

**ARTICLE 16**

**CAPITAL TRANSFER**

**PART 16.1: CAPITAL TRANSFER PAYMENTS TO THE NUNAVIK INUIT TRUST**

- 16.1.1 Canada shall make capital transfer payments to the Nunavik Inuit Trust as set out in Schedule A of this Article which shall be calculated by deducting from each amount listed in the Capital Transfer Schedule set out in Schedule B, the corresponding payment from the Negotiation Loans Repayment Schedule set out in Schedule C .

**PART 16.2: NEGOTIATION LOAN REPAYMENT**

- 16.2.1 By deducting amounts listed in the Negotiation Loans Repayment Schedule set out in Schedule C of this Article, Canada extinguishes any and all obligations Makivik might have had with respect to such loans.
- 16.2.2 Notwithstanding section 16.2.1, Makivik may request to accelerate the repayment of the outstanding negotiation loan amounts without bonus or penalty, at their option, and the new negotiation loan repayment schedule payment shall be re-calculated such that the present value of the new Schedule C, including accelerated repayments, remains the same using an interest rate of \_\_\_\_%<sup>3</sup>. Canada will then recalculate Schedule A in accordance with section 16.1.1.
- 16.2.3 Except as provided in this part, terms and conditions of the negotiation loans shall remain unaffected.

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<sup>3</sup>The same 9 year amortized consolidated revenue fund lending rate utilized in the calculation of the provisional schedule of payments, less 0.125 percent

**SCHEDULE A**

**PROVISIONAL CAPITAL TRANSFER PAYMENT SCHEDULE**

<u>Date</u>	<u>Payments</u>
On the effective date of the Agreement	\$4,765,233
On the first anniversary of effective date	\$4,765,233
On the second anniversary of effective date	\$4,765,233
On the third anniversary of effective date	\$4,765,233
On the fourth anniversary of effective date	\$4,765,233
On the fifth anniversary of effective date	\$4,765,233
On the sixth anniversary of effective date	\$4,765,233
On the seventh anniversary of effective date	\$4,765,233
On the eighth anniversary of effective date	\$4,765,233
On the ninth anniversary of effective date	\$4,765,233

**Notes to Finalize Schedule A**

1. Payments will be made to the Nunavik Inuit Trust in accordance with a final schedule of payments, which shall be incorporated into this Agreement immediately prior to the effective date calculated in accordance with section 16.1.1.

**SCHEDULE B**

**PROVISIONAL CAPITAL TRANSFER SCHEDULE**

<u>Date</u>	<u>Amount*</u>
On the effective date of the Agreement	\$6,000,193.00
On the first anniversary of effective date	\$6,000,193.00
On the second anniversary of effective date	\$6,000,193.00
On the third anniversary of effective date	\$6,000,193.00
On the fourth anniversary of effective date	\$6,000,193.00
On the fifth anniversary of effective date	\$6,000,193.00
On the sixth anniversary of effective date	\$6,000,193.00
On the seventh anniversary of effective date	\$6,000,193.00
On the eighth anniversary of effective date	\$6,000,193.00
On the ninth anniversary of effective date	\$6,000,193.00

\* Schedule is illustrative only based on a the current 9 yr amortized CRF lending rate less 0.125%. Calculation of the final schedule will be guided by the instructions below.

**Notes to Finalize Schedule B**

1. This note will not form part of the Agreement. The purpose of this note is to enable the parties to calculate the amounts to be shown in the provisional capital transfer schedule and the amounts for the final schedule.
2. A provisional capital transfer schedule will be negotiated prior to the initialling of this Agreement such that:

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- (a) the provisional schedule will provide for a first amount on the effective date and subsequent amounts on each anniversary date;
  - (b) the present value of the amounts listed in the provisional schedule will equal \$50 million; and
  - (c) the present value referred to in (b) will be calculated using as a discount rate, the most recently released 9 year amortized consolidated revenue fund lending rate that the Minister of Finance for Canada has approved prior to the calculation of the provisional schedule, less 0.125 percent.
3. A final schedule will be calculated prior to the effective date by multiplying each amount in the provisional schedule by the value of the FDDIPI for the latest quarter available prior to that date for which FDDIPI has been published by Statistics Canada, and by dividing the resulting product by the value of FDDIPI for the 3<sup>rd</sup> quarter of

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### SCHEDULE C

#### PROVISIONAL NEGOTIATION LOANS REPAYMENT SCHEDULE

<u>Date</u>	<u>Repayments*</u>
On the effective date of the Agreement	\$1,234,960
On the first anniversary of effective date	\$1,234,960
On the second anniversary of effective date	\$1,234,960
On the third anniversary of effective date	\$1,234,960
On the fourth anniversary of effective date	\$1,234,960
On the fifth anniversary of effective date	\$1,234,960
On the sixth anniversary of effective date	\$1,234,960
On the seventh anniversary of effective date	\$1,234,960
On the eighth anniversary of effective date	\$1,234,960
On the ninth anniversary of effective date	\$1,234,960

\* The figures in this schedule are illustrative only based on current loan figures of \$10,291,000. The final amount to be repaid will reflect additional loans incurred and interest accrued on loans up to effective date. The final figures will be verified by all parties.

#### Notes to Finalize Schedule C

1. This note will not form part of the Agreement. The purpose of this note is to enable the parties to calculate the amounts to be shown in the provisional schedule and the amounts for the final schedule of payments.
2. Prior to the signing of this Agreement, the outstanding negotiation loans of Makivik shall be determined up to the time of signing this Agreement and serve to establish a provisional schedule of repayments loans in accordance with the following provisions.

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3. A provisional negotiation loan repayment schedule will be negotiated prior to the signing of this Agreement such that:
  - (a) the provisional schedule of repayments will provide for a first payment on the effective date and subsequent payments on any or all of the anniversary dates;
  - (b) the present value of the amounts listed in the provisional schedule will equal the outstanding amount of negotiation loans (principal plus accrued interest) as at the date of signature of this Agreement; and
  - (c) the present value referred to in (b) will be calculated using as a discount rate, the most recently released 9 year amortized consolidated revenue fund lending rate that the Minister of Finance for Canada has approved prior to the calculation of the provisional schedule of payments, less 0.125 percent.
  
4. A final schedule of loan repayment amounts will be calculated prior to the effective date of the Agreement such that:
  - (a) the present value of the amounts listed in the final schedule will equal the total outstanding amount of negotiation loans (principal plus accrued interest) as at the effective date of this Agreement; and
  - (b) the present value referred to in (a) will be calculated using as a discount rate, the same 9 year amortized consolidated revenue fund lending rate utilized in the calculation of the provisional schedule, less 0.125 percent.
  
5. The final loan repayment schedule will be incorporated into this Agreement immediately prior to the effective date.