

LEASE FOR INUIT OWNED LANDS

BETWEEN

KITIKMEOT INUIT ASSOCIATION

AND

ADVENTURE NORTHWEST AND BURNSIDE HTO

Lease # KTOL16J003

_____ March 8 , 2019 _____

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LEASE FOR INUIT OWNED LANDS

THIS LEASE made as of the 8th day of March, 2019 (the “**Effective Date**”)

BETWEEN:

KITIKMEOT INUIT ASSOCIATION, a society incorporated under the laws of the territory of Nunavut,

(“**KIA**”)

- and -

Adventure Northwest and Burnside Hunters and Trappers Organization (HTO), corporations incorporated under the laws of the Northwest Territory,

(“**TENANT**”)

WHEREAS:

- A. KIA, on behalf of the Kitikmeot Beneficiaries of the NLCA, is the surface landowner of certain lands comprising the Kitikmeot Region of Nunavut including the Leased Lands.
- B. KIA is the Designated Inuit Organization for the Kitikmeot Region of Nunavut for the purposes of Articles 6, 19, 20, 21, 26 and 27.2 of the NLCA;
- C. Tenant is an outfitter and lodge operator.
- D. Subject to the terms and conditions of this Lease, KIA and Tenant wish to enter into the Lease for the Leased Lands.

NOW THEREFORE in consideration of the mutual covenants and agreements herein and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions

- (a) “**Additional Rent**” shall have the meaning set out in Section 4.1(c)
- (b) “**Annual Report**” means the report to be provided by Tenant to KIA pursuant to **Section 9.1**.
- (c) “**Applicable Laws**” means any and all federal, territorial and municipal laws, by-laws, rules, regulations, orders and ordinances together with all notices,

directives and directions of any Governmental Authority (including co-management bodies having jurisdiction in respect of the Lands) and including Environmental Laws.

- (d) **“Business Days”** means any working day, Monday to Friday inclusive, excluding the following: New Year’s Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Remembrance Day, Civic Holiday; Labour Day; Thanksgiving Day; Christmas Day; National Aboriginal Day, Nunavut Day, and Boxing Day, and also excluding any other day deemed as a holiday pursuant to the *Interpretation Act*, (Nunavut), as may be revised from time to time;
- (e) **“Carving Stone”** means serpentinite, argillite and soapstone where those substances are available for use for carving purposes.
- (f) **“Claim”** and **“Claims”** shall have their meaning as set out in **Section 17.1** respectively.
- (g) **“Confidential Information”** shall have the meaning set out in **Section 18.1**.
- (h) **“Construction”** includes the building, placement, moving, closure, restoration, removal or demolition of Facilities and all other disturbance of the natural state of the surface of the Leased Lands, including the sub-surface and sub-strata.
- (i) **“Direct Claim”** shall have the meaning set out in **Section 17.2**.
- (j) **“Disclosing Party”** shall have the meaning set out in **Section 18.1**.
- (k) **“Environment”** means the components of the earth and includes:
 - (i) air;
 - (ii) land, including surface and sub-surface strata;
 - (iii) water, including surface, ground and underground;
 - (iv) all layers of the atmosphere;
 - (v) all organic and inorganic matter and living organisms; and
 - (vi) the interacting natural systems that include components referred to in this subsection.
- (l) **“Environmental Damage”** means material injury or damage to the Leased Lands caused or contributed to by an act or omission of Tenant, its contractors (and their sub-contractors), or any other person for whom Tenant is responsible at law.
- (m) **“Environmental Laws”** means all applicable federal, territorial, municipal and local laws, statutes, regulations and by-laws, directives, rulings and decisions of any Governmental Authority, pertaining to the Environment.
- (n) **“Facilities”** means the buildings, and fuel storage area, together with all physical structures, signs, equipment or appurtenances thereto, placed in, under or upon the Leased Lands.

- (o) **“Final Plan”** means the final plan to be prepared by TENANT pursuant to **Section 6.1(c)**.
- (p) **“Governmental Authority”** means any government regulatory body, authority, agency, department, board, commission, tribunal, court or other law, rule or regulation making authority having jurisdiction or control on behalf of Canada or any territorial or municipal government.
- (q) **“Hazardous Materials”** means any substances, pollutant, contaminant, toxic or dangerous waste, chemical, explosive compound or material, including without limitation, gasoline and other petroleum products, asbestos and polychlorinated biphenyls and any material which falls within such definitions of waste, toxic, dangerous or any variation of these terms of similar import under Environmental Laws.
- (r) **“Indemnitee”** and **“Indemnitees”** shall have their meaning as set out in **Section 17.1** respectively.
- (s) **“Inuit Owned Lands”** has the meaning given in the NLCA.
- (t) **“KIA Land Management Standards”** means KIA’s rules, policies, procedures and guidelines for the management of land as established by KIA from time to time.
- (u) **“Kitikmeot Region”** means the Kitikmeot Land Use Region outlined in the NLCA and described in Schedule 19(5) and Schedule 19(6) therein.
- (v) **“Lease”** means this agreement, including its recitals and Schedules, as amended, restated or supplemented from time to time in accordance with the terms hereof.
- (w) **“Leased Area”** shall have the meaning set out in **Section 2.1(c)**.
- (x) **“Leased Lands”** means the surface of the lands, soil and earth within the Leased Area.
- (y) **“Letter of Clearance”** shall have the meaning set out in **Section 7.1**.
- (z) **“Minerals”** means precious and base metals and other non-living, naturally occurring substances whether solid, liquid or gaseous, including coal, Precious Stones and Semi-Precious Stones within, upon, or under the Kitikmeot Region, but excluding Specified Substances, water, petroleum, natural gas and related hydrocarbons.
- (aa) **“NLCA”** means the Nunavut Land Claims Agreement, also known more formally as the Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada, as modified, varied and amended from time to time.
- (bb) **“Parties”** means the parties to this Lease, and each individually being a **“Party”**.
- (cc) **“Permitted Use”** has the meaning set out in **Section 2.1(d)**.
- (dd) **“Person”** means any individual, body corporate, partnership (limited or general), trust, trustee, executor or similar official, government, government department, agency or authority or other entity.

- (ee) **“Precious Stone”** means a diamond, sapphire, emerald or ruby.
- (ff) **“Receiving Party”** shall have the meaning set out in **Section 18.1**.
- (gg) **“Rent”** has the meaning set out in **Section 4.1**.
- (hh) **“Representative”**, and **“Representatives”** shall have the meanings set out in **Section 13.1** respectively.
- (ii) **“Restoration Plan”** means the restoration plan filed by or on behalf of the Tenant with KIA, as amended or replaced from time to time in accordance with this Lease and described in **Schedule “C”** of this Lease.
- (jj) **“Restoration Obligations”** shall have the meaning set out under **Section 8.1(a)**.
- (kk) **“Restoration Security”** shall have the meaning set out under **Section 8.1(a)**.
- (ll) **“Semi-Precious Stone”** means a stone valued for use in jewellery, artwork or ornaments, but having less commercial value than a Precious Stone, applied especially to such stones as amethyst, garnet, jade and tourmaline.
- (mm) **“Specified Substances”** means construction stone, sand and gravel, limestone, marble, gypsum, shale, clay, volcanic ash, earth, soil, diatomaceous earth, ochre, marl, peat and Carving Stone.
- (nn) **“Term”** shall have the meaning set out under **Section 3.4**.
- (oo) **“Tenant Material Defaults”** and **“Tenant Material Default”** shall have the meanings set out in **Section 13.1** respectively.
- (pp) **“Third-Party Claim”** shall have the meaning set out in **Section 17.2**.

1.2 Non-Derogation

The Parties acknowledge and agree that nothing in this Lease, or any document deriving from it, is intended to or shall be construed so as to abrogate or derogate from:

- (a) any right or interest granted to KIA or to the Inuit under the NLCA, or any Aboriginal right protected by the Constitution Act, 1982; or
- (b) any right or interest granted to Tenant under the NLCA.

1.3 Gender, Number and Other Terms

In this Lease, unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing gender include all genders, “or” is not exclusive, “including” is not limiting, whether or not non-limiting language (such as “without limitation”) is used with reference thereto, and a grammatical variation of a defined term shall have a corresponding meaning.

Unless otherwise specified, any reference to a statute includes and is a reference to such statute and to the regulations made pursuant to it, with all amendments in force from time to time, and to any statutes or regulations that may be passed which have the effect of supplementing or superseding such statutes or regulations.

The recitals and all headings in this Lease are inserted as a matter of convenience only and do not define, limit, enlarge, modify or explain the scope, meaning or intent of this Lease or any of its provisions.

The rule of construction that ambiguities are to be resolved against drafting parties does not apply to the interpretation of this Lease, and there is no presumption that any doubtful or ambiguous expression is to be resolved in favour of any Party.

1.4 Schedules and Appendices

The following schedules are attached to and incorporated in this Lease by reference and deemed to be part hereof. If there is any inconsistency between the terms contained in the body of this Lease and the terms contained in its Schedules, the terms contained in the body shall govern the interpretation of this Lease only to the extent required to remove the inconsistency and any resulting ambiguity.

Schedule “A”	Lease Area
Schedule “B”	Terms and Conditions of Use of Leased Area
Schedule “C”	<i>Example</i> Form of Letter of Credit

ARTICLE 2 LEASE SUMMARY

2.1 Lease Summary.

The following is a summary of the Lease terms as of the Effective Date:

- (a) Lessor:
Kitikmeot Inuit Association
- (b) Lessee:
Adventure Northwest
- (c) Leased Lands:
The parcels or tracts of land situated on Inuit Owned Land Parcel CO-06 and lying and being composed of and described as shown on the sketch annexed hereto as **Schedule “A”** (hereinafter called the “**Leased Area**”) and comprising approximately 4.3 Hectares, for the sole purpose of constructing and operating thereon the Facilities.
- (d) Permitted Use:
The Tenant shall use the Leased Lands only for the construction, operation, maintenance and restoration of the Facilities in order to support tourism activities (the “**Permitted Use**”). The Tenant shall not be entitled to use any lands or materials except as permitted by this Lease.

- (e) Term:
One (1) year from the Effective Date in accordance with **Section 3.4** with the rights of renewal provided for under **Section 3.5**.
- (f) Commencement Date: **March 8, 2019**
Effective Date.
- (g) Annual Rent:
\$860.00 based on an annual rent of \$200.00 per hectare as more particularly set out under **Section 4.1**.
- (h) Additional Rent:
Fifty Dollars (\$50.00) for each guest accommodated at the Facilities during the Term as more particularly set out under **Section 4.1**.

ARTICLE 3 LEASE AND GRANT

3.1 Lease.

Subject to the terms and conditions of the Lease, KIA hereby leases and grants to the Tenant the Leased Lands. No subsurface rights are granted pursuant to this Lease.

3.2 Permitted Use.

Tenant shall use the Leased Lands solely for the Permitted Use. The rights granted under this Section includes the grant by KIA, to the full limits of its power and authority to so grant, of the exclusive right to use and occupy the surface of the Leased Lands as is necessary and incidental to the Permitted Use.

3.3 Reservation of Rights.

KIA excepts from this grant of Lease any and all reservations prescribed by law including without limitation the right:

- (a) to any Minerals and/or Specified Substances;
- (b) of the recorded holders of mineral claims and any other claims or permits affecting the Leased Lands;
- (c) to all timber that may be on the Leased Lands;
- (d) to enter upon the Leased Lands, work and remove any Specified Substances;
and
- (e) of Inuit under the *NLCA*.

3.4 Term and Commencement Date.

Subject to the terms and conditions of this Lease, this Lease shall commence on the Effective Date and, subject to any rights of renewal, shall continue for a term expiring on the 1st anniversary of the Effective Date (the “**Term**”).

3.5 Renewal

This Lease may be extended by mutual agreement of the Parties in writing, upon such terms and conditions as the Parties may agree. The Tenant shall give notice to KIA no less than three (3) months before the end of the Term if it intends to negotiate an extension.

ARTICLE 4 RENT

4.1 Rent and Additional Rent

- (a) **Annual Rent.** During the Term Tenant shall pay to KIA an annual rent (the “Rent”) in the amount of **eight hundred and sixty** (\$860.00CAD), such amount being calculated as **two hundred dollars** (\$200.00CAD) per hectare of the Leased Area.
- (b) **Payment of Rent.** Rent shall be paid to KIA within fifteen (15) Business Days of Effective Date and thereafter in advance on each anniversary date of the Effective Date. Rent shall be paid without any prior demand therefor and without any deduction, abatement, setoff or compensation whatsoever.
- (c) **Additional Rent.** The Tenant shall also pay to KIA throughout the Term as additional rent (“Additional Rent”) an annual amount equal to **fifty dollars** (\$50.00CAD) per guest accommodated at the Facilities during each full or partial calendar year of the Term. Additional Rent shall be paid annually upon filing of the Annual Report.
- (d) **Increase of Rent.** KIA may, with not less than three (3) notification, notify the Tenant in writing that KIA intends to increase the per hectare rental amount set out under **Section 4.1(a)** of the Lease.

4.2 Taxes Paid by Tenant

In addition to Rent, Tenant during the Term shall pay any and all taxes, rates, charges or assessments or expenses, if any, which may be levied or charged upon the Leased Lands, Facilities or upon the Tenant or KIA as result of the Tenant’s or its agents, contractors (or their sub-contractors) use or occupancy of the Leased Area (except KIA's income taxes, debt service on any mortgage, security or loan related to the Leased Area except as otherwise specifically provided in the Lease).

4.3 Net Lease

The Tenant acknowledges and agrees that it is intended that this Lease shall be a complete carefree net lease to KIA, except as expressly herein set out, KIA shall not be responsible during the Term for any costs, charges, expenses and outlays of any nature whatsoever arising from or relating the Leased Lands, or the contents thereof, and the Tenant shall pay all charges, impositions, costs and expenses of every nature and kind relating to the Leased Lands.

4.4 Over Holding

If the Tenant remains in possession of the Leased Lands after termination or expiration of this Lease and if the KIA then accepts Rent and/or Additional Rent from the Tenant, it is agreed that such over holding by the Tenant and acceptance of Rent and/or Additional Rent

by KIA shall create a monthly tenancy only. The tenancy shall remain subject to all the terms and conditions of this Lease except those regarding: (a) the Term; (b) Rent, which shall be deemed to increase by 100% of the last annual Rent calculated and which shall be calculated and payable on a monthly basis; and (c) Additional Rent, the calculation of which shall be increased by 100%.

ARTICLE 5 MAINTENANCE AND REPAIR OF LANDS

5.1 Tenant Obligation to Maintain Lands.

The Tenant shall, at its own cost and expense, during the entire Term, keep in good order and condition the Leased Lands, Facilities, and any improvements thereto, in accordance with industry practice, Applicable Laws, and any applicable KIA rules and policies. Tenant shall make any and all necessary repairs, replacements, substitutions, improvements and additions ordinary or extraordinary, foreseen or unforeseen, structural or otherwise, in accordance with industry practice, Applicable Laws and any applicable KIA Land Management Standards.

ARTICLE 6 RESTORATION OF THE LANDS

6.1 Provision of Restoration Plan and Restoration of Lands.

The Tenant covenants and warrants as follows:

- (a) At the earlier of the expiration or termination of this Lease the Tenant shall restore the Leased Lands and remove the Facilities, equipment and materials from the Leased Lands, in accordance with this Lease and the Restoration Plan, unless otherwise authorized by KIA.
- (b) Tenant has completed a restoration plan for the Leased Lands (“**Restoration Plan**”) which has been approved by KIA. The Restoration Plan shall amongst other things show all areas of the Leased Lands utilized in the Tenants operations including the location of any Facilities and identify proposed restoration activities and cost estimates for restoration and clean up of the Leased Lands during, and at the expiry of, the Term. The Tenant shall update the Restoration Plan from time to time as may be necessary to meet its restoration obligations under this Lease. Any amendments to the Restoration Plan must be approved by KIA in writing.
- (c) Tenant shall not less than one (1) year from the expiration of this Lease provide KIA with an updated Restoration Plan (the “**Final Plan**”) with such revisions to the Restoration Plan which Tenant determines may be necessary for Tenant to meet its reclamation obligations under this Lease.
- (d) KIA may within ninety (90) days of its receipt of an amended Restoration Plan (including a Final Plan) reject the Restoration Plan if it does not comply with the terms of this Lease and its Schedules or if KIA determines acting reasonably that the Restoration Plan does not adequately address the restoration obligations of the Tenant arising under this Lease. The Tenant shall, in that event, within sixty (60) days after receipt of written notice from KIA of rejection of the Restoration Plan, submit to KIA a revised Restoration Plan that complies with KIA’s requirements.

- (e) Notwithstanding the expiry of this Lease or the submission of a Final Plan, the Tenant shall remain responsible for its obligations under this Lease and its Schedules unless and until KIA issues a Letter of Clearance to Tenant in accordance with **Section 7.2**.

ARTICLE 7 LETTERS OF CLEARANCE

7.1 Request for Letter of Clearance

The Tenant may at any time, in writing, request KIA to issue a letter of clearance (“**Letter of Clearance**”) with respect to the Leased Lands confirming that Tenant has completed all restoration obligations under this Lease and as set out in the Restoration Plan to the satisfaction of KIA acting reasonably.

7.2 Response to Request

Within sixty (60) days following receipt by KIA of a written request for a Letter of Clearance from Tenant, KIA shall deliver to Tenant, either:

- (a) the Letter of Clearance duly signed by KIA; or
- (b) a written notice of refusal, which notice shall set out, in reasonable detail, the grounds for refusal, including specific reference to the obligations of Tenant pursuant to the Lease and/or Restoration Plan which have not been performed, satisfied or discharged, as applicable, by Tenant.

ARTICLE 8 RESTORATION SECURITY

8.1 Provision of Restoration Security

- (a) KIA shall, at its discretion, conduct an annual review of the amount of Reclamation Security in place and determine any increase or decrease thereof, as appropriate, with a view to ensuring the adequacy of the Restoration Security to meet the Restoration Obligations. Where, following such review, KIA determines the Restoration Security should be increased or decreased, KIA shall notify the Tenant. Tenant shall, within sixty (60) days of the date of notification of a requirement to increase the Restoration Security, provide KIA with replacement or increased Restoration Security in the required amount.
- (b) KIA shall have the right to immediately draw upon the Reclamation Security without prior notice, demand or other formality in order to remedy any failure of Tenant to fulfil its Restoration Obligations (a “Restoration Default”).
- (c) In the event that the Tenant is adjudged or declared bankrupt or adjudged or declared insolvent or makes an assignment for the benefit of its creditors or a creditor files a petition against the Tenant or makes a proposal in bankruptcy or applies to any bankruptcy tribunal for the appointment of a receiver or trustee for the Tenant or for any substantial part of its property, or commences any proceedings in relation to it under any reorganization, arrangement or re-adjustment of debt, dissolution or liquidation law, law enabling corporate reorganizations of any jurisdiction whether now or hereafter in effect relating to or governing debtors, or by any act indicates its consent to, approval of, or

acquiescence in, any such proceeding for the Tenant or any part of its property, or suffers the appointment of any receiver or trustee or administrative receiver, the Tenant shall, absent a declaration to the contrary by KIA, be immediately deemed to be in default under this lease and KIA shall immediately be entitled to draw down and use the full amount of the security deposit without the requirement for any notice or demand or other formality whatsoever.

ARTICLE 9 ANNUAL REPORTS

9.1 Annual Report

- (a) During the Term, the Tenant shall **within thirty days (30) after the end of each anniversary of the Effective Date** submit a report (the “**Annual Report**”) detailing its operations on the Leased Lands for the period of the most recently completed anniversary of the Effective Date. The Annual Report shall include opening and closing dates for the Facilities, the total number of guests and guest days for the such period, number of Nunavut fishing licences sold, number of landings and take offs from the airstrip, the type and ownership of aircraft involved and any problems on the Lands.
- (b) The Annual Report shall include a summary outlining:
 - (i) 1.0 Introduction
 - 1.1 Site Location and Description
 - 1.2 Associated Permits, Licences and Authorizations
 - (ii) 2.0 Land Use Activities
 - 2.1 Logistics
 - 2.2 Camp
 - 2.3 Associated Water Use
 - 2.4 Hydrocarbon Spills
 - 2.5 Wildlife Interactions
 - 2.6 Progressive Reclamation Activities
 - 2.7 Annual Inspection Activities
 - (iii) 3.0 Inuit Employees and Northern Service Providers
 - 3.1 Inuit and Northern Resident Employees
 - 3.2 Inuit and Northern-based Firms Contracted During
 - (iv) 4.0 Community Consultations

- (v) 5.0 Proposed changes (if any) to the Reclamation Plan; and
- (vi) 6.0 Update on the costs of implementing the Reclamation Plan (if any).

ARTICLE 10 REPRESENTATIONS AND WARRANTIES

10.1 Representations and Warranties of Tenant

Tenant acknowledges that KIA is relying upon the representations and warranties set out in this Lease and, in connection with its entering into this Lease, Tenant represents and warrants as follows:

- (a) Tenant is a valid subsisting corporation incorporated pursuant to the laws of the Nunavut Territory;
- (b) Tenant has all requisite power and authority to execute and deliver this Lease and has all necessary power and authority to perform the obligations of the Tenant as set out herein;
- (c) the entering into of this Lease will not result in the violation of any of the terms and provisions of any agreement, written or oral, to which Tenant may be a party; and
- (d) the execution and delivery of this Lease has been duly authorized by all necessary corporate actions on the part of Tenant and this Lease when duly executed and delivered by Tenant will constitute a legal and binding obligation of Tenant enforceable in accordance with its terms.

ARTICLE 11 TENANT COVENANTS

11.1 Tenant's General and Environmental Covenants

The Tenant covenants as follow:

A. General Covenants

- (i) The Tenant shall be bound by, comply with and observe the terms and conditions annexed hereto as **Schedule "B"**, as amended from time to time by KIA from time to time during the Term.
- (ii) The Tenant's use of the Leased Lands will comply with all Applicable Laws, prudent industry practices and all applicable KIA Land Management Standards.
- (iii) The Tenant shall not do or allow anything to be done on the Leased Lands that in the circumstances is an unreasonable annoyance, nuisance, interference with or disturbance of the lawful use or occupation of adjoining lands and water bodies by any person and the Tenant expressly acknowledges its responsibility and potential liability under Article 7 and section 6.3.1 of the NLCA in respect of any interference with occupation by Inuit of outpost camps or with wildlife harvesting by Inuit.

- (iv) The Tenant shall not occupy or use the Leased Lands, or permit them to be occupied or used for any unlawful purposes.
- (v) The Tenant shall maintain the Leased Lands and all Facilities in a manner and condition satisfactory to KIA.
- (vi) The Tenant shall not undertake any permanent improvements, erect or place any permanent structures on the Leased Lands, unless authorized in writing by KIA.
- (vii) The Tenant shall notify the Kitikmeot Inuit Association of the discovery of any deposit of Carving Stone on the Leased Lands.
- (viii) The Tenant shall, except as otherwise specified herein or as agreed by KIA, undertake construction and operation of the Facilities in a manner consistent with operational and safety requirements and good environmental practice, and employ sufficient material to protect the Leased Lands and permafrost from degradation.
- (ix) The Tenant shall ensure that all operations, construction and Facilities are within the boundaries of the Lands.

B. Environmental Covenants

- (i) The Tenant shall not suffer any injury or waste or Environmental Damage to the Leased Lands.
- (ii) The Tenant shall handle, use, treat and dispose of all Hazardous Material in compliance with the terms of this Lease, all Applicable Laws and any order from and Governmental Authority.
- (iii) The Tenant shall not cause or permit any activities on the Leased Lands which directly or indirectly result in the Leased Lands or any adjacent property, air or water being contaminated with Hazardous Materials.
- (iv) The Tenant shall provide written notice by facsimile or email transmission to KIA within twenty-four (24) hours of the Tenant having actual knowledge of any accident involving death or multiple serious injuries requiring hospitalization or any incident on the Leased Lands which has become public knowledge and a matter of public concern. Such notice shall include the details and nature of the incident or accident and any remedial measures the Tenant proposes to take in respect thereof.
- (v) The Tenant shall provide written notice by facsimile or email transmission to KIA within twenty-four (24) hours of the Tenant having actual knowledge that the Leased Lands or any adjacent property, water or land is being or has been contaminated with Hazardous Materials in contravention of Applicable Laws, or having actual knowledge of any material breach of any Environmental Law in respect of its activities on the Leased Lands.

ARTICLE 12 KIA COVENANTS

12.1 Quiet Enjoyment

KIA covenants that the Tenant, upon observing and performing its covenants and conditions hereunder, shall, be entitled to use and occupy the Leased Lands for the Permitted Use during the Term, or any renewals thereof, without interruption or disturbance by KIA or any person claiming under or through KIA. For so long as Tenant is not in breach of this Lease, KIA will not engage in any action that might frustrate, delay or stop the lawful construction or operation of the Facilities, accessing the Leased Lands or exercising any rights that may have been granted to the Tenant hereunder.

ARTICLE 13 DEFAULT AND TERMINATION

13.1 Tenant Default

KIA may terminate this Lease immediately upon written notice in the event of any of the following:

- (a) any portion of the Rent or Additional Rent is unpaid within thirty (30) days after becoming due;
- (b) Tenant has failed to increase the Restoration Security in accordance with this Lease;
- (c) Tenant has breached any other material provision of this Lease which it has failed to cure within thirty (30) days of receiving notice from KIA of the details of such breach;
- (d) any material representation or material warranty made by Tenant in this Lease or in any certificate or other statement furnished pursuant to this Lease proves to be incorrect, false or misleading in any material respect; or
- (e) the filing of a petition under any bankruptcy, reorganization, insolvency, liquidation or similar law against Tenant or any proceeding under any such law is instituted against Tenant and not dismissed or stayed within sixty (60) calendar days,

(collectively “**Tenant Material Defaults**” and each a “**Tenant Material Default**”).

13.2 Rights and Obligations on Termination.

The Tenant shall peaceably yield up and surrender the Leased Lands to KIA at the expiration or sooner termination of the Lease in a good state of repair and restoration in accordance with the Reclamation Plans and the terms and conditions of this Lease. KIA shall be entitled to payment from Tenant within thirty (30) days of expiration termination of this Lease of all amounts which have accrued to, or which are owing to, KIA pursuant to this Lease.

13.3 Continuing Obligations

Termination or expiration of this lease will not prejudice KIA’s right to any unpaid amounts under this Lease or any other right with respect to a breach or non-performance of any covenant, term, condition or agreement herein contained, and, except as otherwise specifically stated herein, the Tenant will not be relieved of any obligation contained herein.

ARTICLE 14 BOUNDARIES AND SURVEYS

14.1 Boundaries of Lands and Tenant Obligations to Prepare Survey

KIA is not responsible for the establishment on the ground of the boundaries of the Lands. The boundaries of the Lands and Facilities are subject to such adjustment and alteration as may be shown to be necessary by survey. KIA may, during the Term herein granted, by notice in writing, order the Tenant to survey the boundaries of the Lands and the Tenant shall, at its own expense, within one (1) year from the date of said notice, make or cause to be made a survey of the Leased Lands, such survey to be made in accordance with the instructions of the Surveyor General of Canada, and upon completion of the survey and the production of survey plans suitable for recording in the Canada Lands Surveys Records and filing in the proper Land Titles Office, KIA will execute an amendment of this Lease for the purpose of incorporating herein descriptions of the Leased Lands based on the said plans.

ARTICLE 15 LIENS ON LANDS

15.1 Lien Claims

The Tenant shall use its best efforts not to permit any lien to be registered against the Lands for any labour or materials furnished to, or with the consent of, the Tenant, its agents or contractors, in connection with any work performed or claimed to have been performed on the Lands or improvements by or at the direction or sufferance of the Tenant. If any liens are registered, the Tenant shall take steps to discharge the same as soon as possible thereafter. The Tenant shall have the right to contest the validity of, or the amount claimed under or in respect of, any such lien. If such contesting shall involve no forfeiture, foreclosure or sale of the Lands or any part thereof, until a final determination of such contest, the Tenant shall not be required to cause such lien to be discharged and released until after a final determination, at which time the Tenant shall cause such lien to be discharged.

ARTICLE 16 ACCESS

16.1 Grant of Access to Leased Lands

KIA may grant, at the full risk and expense of persons so authorized, rights-of-way or access across, through, under or over all or any portion of the Leased Lands for any emergency purpose.

16.2 KIA Access to Leased Lands

The Tenant shall at all times permit KIA, its officers, agents, employees and contractors, to enter onto the Leased Lands for purposes related to the administration or enforcement of this Lease subject to, except in the case of an emergency, KIA providing reasonable advance notice of their entry onto the Leased Lands.

ARTICLE 17 INDEMNIFICATION

17.1 Indemnification by Tenant.

Tenant shall indemnify and hold harmless KIA and its directors, officers, employees and contractors (collectively, the “**Indemnitees**” and individually each an “**Indemnitee**”) from all damages, liabilities, claims, demands, allegations, losses, proceedings and expenses, including without limitation, reasonable legal fees and expenses (each a “**Claim**” and collectively, the “**Claims**”), arising from the Tenant’s operations on the Leased Lands or any breach by Tenant of its covenant, obligations or representations under this Lease. Notwithstanding the foregoing Tenant shall have no indemnification obligation for a Claim where such Claim arises from the gross negligence or willful misconduct of an Indemnitee.

17.2 Notice of Claim.

Where KIA seeks indemnification pursuant to the terms of this Agreement it shall promptly give written notice to Tenant of any Claims. Such notice shall specify whether the Claim arises from a third-party (a “**Third Party Claim**”) or whether the Claim does not so arise (a “**Direct Claim**”), and shall also specify with reasonable particularity (to the extent that the information is available):

- (a) the factual basis for the Claim; and
- (b) the amount of the Claim, or, if any amount is not then determinable, an approximate and reasonable estimate of the likely amount of the Claim.

17.3 Procedure for Indemnification.

With respect to Direct Claims, following receipt of notice from KIA of a Claim, Tenant shall have thirty (30) days to make such investigation of the Claim as Tenant considers necessary or desirable. For the purpose of such investigation, KIA shall make available to Tenant the information relied upon by KIA to substantiate the Claim. If the Parties agree prior to the expiration of such thirty (30) day period (or any mutually agreed upon extension thereof) to the validity and amount of such Claim, Tenant shall pay to KIA the full agreed upon amount of the Claim no later than the expiry of such thirty (30) day period (or any mutually agreed upon extension thereof).

17.4 Arbitration of Claim Disputes.

If the Parties do not agree within the time period set out in **Section 17.3** that there is a valid Claim or agree to the Claim amount, the Parties agree that the dispute shall be submitted to arbitration in accordance with this Agreement.

17.5 Third Party Claims.

With respect to any Third Party Claim, Tenant shall have the right, at its own expense, to participate in or assume control of the negotiation, settlement or defence of such Third Party Claim and, in such event, Tenant shall reimburse KIA for all the KIA’s reasonable out-of-pocket expenses incurred as a result of such participation or assumption. If Tenant elects to assume such control, KIA shall cooperate with Tenant, shall have the right to participate in the negotiation, settlement or defence of such Third Party Claim at its own expense and shall have the right to disagree on reasonable grounds with the selection and retention of counsel, in which case counsel satisfactory to the Parties shall be retained by Tenant. If Tenant, having elected to assume such control, thereafter fails to defend any such Third Party Claim within a reasonable time, KIA shall be entitled to assume such control

and Tenant shall be bound by the results obtained by KIA with respect to such Third Party Claim.

17.6 KIA Liability

KIA shall have no liability to Tenant for any Claims arising from this Lease except for Claims arising as a direct result of KIA's gross negligence or wilful misconduct in performing any of its material obligations under this Agreement or the Land Tenure Agreements. Where Tenant has a Claim the procedures for Claims set out in **Section 17.2** to **Section 17.5** shall apply *mutatis mutandis*. Notwithstanding the foregoing KIA's maximum aggregate liability to Tenant shall be no greater than the amount actually paid by Tenant to KIA in the one (1) year period prior to the occurrence of the event leading to such Claims.

ARTICLE 18 CONFIDENTIALITY

18.1 Confidential Information

The Parties to this Agreement agree and acknowledge that from time to time each Party (a **"Disclosing Party"**) may disclose certain confidential information about itself not known to the general public (collectively, **"Confidential Information"**) to the other party (a **"Receiving Party"**) or its Representatives (as defined below) concerning the Disclosing Party and the Disclosing Party's, business, business operations and/or technical information (as applicable). The parties agree that Confidential Information includes any and all analyses, compilations, studies or other documents or records prepared by the Receiving Party and/or its Representatives to the extent such analyses, compilations, studies, documents or records contain, otherwise reflect, or are generated from such Confidential Information. The terms and conditions of this Agreement shall constitute Confidential Information of both Parties.

18.2 Use of Confidential Information

A Receiving Party shall use the Confidential Information solely for the purposes of performance of this Agreement and shall not disclose the Confidential Information and shall maintain the confidentiality of all Confidential Information. Notwithstanding the foregoing, a Receiving Party may disclose Confidential Information to: (a) Affiliates; directors; officers; employees; professional advisors; solicitors; and agents (in this section each, a **"Representative"**, and collectively, the **"Representatives"**) of the Receiving Party who need to know such information for the purpose of the Agreement and who owe a similar duty of confidentiality to the Receiving Party; and (b) any other party upon receipt of the Disclosing Party's prior written consent.

18.3 Exclusions

The foregoing obligations of non-use and nondisclosure shall not apply to any information that: (a) is or becomes available to members of the public other than by breach of this Agreement or other duty by the Receiving Party; (b) is in the rightful possession of the Receiving Party without an obligation of confidentiality; or (c) is required to be disclosed by operation of law. In the event that any Receiving Party receives a request to disclose all or any part of the Confidential Information from a Governmental Authority, such Receiving

Party agrees to immediately notify the Disclosing Party of the existence, terms and circumstances surrounding such a request.

18.4 Injunctive Relief

Both parties agree that money damages may not be a sufficient remedy for any breach by a Receiving Party, or any of its Representatives, of its, or their, obligation of confidentiality hereunder, and that, in addition to all other remedies at law or in equity to which the Disclosing Party may be entitled, the Disclosing Party may be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach.

18.5 Return of Confidential Information

Upon the termination or expiration of this Agreement, upon request of the Disclosing Party, a Receiving Party shall, within ten (10) Business Days after request of the Disclosing Party, return all originals, copies, reproductions, summaries and derivative works of Confidential Information and to erase any computer memory containing Confidential Information and certify such erasure in writing. Notwithstanding the foregoing a Receiving Party may retain one archival copy of the Confidential Information for its records to ensure its ongoing compliance with its obligation hereunder.

ARTICLE 19 NOTICES

19.1 Notices

All notices, requests, demands, waivers, consents, agreements, approvals, communications or other writings required or permitted to be given hereunder or for the purposes hereof (“**Notice**” in this Article) will be in writing and be sufficiently given if personally delivered, sent by prepaid registered mail or transmitted by electronic transmission, addressed to the party to whom it is given, as follows:

If to KIA:

Director, Lands, Environment and Resources
Kitikmeot Inuit Association
Box 360, Kugluktuk, Nu, X0B 0E0
Ph: 867-982-3310
Fax: 867-982-3311
e-mail: dirlands@kitia.ca

If to the Tenant:

Kyler Knelsen
Adventure Northwest
Box 820
Yellowknife, NT X1A 2N6
Phone: 780-247-0247
Fax: 867-873-6383
email: kyler@wingmasteroutfitting.com

or such other address of which Notice has been given in writing from time to time in accordance with this section. Any Notice personally delivered will be deemed to have been

given and received on the day it is personally delivered, provided that if such day is not a Business Day, the Notice will be deemed to have been given and received on the Business Day next following such day. Any Notice transmitted by electronic transmission will be deemed given and received on the first Business Day after confirmation of its transmission. Any Notice mailed will be deemed given and received on the tenth (10th) Business Day after delivery. If a Notice is mailed and regular mail service is interrupted by strike or other irregularity on or before the tenth (10th) Business Day after the mailing thereof, such Notice will be deemed to have not been received unless otherwise personally delivered or transmitted by electronic transmission.

ARTICLE 20 MISCELLANEOUS

20.1 No Partnership

Nothing in this Lease shall be construed as creating a partnership, joint venture or association or a trust, fiduciary or similar relationship. It is further understood and agreed that no Party is liable for the acts, covenants and agreements of any other Party, except as may be expressly provided in this Lease.

20.2 Foreign Corrupt Practices

The Parties agree to comply with the *Corruption of Foreign Public Officials Act (Canada)* / *Foreign Corrupt Practices Act (US)* and confirm that this Lease is legally required, that the KIA are not public officials of the Canadian government or a Government Authority, and that any payments under this Lease are in accordance with the laws of Canada and they are not in any way consideration or inducements for approvals.

20.3 Time

Time is of the essence of this Lease.

20.4 Entire Agreement.

This Lease, constitute the entire agreement between the Parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the Parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto. Any schedules referred to herein are incorporated herein by reference and form part of the Lease.

20.5 Modification

Unless otherwise provided for in this Lease, no modification, amendment, supplement to or waiver of this Lease or any schedule hereunder, or any of their provisions shall be binding upon the Parties hereto unless made in writing and duly signed by both Parties.

20.6 Waiver

No term or provision of this Lease is deemed waived and no breach excused, unless the waiver or consent is in writing and signed by the party claiming to have waived or consented. Any consent by any Party to, or waiver of, a breach by the other, whether expressed or implied, does not constitute consent to, waiver of, or excuse for, any other different or subsequent breach.

20.7 Survival

The following sections shall survive the termination or expiration of this Lease: **Section 4.4; Section 6.1(e); Section 8.1**Error! Reference source not found.; **Section 8.1(b); Section REF_Ref419455304 \r \h 13.2; Section 13.3; Section 15.1; ARTICLE 17; ARTICLE 18; ARTICLE 19; Section 20.7.**

20.8 Enurement

This Lease shall enure to the benefit of, and be binding upon, the Parties and their respective successors, affiliates and permitted assigns.

20.9 Further Assurances

Each of the Parties to this Lease hereby agree that it will promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as another Party may reasonably require from time to time for the purpose of giving effect to the provisions of this Lease and each of the Parties to this Lease agrees that it will use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Lease.

20.10 Governing Law

This Lease shall be governed by the laws of the Territory of Nunavut and the laws of Canada applicable therein and the parties to this Lease hereby submit to the exclusive jurisdiction of the Territory of Nunavut in connection with this Lease.

20.11 Counterparts and Transmission

This Lease may be executed in several counterparts, each of which when so executed shall be deemed to be an original and all counterparts together shall constitute one and the same instrument. A signed counterpart provided by way of facsimile or other form of electronic transmission shall be as binding upon the parties as an originally signed counterpart.

[Signatures on next page.]

IN WITNESS WHEREOF the Parties have duly executed this Lease as of the Effective Date.

KITIKMEOT INUIT ASSOCIATION

Per:



Name: Tannis Bolt

Title: a/Senior Lands Officer

I have the authority to bind the society.

ADVENTURE NORTHWEST

Per:

**BURNSIDE HUNTERS AND TRAPPERS
ORGANIZATION**

Per:

Name:

Title:

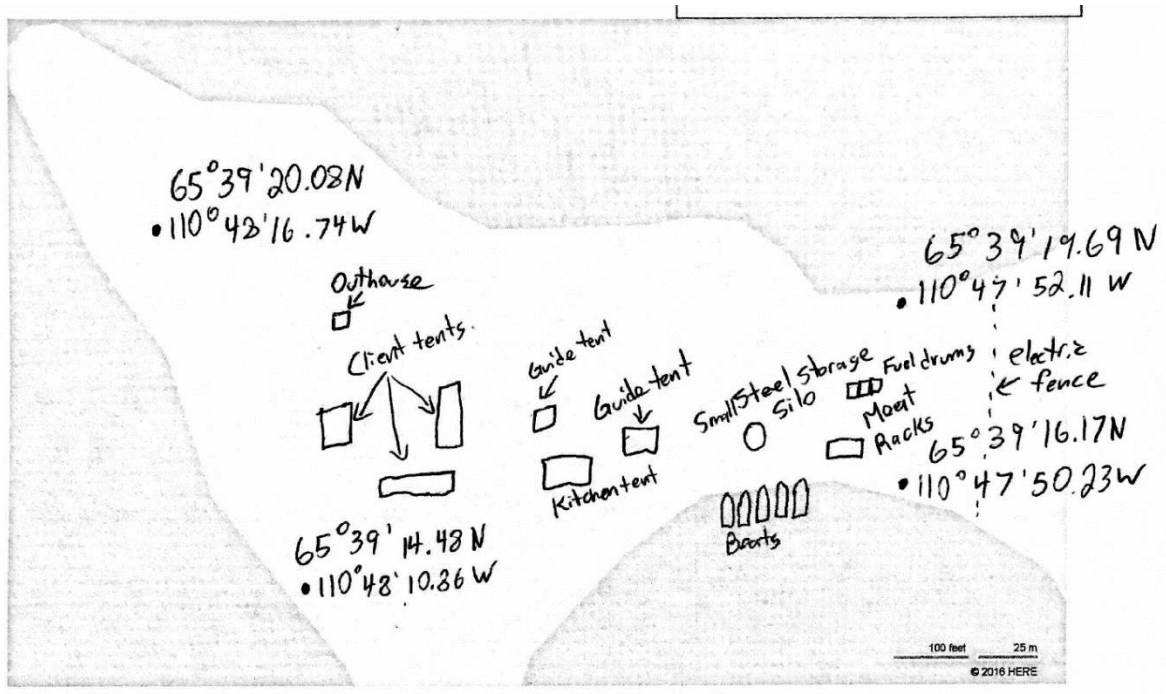
I have the authority to bind the corporation.

Name:

Title:

I have the authority to bind the corporation.

SCHEDULE "A"
LEASED AREA



SCHEDULE “B”
TERMS AND CONDITIONS FOR USE
OF LEASED AREA

A. LEGAL MATTERS

1. The terms and conditions of this Lease are in addition to and not in substitution for any applicable laws in force in the territory of Nunavut, including Environmental Laws.
2. Where there is a conflict between these terms and conditions of this Lease and any Applicable Laws, if these terms and conditions set out a more stringent standard for protection of the Environment than the Applicable Laws, these terms and conditions shall prevail and shall govern Tenant’s conduct under this Lease.
3. The Tenant shall be liable for any damage to the Lease Area occasioned by its entry and activities on the Lands other than those activities which are permitted under the terms of the Lease.
4. The Tenant shall be absolutely liable without the requirement of proof of fault or negligence for any damage to the Leased Lands caused by its entry and activities on the Leased Lands.
5. The provisions of this Schedule are subject to periodic review and revision by KIA.

B. WASTE DISPOSAL

1. The Tenant shall dispose of all combustible garbage in a manner acceptable to KIA.
2. The Tenant shall dispose of human waste in a manner consistent with any water license or satisfactory to KIA.
3. The Tenant shall not discharge or deposit any refuse substances or other waste materials in any body of water, or the banks thereof, which will, in the opinion of KIA, impair the quality of the waters or the natural environment and any areas designated for waste disposal shall not be located within thirty-one (31) metres of the ordinary high water mark of any body of water, unless otherwise authorized by KIA.

C. ENVIRONMENTAL

1. The Tenant shall not do anything which will cause erosion of the banks of any body of water on or adjacent to the Lands, and shall provide necessary controls to prevent such erosion. The Tenant shall incorporate accepted erosion control practices into the design and construction of the Facilities.
2. The Tenant shall not unduly interfere with the natural drainage pattern of the Leased Lands, except with the permission of KIA.

3. In the event that the Tenant is conducting operations which are, in the opinion of KIA, whose opinion will be reasonably exercised, causing irreparable damage to the environment, KIA may require that the operations of the Tenant hereunder be suspended and the operations shall be suspended until such time as the situation has been satisfactorily remedied.
4. The Tenant shall undertake such corrective measures as may be specified by KIA in the event of any spill, or erosion of the Leased Lands, resulting from the Tenant's operations, and shall demonstrate to the satisfaction of KIA that the Tenant has the ability, including the necessary equipment, to undertake the corrective measures.
5. If the Tenant, by its operations on the Leased Lands, contributes to any Environmental Damage, the Tenant shall pay its proportionate share of any costs of remedial action which may be considered necessary, as determined by KIA.

D. FUEL AND HAZARDOUS CHEMICALS

1. All petroleum containers shall be clearly marked with the Tenant's name.
2. The Tenant shall immediately report all spills of petroleum and hazardous chemicals in accordance with the Government of Nunavut Spill Contingency Planning and Reporting and any amendments thereto, or in a manner satisfactory to KIA.
3. The Tenant shall report all spills immediately to KIA's Senior Lands Officer @ 867-982-3310 or by fax @ 867-982-3311. Additional reports should be made to the Spill Line at 867-920-8130 or Environment Canada's 24-hour pager 867-920-5131.
4. All spills shall be cleaned up in accordance with applicable laws and to the full satisfaction of the KIA.
5. The Tenant shall prevent the possibility of migration of spilled fuel over the ground surface or through seepage in the ground.
6. The Tenant shall take all reasonable precautions to prevent the migration of petroleum products into the bodies of water.
7. The Tenant may store petroleum products or gasoline on the Leased Lands as permitted by KIA.
8. The Tenant shall not construct any improvements or store any petroleum products or chemicals within thirty-one (31) metres of the ordinary high water mark of any body of water without the written approval of KIA.
9. The Tenant shall dispose of all combustible, non-hazardous waste products by incineration or removal from the Leased Lands. All hazardous or non-combustible waste must be removed from the Leased Lands before the Term of this Lease expires or where this Lease is terminated, within (30) thirty days of termination.

10. The Tenant shall ensure appropriate technology is applied to ensure complete combustion of all combustible, non-hazardous waste. Incinerator ash must be regularly backhauled from the lease.

E. WATER CONDITIONS

1. KIA is the Designated Inuit Organization for purposes of Article 20 of the NLCA in the Kitikmeot Region of Nunavut. The Tenant shall ensure that its activities on the Lands do not result in substantial effects on the quality, quantity or flow of water in, on or flowing through the Lands.
2. Any change in water quality, quantity or flow such that one or more of these parameters is altered beyond its generally accepted natural range of variation or which impairs reasonable Inuit use of water will be subject to the compensation provisions set out in Article 20 of the NLCA.
3. By accepting this Lease, the Tenant hereby acknowledges that it may, subject to the terms of the NLCA, be liable to pay compensation for any substantial effects it causes on water.
4. In its application and in any subsequent Annual Reports, the Tenant shall measure or provide to the KIA a reasonable estimate of the volume of water to be used for its operation.

F. GROUND DISTURBANCE

1. The Tenant shall not use any equipment on the Leased Lands except for equipment of the type and size necessary to carry out the Permitted Use and shall conduct operations with crew and methods that are listed in the application for the Lease or an authorization from KIA for Construction.
2. All operations shall be carried out so as to minimize surface disturbance.
3. All disturbed areas must be restored in a manner acceptable to the KIA.
4. The area disturbed on the Lands should be kept as small as possible.

G. WILDLIFE

1. The KIA is the Designated Inuit Organization under Article 6 of the NLCA to claim wildlife compensation if the Tenant's activities on Inuit Owned Lands result in the destruction or harm to wildlife. By accepting this Lease, the Tenant hereby acknowledges that it may, subject to the terms of the NLCA, be liable to pay compensation for any wildlife killed harmed or killed.
2. Bear fences must be established and be operational during the times that the lodge is open. A bear fence must enclose all buildings. These bear fences must conform to

standards recommended by the Government of Nunavut wildlife officers in Kugluktuk, Nunavut.

3. The Tenant shall report in writing within 48 hours all wildlife kills or incidents resulting in harm to wildlife to the KIA Senior Lands Officer @ 867-982-3310. Failure to make such a report shall constitute a default and is grounds for termination of the Lease.
4. The Tenant shall report any human-bear interactions to the KIA Senior Lands Officer @ 867-982-3310 and the Government of Nunavut Wildlife Officer in Kugluktuk.
5. Concentrations of caribou shall be avoided by low flying aircraft operated or chartered by the Tenant at all times.
6. The Tenant shall avoid disturbance to pregnant caribou and/or their calves.

H. GENERAL

1. The Tenant shall contact the KIA Senior Lands Officer @ 867-982-3310 at least 48 hours prior to the commencement of operations during each year of the Term.
2. The Tenant shall pay all reasonable costs of any inspection which KIA deems necessary to monitor compliance with the terms and conditions of this Lease.
3. If an archaeological site is discovered within the Lands, the Tenant shall immediately advise KIA and the Inuit Heritage Trust in writing of such a discovery and shall take all reasonable precautions necessary to prevent any further disturbance or destruction of such site.
4. The use, storage, or possession of alcohol on Inuit Owned Lands is prohibited unless an exemption is given by the KIA board of directors. Illegal drugs are prohibited on Inuit Owned Land by law.
5. The Tenant shall not display any sign, poster or advertisement, on or near the Leased Lands unless the design, wording and location have received the prior written approval of KIA.
6. The Tenant shall use its best efforts to employ Inuit in its operations on the Leased Lands and to contract for goods and services with businesses owned, operated or controlled by Inuit or by non-Inuit individuals' resident in the Kitikmeot Region, and shall impose a similar requirement on its subcontractors, affiliates, subsidiaries, joint-venturers and partners.
7. The Tenant shall pay Inuit wages and benefits that are fair and commensurate with those paid to other workers in the tourism industry.
8. If requested by KIA, the Tenant will provide written support for grant and training programs that relate to food services and guide training, and make best efforts to hire recent graduates of these programs.

SCHEDULE "C"

EXAMPLE FORM OF LETTER OF CREDIT

Letter of Credit Reference No.

Beneficiary:

Applicant:

Name: Kitikmeot Inuit Association

Name:

Address: Box 360
Kugluktuk, Nunavut

Address:

Attention: Director Lands, Environment and Resources

Amount: **\$CAD** (**Canadian Dollars**)

Date of Expiry: (at _____ p.m. at the Bank's counters at the address noted below)

We issue in your favour this irrevocable, transferable standby letter of credit which is available by payment against your written demand, addressed to _____ [*name of bank*] at _____ [*address of bank*], bearing the clause: "drawn under Standby Letter of Credit No. _____ issued by [*name of Bank*]", which demand we shall honour without inquiring as to whether you have the right as between yourself and the Applicant, and without recognizing any claim of the Applicant, when accompanied by the following documents:

Beneficiary's certification purported to be signed by an Officer or Director specifying the amount claimed and stating that the Applicant is in default of its obligations under the terms and conditions of the Lease dated _____ between the Applicant and the Beneficiary (the "Lease") with respect to premises at the property known as Inuit Owned Lands # _____ or that the Applicant is subject to receivership, bankruptcy, winding-up or other creditors proceedings; and

The original of this Letter of Credit for our endorsement of any payment.

For greater certainty, the parties agree that the Letter of Credit and the Beneficiary's rights hereunder will not be released, discharged or affected by the bankruptcy, receivership or insolvency of the Tenant, by a disclaimer of the Lease by a trustee-in-bankruptcy, by a repudiation of the Lease, or by the Tenant ceasing to exist (whether by winding up, forfeiture, cancellation or surrender of its charter, merger or any other circumstance).

It is a condition of this Letter of Credit that it shall be deemed to be automatically extended without amendment for one (1) year from the present or any future expiration date hereof unless, at least sixty (60) days prior to any such date, we shall notify you in writing by registered mail or courier that we elect not to consider this Letter of Credit renewed for any such additional period. Upon receipt by you of such notice, you may draw by means of your demand the full amount of this Letter of Credit.

Partial drawings are permitted.

The legal and beneficial interest of the Beneficiary in this Letter of Credit is and shall remain fully enforceable pursuant to its terms against any assignee, transferee, purchaser or successor in interest in the Applicant's interest in the Lease secured by this Letter of Credit

Reference in this Letter of Credit to the Lease is for identification purposes only; the Lease is neither incorporated in nor forms part of this Letter of Credit.

Except as otherwise expressly state, this Letter of Credit is subject to the "Uniform Customs and Practice of Documentary Credits (2007 Revision) International Chamber of Commerce, Publication No. 600" and engages the Bank in accordance with the terms thereof.

We engage to honour presentations submitted within the terms and conditions indicated above.

(Name of the Bank)

Counter signature

Authorized signature
Address of bank:
