of Arviat
P.O. Box 150
Arviat, Nunavut
X0C 0E0

Or to such other address as either of the parties may from time to time notify the other in writing in the manner hereinbefore provided.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date and year first above written.

SIGNED, SEALED AND DELIVERED)
By)

THE COMMISSIONER OF NUNAVUT

(SEAL)

SIGNED, SEALED AND DELIVERED)

Hamlet of Arviat

Quarry Management and Restoration Plan

(Appendix 1)

The Hamlet of Arviat has prepared a quarry management and restoration plan in an effort to effectively manage the quarries within the Hamlet boundaries and to ensure that proper land use practices are maintained for future generations use and enjoyment while respecting the need for growth and development. The purpose of the management plan and the restoration plan is to identify responsibility that the Hamlet undertakes along with the responsibility of the permit holders and community at large to manage the land in an environmentally safe manner.

The Hamlet of Arviat as the administrative authority is responsible to manage the quarry application and permit process. The Hamlet will issue permits to all applicants who meet the criteria and payment schedule as noted within the application and the Commissioner's Land Regulations.

The permit holder will be responsible to work within the limits and conditions made and enforced by the Hamlet of Arviat based upon the requirements of the application and the Commissioners Land Regulations.

Community input will be solicited to assist the Hamlet in developing the quarry sites after their intended quarry use has expired. This will be done to ensure that the community is involved in deciding the best use for these lands for future development and the betterment of the community.

The Hamlet of Arviat intends to manage the quarry agreement by:

- Passing a by-law allowing the Hamlet to enter into an agreement as per section 53.91 of the Hamlet Act
- Enter in to a quarry agreement with the GN
- Establish a Quarry Restoration Reserve Fund
- Establish internal administrative structure for collection and storage of quarry documents and issuance of quarry permits
- Maintain a consistent practice of record keeping in collecting actual verses applied for extraction quantity by permit holders
- Publish and post the annual Development Fee (if applicable)
- Ensure that the Hamlet, permit holders and general public are extracting material in accordance with the Commissioners Land Regulations

Administration of Agreement

- Permits will be issued in accordance with Commissioner's Land Regulations as amended from time to time. Permit holders will be responsible for the safe operation of their equipment and personnel and will be provided with a copy of Appendix 2 at the time that their permit is issued.
- Fees charged will be those fees which are approved and identified under the Commissioners Land Regulations and the Quarry Administration Agreement. They will be retained by the Hamlet to be used as stipulated. Subject to the Commissioners Land Regulations the Hamlet will use all monies in the Restoration Reserve fund to restore quarries and royalties will be remitted annually.

Material Estimates

The Hamlet currently has three approved quarries that have been developed over time. The three quarries are identified on Appendix 3 as:

ESK 1

ESK 2

ESK 2A

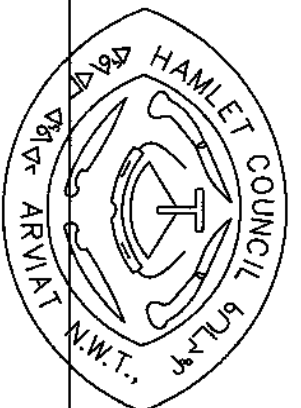
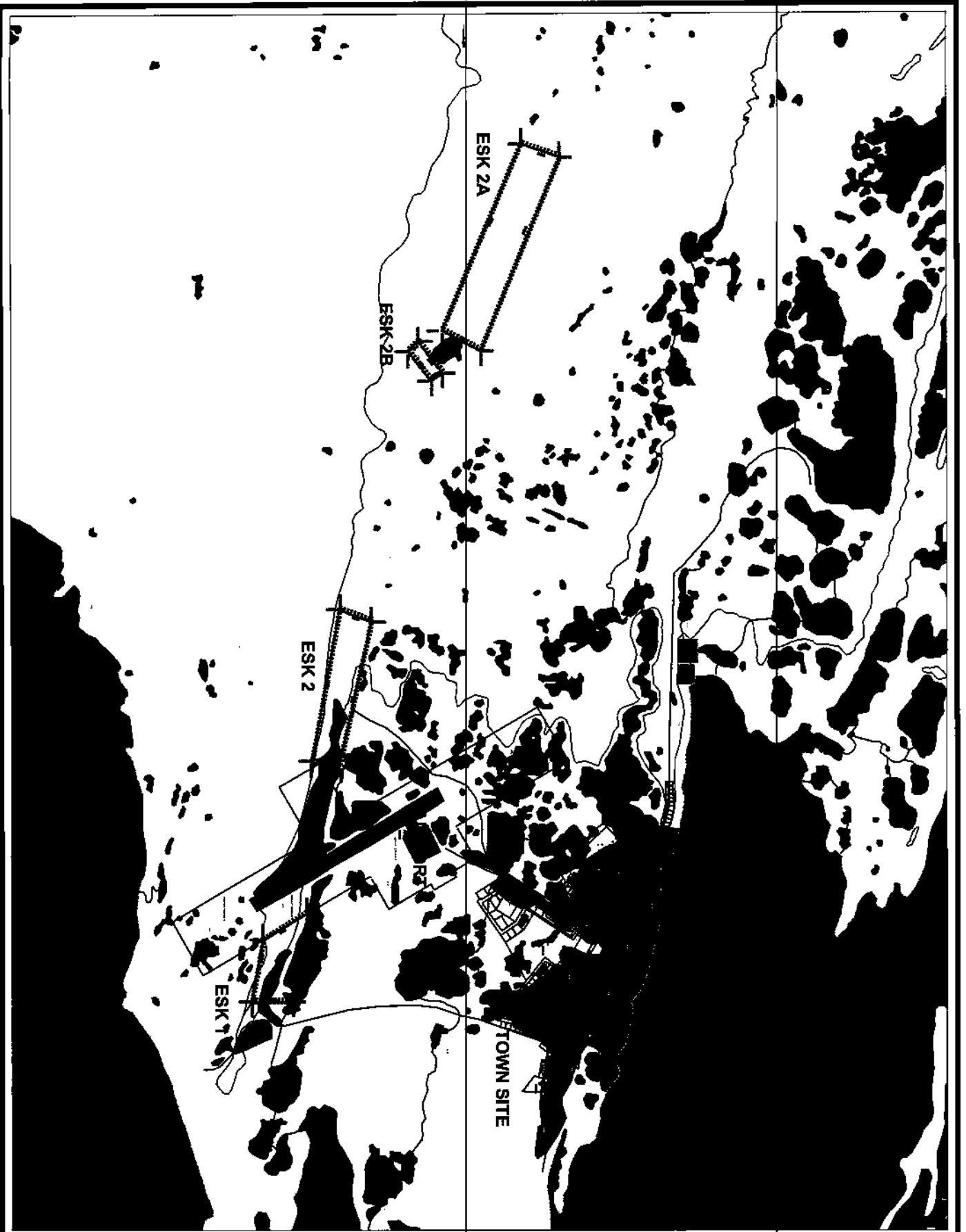
ESK 2B

Mayuarria'yuaq

These sites have varying amounts and range of granular materials that are utilized by the community for diverse purposes from road building, house pads, airport runway resurfacing, road /berm construction of the proposed new municipal waste site and a variety of community uses. The granular material consists of sand, clay, fines and boulders of varying sizes. Quantity surveys of the available material for each of these sites need to be recollected as the past extraction records are not considered valid. This is expected to be completed within the first year of managing our Quarry Administrative Agreement.

Site Management

- The quarry sites will be managed by the Hamlet under the direction of the SAO. Extraction methodology, depth of excavation and material type will vary by quarry. All methods of extraction will comply with Local, Regional, Territorial and Federal regulations. Regular quarry inspections and site monitoring of permit holders during periods of extraction will be an integral part of the management plan. The Hamlet will endeavor to ensure that the material extracted is the best suited for the purpose and that conservation of quarry resources are used in extraction and permit issuance.
- Drainage and erosion control measure will be implemented where applicable to avoid excessive pooling and damage caused by runoff. Any culverts or drainage placed during the quarry extraction period will be removed during restoration.



HAMLET OF ARVIAT
NUNAVUT



ARVIAT

SCHEDULE A

Approximate Location of:

ESK 1, ESK 2, ESK 2B, ESK 2A

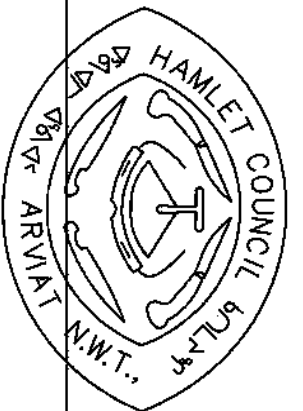
CERTIFIED AS BEING ANNEXED HERETO AND
FORMING PART OF QUARRY AGREEMENT No. _____

DATE: _____

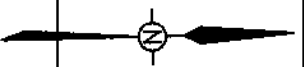
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INITIALS _____

SKETCH NUMBER _____



HAMLET OF ARVIAT
NUNAVUT



ARVIAT
SCHEDULE A

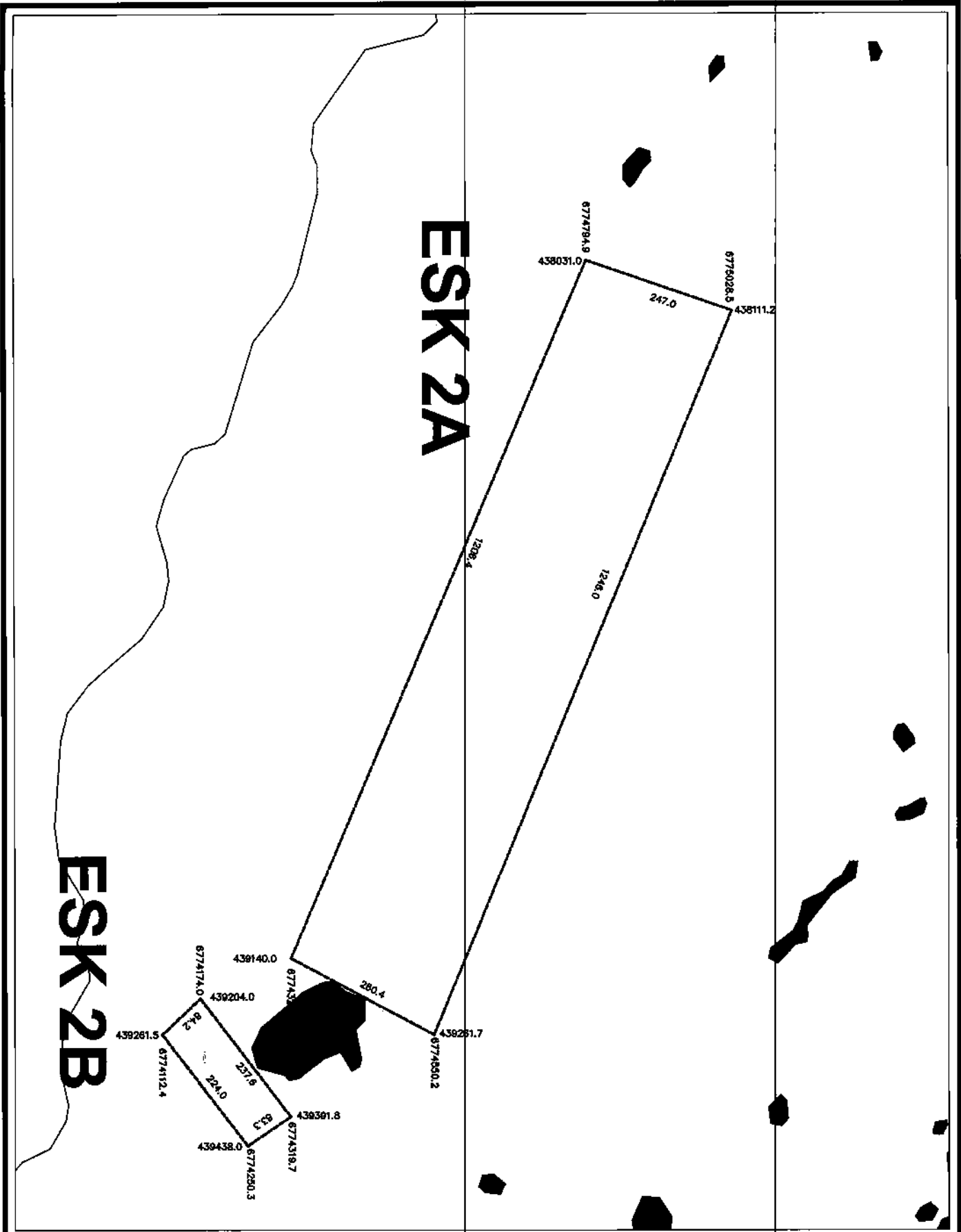
Approximate Location of:
ESK 1, ESK 2, ESK 2B, ESK 2A

CERTIFIED AS BEING ANNEXED HERETO AND
FORMING PART OF QUARRY AGREEMENT NO. _____
DATE: _____

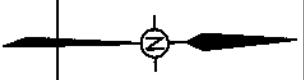
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SKETCH NUMBER _____



HAMLET OF ARVIAT
NUNAVUT



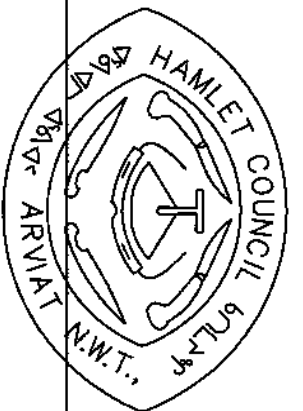
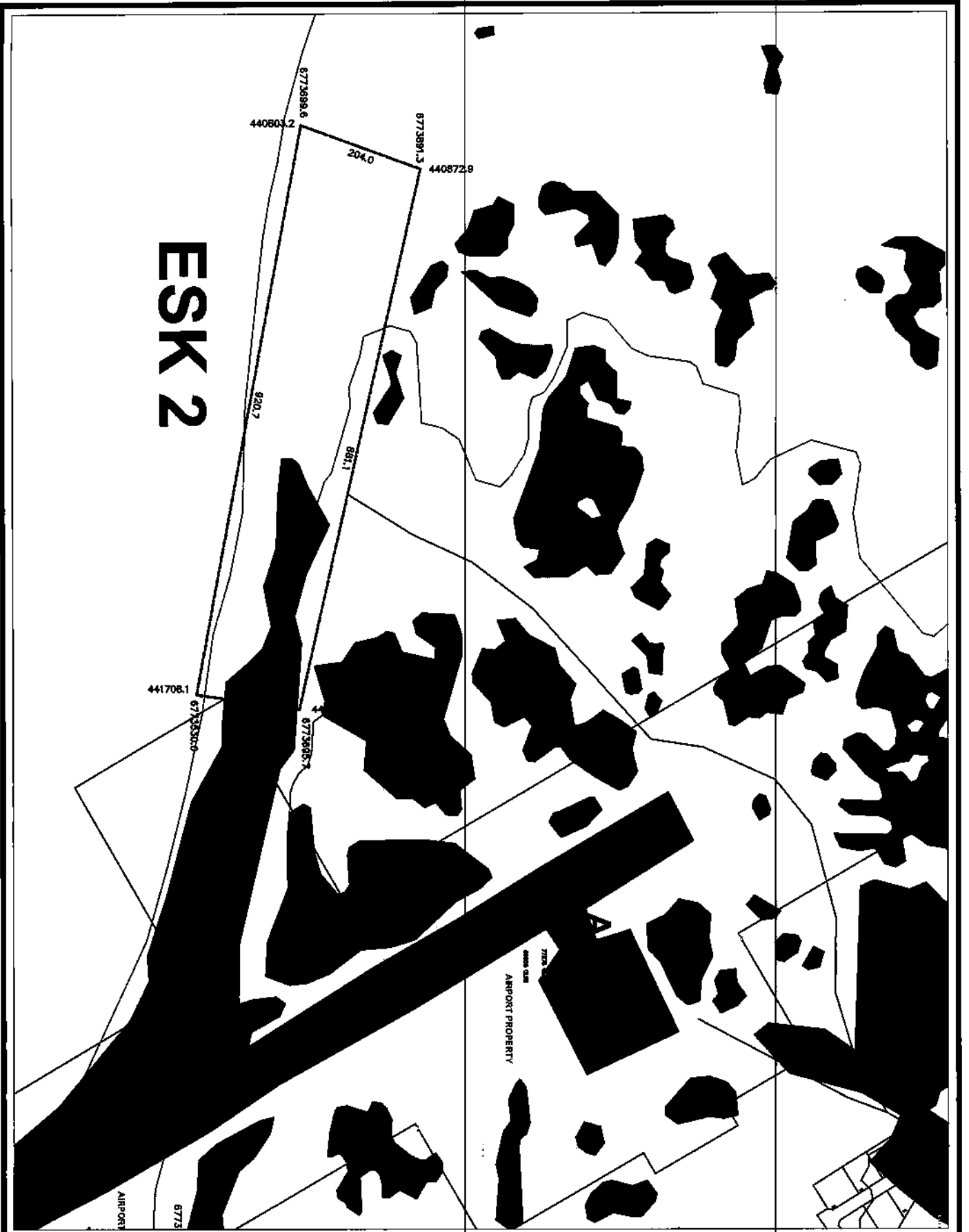
ARVIAT
SCHEDULE A

Approximate Location of:
ESK 1, ESK 2, ESK 2B, ESK 2A
CERTIFIED AS BEING ANNEXED HERETO AND
FORMING PART OF QUARRY AGREEMENT No. _____
DATE: _____

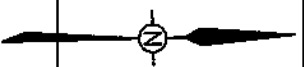
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INITIALS _____

SKETCH NUMBER _____



HAMLET OF ARVIAT
NUNAVUT



ARVIAT

Approximate Location of:
ESK 1, ESK 2, ESK 2B, ESK 2A

CERTIFIED AS BEING ANNEXED HERETO AND
FORMING PART OF QUARRY AGREEMENT No. _____
DATE: _____

Scale 1:8000

INITIALS _____

SKETCH NUMBER _____