Memorandum of Agreement

dated this 30th day of 1000, 2000

between the:

Aiviit Hunters & Trappers Organization ("the HTO)

and the

Southampton Island Meat Company ("SMC")

Preamble

- A. The HTO recognizes the importance of the Southampton Island commercial caribou harvest from both a herd management and a community benefits perspective.
- B. The SMC has been the harvest operator pursuant to a MOA between the HTO and SMC which applied to the 1999 and Y2000 caribou harvests.
- C. The Parties have entered into this MOA to acknowledge the responsibilities of. and clarify the relationship between, the HTO and the SMC respecting the Southampton Island Caribou harvests to be conducted in 2001 through 2002.

Therefore it is understood and agreed that:

1.0 HTO Responsibilities

In support of an export grade commercial caribou harvest the HTO shall be responsible for:

- In conjunction with regional DSD staff, Southampton Island Caribou herd management and the allocation of commercial harvest tags;
- Environmental issues related to the handling and disposal of waste (hides, guts, etc.) derived from the abattoir operation; and,
- The transport, handling and ultimate disposal of caribou meat (briskets, shanks, etc.) designated for "Ethnic Trade" in accordance with Agriculture Canada regulations.

2.0 SMC Responsibilities

In conducting an export grade commercial harvest, the SMC shall be responsible for:

- All management and administration functions;
- Financial matters related to the conduct of the export grade commercial harvest;
- Compliance with Agriculture Canada requirements for provisional certification of caribou meat;
- Disposing of waste (hides, guts, etc.) in an environmentally acceptable manner and in compliance with HTO guidelines;
- On site collecting and packing in combo bins caribou meat designated for "Ethnic Trade" in accordance with Agriculture Canada regulations;
- Contractual arrangements in respect of the sale of caribou meat;
- Terms and conditions of employment and/or service contracts for all abattoir workers, hunters and other support staff utilized for harvest operations;
- Maintenance and repair of all camp and abattoir equipment; and,
- All revenue Canada, WCB and other remittances.

3.0 Tag Allocation

The HTO agrees to make available to the SMC 5,000 commercial caribou tags annually through the term of this MOA.

3.1 Exclusivity

The HTO agrees that no commercial tag allocation will be made to any other export grade commercial harvest operation during the term of this MOA.

3.2 Price

The SMC agrees to pay the HTO for commercial caribou tags utilized on the following basis:

- If the number of tags utilized, excluding animals condemned by Agriculture Canada, is under 3,300 the price per tag = \$0.00;
- If the number of tags utilized, excluding animals condemned by Agriculture Canada, is between 3,300 and 3,800 the price per tag = \$1.00;
- If the number of tags utilized, excluding animals condemned by Agriculture Canada, is between 3,800 and 4,300 the price per tag = \$2.00;
- If the number of tags utilized, excluding animals condemned by Agriculture Canada, is over 4,300 the price per tag = \$3.00.

3.3 Payment

The SMC shall pay the HTO for commercial caribou tags utilized in accordance with the rate schedule set out in paragraph 3.2 above on or before May 15 annually.

4.0 Camp & Abattoir Equipment

The HTO agree to make available at no cost to the SMC all camp and abattoir equipment in its possession.

5.0 Site Selection

In the interests of effective herd management, the SMC agrees to consult with the HTO and regional DSD staff about siting the camp and abattoir prior to applying for a land use permit and Commercial Wildlife License.

6.0 Ethnic Trade

To ensure compliance with GNWT and Agriculture Canada legislation and regulations, the HTO requires that shanks, briskets, tongues, necks and other caribou meat designated for "Ethnic Trade" in accordance with Agriculture Canada regulations be collected on site at the abattoir and packed in combo bins by the SMC. The HTO shall be responsible, and assume all third party liability, for the transport, handling and ultimate disposal of caribou meat designated for "Ethnic Trade".

7.0 Reporting

The SMC shall prepare an annual report on commercial harvest operations and present such report to the HTO on or before May 31 in any given year. The annual report shall include summary information on harvest statistics, financial status of the operation, problems encountered during harvest operations and plans for future harvest operations.

8.0 Term

This term of this agreement shall be from date of execution by the Parties through May 31, 2002.

9.0 Liability

The SMC shall be responsible for all financial and third party liability associated with the conduct of the commercial expert grade caribou harvest.

The HTO shall be responsible for all financial and third party liability associated with the transport, handling and ultimate disposal of caribou meat designated for "Ethnic Trade".

10.0 Termination

This agreement may only be terminated by mutual agreement between the Parties.

11.0 Notice

All notices or other communications for the purpose of this MOA shall be in writing.

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The Parties hereby acknowledge and agree to the understandings and terms set out in this Memorandum of Agreement.

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Per Resolution # 0067/05/00

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