

INFORMATION DOCUMENT PAUL FIRST NATION

Land Designation of Gas Bar Convenience Store and

Land Designation of Ironhead Golf Course and Adjacent Lands

BACKGROUND

The Chief and Council (“**Nation Council**”) of the Paul First Nation (the “**Nation**”) propose to designate, by way of surrender that is not absolute, the following reserve lands:

1. **Gas Bar Convenience Store** - a portion of the Wabamun Indian Reserve No. 133A comprising approximately 1.85 acres more or less as shown on the plan/map attached as **Schedule ‘C’**, in order to allow for the lands to be leased for commercial, light industrial, recreational, or retail purposes for a term of up to Ninety-Nine (99) years; and
2. **Ironhead Golf Course and Adjacent Lands** - a portion of the Wabamun Indian Reserve No. 133A & the Wabamun Indian Reserve No. 133B comprising approximately 1068 acres more or less, legally described below, as shown on the plans/maps attached as **Schedule ‘D’**, **Schedule ‘E’** and **Schedule ‘F’**, in order to allow for the lands to be leased for commercial, residential, retail or recreational purposes for a term of up to Ninety-Nine (99) years.

This Information Document provides an overview of the proposed designations of Paul First Nation reserve lands for leasing purposes. An explanation of the designation process is provided as well as information regarding the project proposed as part of this project. Full details of the designations are set out in the

designation documents attached to this Information Document as **Schedule 'A'** and **Schedule 'B'**.

WHAT IS LAND DESIGNATION?

Land designation is a process available to First Nations to assist in the management of reserve land. Section 38(2) of the *Indian Act* allows a First Nation to designate, by way of surrender that is **NOT ABSOLUTE**, all or part of their reserve land so that it can be leased or a right or interest in that land granted to some other person or party.

It is important to note that unlike reserve lands that are surrendered absolutely, **lands which are designated DO NOT lose reserve status**. Designated lands remain part of the reserve and are only leased to a lessee for certain purposes for certain limited periods of time.

If reserve lands are designated, some tax exemptions may apply in accordance with the law if specific requirements are met. Tax exemptions on personal property may in some circumstances include income earned on reserve or goods purchased on reserve. Also, First Nation by-laws passed by the Nation Council apply to designated land and any projects located on those lands.

WHY DESIGNATE LANDS?

As reserve land is developed for economic benefit, people (or companies) that operate commercial or industrial ventures (such as stores, banks, hotels or gas stations), may seek to lease a parcel of reserve land on which to locate their business. In return for the rent paid, a person (or company) referred to as a lessee receives the right to use the land for a specific purpose and period of time if they comply with the specific terms and conditions detailed in the lease.

A lease is the document which conveys to the lessee the legal right to use and occupy the land and contains the terms and conditions which specify all aspects of land use. It is drafted and negotiated by the Government of Canada at the request of the First Nation. However, before any reserve land can be leased, it must first be "designated."

Reserve land is not subject to seizure and cannot be used as security for loans or mortgages to financial institutions. However, leasehold interests in designated reserve lands can be mortgaged for loans or other obligations.

THE PROCESS

A designation is conducted in accordance with the rules set out in Sections 37 to 41 of the *Indian Act* and the *Indian Referendum Regulations*. There are specific procedures and requirements which ensure that members of the First Nation have the opportunity to vote on the terms and conditions of the designation. A designation can only occur if the electors of the First Nation approve through a formal vote as described below.

Before any vote on a designation, the First Nation members must be provided with information regarding the designation process and of any contemplated projects or developments. They have the right and opportunity to ask questions and get information about the proposed designation so that they can make an informed decision regarding the acceptance or rejection of the proposed designation.

In this case, there will be two separate votes – one for each proposed designation. The votes will take place at the same time, but there will be two separate ballots. A vote in favour of one designation does not mean a vote in favour of both of them, and a vote against one designation does not mean a vote against the other.

To ensure there is community support for each of the designations, each referendum vote must be passed by a "simple majority" of the eligible voters. This means that a majority of those who vote for a designation, must vote in favor of that designation for it to pass. If the majority of those who vote in a designation, vote against it, the designation will fail.

Members of the Nation who live off-reserve are also entitled to vote in designation referendums. Information packages regarding the designation are sent to each eligible off-reserve voter for whom an address is known. These packages will contain two mail-in ballots, one for each of the designations, which the off-reserve voter can fill out and return in the self-addressed return envelope provided.

DETAILS OF THE PROPOSED DESIGNATION

SUBJECT LANDS

The lands proposed for the designation are shown on **Schedule 'C'**, **Schedule 'D'**, **Schedule 'E'**, and **Schedule 'F'** and are more specifically described as follows:

1. Gas Bar Convenience Store (Schedule 'C')

a. Legal Description:

Lot 9 CLSR 110842 in the N.E. ¼, Sec. 28, Twp. 52, Rge. 3, W.5th Mer.

The designation of the lands does not include any mines and minerals, whether precious or base, solid, liquid or gaseous.

The designated lands are subject to existing third-party encumbrances including but not limited to:

1. Permit to Telus Communications Inc. (for phone service), Reg. No. X11046
2. Permit to Crown Alberta for Supernet, Reg. No. 318681
3. Permit to Fortis Alberta Inc. (for distribution of electrical energy), Reg. No. 6054885

2. Ironhead Golf Course and Adjacent Lands (Schedule 'D')

a. Legal Description:

1. Lot 7, within Part of Sections 25, 26, 35, and 36, Twp. 52, Rge. 4, W.5th Mer. (CLSR 102883 AB)

The designation of the lands does not include any mines and minerals, whether precious or base, solid, liquid or gaseous.

The designated lands are subject to existing third-party encumbrances including but not limited to:

1. Permit to Crown Alberta for Outlet Structure, Reg. No. 208796.
2. Permit to Telus Communications Inc. (for phone service), Reg. No. X11046.
3. Permit to Crown Alberta for Supernet, Reg. No. 318681.
4. Permit to Fortis Alberta Inc. (for distribution of electrical energy), Reg. No. 6054885.

3. Ironhead Golf Course and Adjacent Lands (Schedule 'E')

a. Legal Description:

1. Lot 11, Lot 12, Lot 13, Lot 14, Lot 15, Lot 16 within Sec. 31 Twp. 52 Rge. 3 W5th Mer. and Lot 17 within N.E. ¼ & S.E. ¼, Sec. 36, Twp. 52, Rge. 4, W5th Mer. (CLSR 110813 AB).

The designation of the lands does not include any mines and minerals, whether precious or base, solid, liquid or gaseous.

The designated lands are subject to existing third-party encumbrances including but not limited to:

1. Permit to Telus Communications Inc. (for phone service), Reg. No. X11046.
2. Permit to Crown Alberta for Supernet, Reg. No. 318681.
3. Permit to Fortis Alberta Inc. (for distribution of electrical energy), Reg. No. 6054885.

4. Ironhead Golf Course and Adjacent Lands (Schedule 'F')

a. Legal Description:

1. Lot 20 within S.W. ¼, Sec. 6, Twp. 53, Rge. 3 W5th Mer. (CLSR 108617 AB).

The designation of the lands does not include any mines and minerals, whether precious or base, solid, liquid or gaseous.

The designated lands are subject to existing third party encumbrances including but not limited to:

1. Permit to Telus Communications Inc. (for phone service), Reg. No. X11046.
2. Permit to Crown Alberta for Supernet, Reg. No. 318681.
3. Permit to Fortis Alberta Inc. (for distribution of electrical energy), Reg. No. 6054885.

TERM

The term of the designation is Ninety-Nine (99) years that commences on the date the designation is accepted by the Minister.

PURPOSE

1. Gas Bar Convenience Store

The designation allows for the lands to be leased for commercial, recreational, light industrial or retail purposes, examples of which include, but are not limited to, the following:

- Truck stop, gas station and convenience store;
- Automotive service centers;
- Restaurant and food sales facilities including kiosks, convenience stores;
- Signs;
- Retail or wholesale establishments or shopping centres;
- Office, business or commercial establishments;
- Parking areas;

- Light manufacturing, fabricating, processing and packaging goods or products;
- Movement or storage of goods and vehicles;
- Utilities and essential public services;
- Financial institutions, medical or health facilities;

or such other specific commercial, recreational, light industrial or retail purposes as set forth in each lease.

(the “Permitted Purposes”).

The designation will also allow for assignments, mortgages and subleases of the leasehold interests in accordance with the terms of the designation. It will also allow for the granting of easements, permits, right-of-way, licenses of occupation, other interests and amendments of all such interests as may be necessary or ancillary to the primary purposes of any lease.

2. Ironhead Golf Course and Adjacent Lands

The designation allows for the lands to be leased for commercial, residential, retail or recreational purposes, examples of which include, but are not limited to, the following:

- Truck stop, gas station and convenience store;
- Playgrounds, parks and golf courses;
- Recreational vehicle sites, campground;
- Restaurant and food sales facilities including kiosks, convenience stores;
- Hotels and motels;
- Signs;
- Athletic and recreational facilities;
- Clubs and organizations;
- Retail or wholesale establishments or shopping centres;
- Office, business or commercial establishments;
- Parking areas;
- Utilities and essential public services;
- Entertainment establishments, including movie theatres;
- Marina and harbour facilities;
- Conference and Convention Centre;
- Casino(s);
- Residential housing including cottages, lodges, and other accommodations;
- Cultural and tourism sites;

or such other specific commercial, residential, retail or recreational purposes as set forth in each lease.

(the “Permitted Purposes”).

The designation will also allow for assignments, mortgages and subleases of the leasehold interests in accordance with the terms of the designation. It will also allow for the granting of easements, permits, right-of-way, licenses of occupation, other interests and amendments of all such interests as may be necessary or ancillary to the primary purposes of any lease.

PROPOSED PROJECTS

The Nation is considering developing a number of possible projects on the designated lands, the details of which are as follows:

1. Gas Bar Convenience Store

- a. Truck stop, gas station and convenience store;
- b. Automotive service centers;
- c. Restaurant and food sales facilities including kiosks, convenience stores; and
- d. Signs.

2. Ironhead Golf Course and Adjacent Lands

- a. Golf course re-development;
- b. Conference and convention centre;
- c. Casino; and
- d. RV park and camping facilities.

APPRAISALS

1. Gas Bar Convenience Store

A certified appraiser, Jeremy P. Wasmuth, of Canadian Resource Valuation Group Inc. and Brad David of Frost Valuations Inc., has appraised the fair market annual rental of the lands proposed to be designated. The appraisal report, dated May 31, 2022, sets out the appraised fair market annual rental of the lands as approximately \$1,622 per acre. Copies of this appraisal are available at the Paul First Nation Band Office.

2. Ironhead Golf Course and Adjacent Lands

A certified appraiser, Shayne E. Maynard, of DEMA Land Services Inc., has appraised the fair market annual rental of the lands proposed to be

designated. The appraisal report, dated September 23, 2022, sets out the appraised fair market annual rental of the lands as approximately \$250 per acre. Copies of this appraisal are available at the Paul First Nation Band Office.

AUTHORITY OF NATION COUNCIL

The Nation Council may, by way of Band Council Resolution, request a Ministerial Order to revoke either one or both of the designations, in respect of the whole of or any part of the designated lands, without another band vote being required, provided that there are no existing third party rights or interests issued under the designation on the affected designated lands. For example, if it is determined that not all of the 1.85 acres are required for the Gas Bar Convenience Store, then the designation of the Gas Bar Convenience Store may be revoked from the portion of the lands that is no longer required for development. Similarly, if it is determined that not all of the 1068 acres are required for the Ironhead Golf Course and Adjacent Lands, then the designation of the Ironhead Golf Course and Adjacent Lands may be revoked from the portion of the lands that is no longer required.

Through the proposed designations, the Nation Council will have the authority to negotiate, review and approve the terms and conditions of all leases. However, where an amendment to a lease reduces or has the effect of reducing the rent per acre payable under the lease, substantially changes the term, substantially changes the area to be leased or substantially changes the purposes for which the lands are leased, the Nation will evidence by Band Council Resolution to Canada that the Nation Council complied with the Nation's own internal community approval process to obtain electors' consent before requesting that Canada approve the lease amendments, and that the Nation Council followed the Nation's internal community approval processes to inform the Nation's members of the rental structure of a lease, the term of a lease, the area to be leased and the specific purpose that the lands will be leased for.

Where the lease provides for a nominal rent period and more than five years have passed since the acceptance of the designation by the Minister, the Nation Council will provide a Band Council Resolution to Canada confirming that the Nation Council complied with the Nation's own internal community approval process whereby the Nation's members were informed of the current fair market annual rent and the value of market rent that they would be forgoing as determined by an independent appraisal.

Any amendments of leases granted pursuant to either one or both of the designations will require the approval of the Nation Council by way of a Band Council Resolution without the requirement of a further meeting of the Nation's members. However, no such amendment shall extend the term of a lease beyond the term of the respective designation, and if an amendment to a lease reduces, or has the effect of reducing, the rent per acre payable under the lease, substantially changes the term of the lease, substantially changes the area to be leased or substantially changes the purpose for which the lands are leased, the Nation Council will evidence by Band Council Resolution to Canada that the Nation complied with the Nation's own internal community approval processes to obtain electors' consent to the amendments prior to seeking those amendments from Canada.

ENVIRONMENTAL ASSESSMENTS

Any lease and any subsequent sublease entered into on the designated lands will be subject to all necessary environmental assessments as required by the Government of Canada's policy and any relevant legislation. The designations appoint the Nation Council to act as the representative of the Nation in relation to such environmental assessments.

GENERAL INFORMATION

The rent for all leases shall be fair market rent subject to periodic rent reviews as set out in each lease. However, the Nation Council may approve of Canada leasing the designated lands, or any portion of them, for nominal rent of \$1.00 per year for up to the first five years of the term of a lease to a Nation Entity to promote the economic development of the lands. After this nominal rent period, rent reviews shall be conducted and the designated lands shall be leased for fair market rent.

In leases entered into pursuant to either one or both of the designations, Canada will only be collecting the rent payable under the leases, and not any rent revenues payable under any subleases.

All payments made to Canada for any lease, permit, easement, license, or other interests issued under either one or both of the designations will be credited to the funds of the First Nation as Indian moneys, except for any additional rent, reimbursements or similar payments payable to Canada as may be provided for in such instrument.

Full details of the designations are set out in the designation documents attached to this Information Document as Schedule 'A' and Schedule 'B'.

NOMINAL RENT

All or some of the designated lands may be leased for nominal rent to a Nation Entity for up to five years. If nominal rent is payable under a lease, the Nation Entity will have a rent-free "start-up" period of not more than five years, which may assist the Nation Entity in becoming a viable operation, and/or lessen the Nation Entity's financial outflow while it is pursuing fair market rental sublease opportunities. In addition, although nominal rent may be payable by a Nation Entity under a lease, any profits of the Nation Entity, or increases in value of the Nation Entity's assets, may indirectly benefit members of the Nation as beneficial owners of the Nation Entity.

However, as only nominal rent would be paid by the Nation Entity instead of fair market rent for up to five years, there is a risk that the Nation may not financially benefit as much from the designated lands during the nominal rent period as compared to a lease for fair market rent. As such, Canada requires certain acknowledgements from the Nation in respect of this risk, and nominal rent leases to Nation Entities generally. These acknowledgments are specifically set out in Schedule 'A' and Schedule 'B'.

INFORMATION MEETINGS

An information meeting for the Nation members will be held at the Paul First Nation Old School Gymnasium on October 4, 2023, as set out in the Notice of Referendum. The purpose of the information meeting(s) is to provide the Nation's members with information to assist in their decision making with respect to the proposed designation.

DATE OF REFERENDUM VOTE

A referendum vote to seek the assent of the electors of the Nation to the proposed designation will be held on **October 25, 2023, at the Paul First Nation Old School Gymnasium on Wabamun No 133A.**

FURTHER INFORMATION

For further information on the proposed designation contact:

Nick Nath, Executive Director, at the Paul First Nation Band Administration office,
Phone 780-892-2691

Janelle Charland (Electoral Officer), Indigenous Services Canada, 630 Canada
Place, 9700 Jasper Avenue, Edmonton, Alberta, T5J 4G2, janelle.charland@sac-isc.gc.ca

SCHEDULE 'A'

**PAUL FIRST NATION LAND DESIGNATION DOCUMENT OF GAS BAR
CONVEINENCE STORE**

SCHEDULE 'B'

**PAUL FIRST NATION LAND DESIGNATION DOCUMENT OF IRONHEAD
GOLF COURSE AND ADJACENT LANDS**

SCHEDULE 'C'

**SURVEY PLAN SHOWING LANDS PROPOSED FOR DESIGNATION
OF GAS BAR CONVEINENCE STORE**

SCHEDULE 'D'

**SURVEY PLAN SHOWING LANDS PROPOSED FOR LOT 7 OF THE
IRONHEAD GOLF COURSE AND ADJACENT LANDS DESIGNATION**

SCHEDULE 'E'

**SURVEY PLAN SHOWING LANDS PROPOSED FOR LOTS 11, 12, 13, 14, 15,
16, 17 OF THE IRONHEAD GOLF COURSE AND ADJACENT LANDS
DESIGNATION**

SCHEDULE 'F'

**SURVEY PLAN SHOWING LANDS PROPOSED FOR LOT 20 OF THE
IRONHEAD GOLF COURSE AND ADJACENT LANDS DESIGNATION**