

THIS AGREEMENT made this 2nd day of January, 1998

BETWEEN:

SAGKEENG NATION,
(the "Nation")

- and -

MANITOBA HYDRO,
("Hydro")

WHEREAS the Nation and Hydro entered into an Agreement and Accord dated March 21, 1997 (the "Original Agreement") pursuant to which Hydro covenanted and agreed to pay the Nation nine (9) equal, annual payments of two hundred fifty thousand(\$250,000.00) dollars, on the 31st day of October in each year, commencing on October 31st, 1998 and continuing until October 31st, 2006;

AND WHEREAS the Nation has requested that the payments scheduled to be made on the 31st days of October, 1998 and 1999 be pre-paid on the 15th day of January, 1998, so that such funds can be used on a equal, cost-shared basis with funds from the Federal Government for the purposes of carrying

out a program of rip rap and shoreline protection on the edge of the Nation's Reserve bounded by the Winnipeg River.

AND WHEREAS Hydro is prepared to accommodate the Nation's request provided the payment stream in the Original Agreement is adjusted accordingly and so as to recognize the time value of money.

Therefore the parties agree as follows:

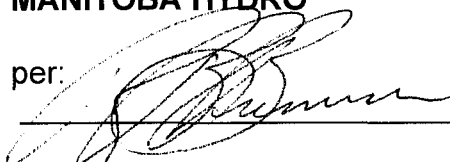
1. Hydro shall pre-pay to the Nation the 1998 and 1999 payments under the Original Agreement, in the aggregate amount of five hundred thousand dollars (\$500,000), on the 15th day of January 1998.
2. The Nation shall use the funds pre-paid pursuant to this agreement, together with funds to be provided by the Federal Government on an equal cost-shared basis, for the purposes of carrying out a program of rip rap and shoreline protection on the edge of the Nation's Reserve bounded by the Winnipeg River.
3. The Original Agreement shall be, and by this Agreement is, amended by:
 - (a) showing the payment of five hundred thousand (\$500,000) dollars on January 15, 1998 ;
 - (b) deleting the obligation to pay two hundred and fifty thousand dollars (\$250,000) on the 31st days of October 1998 and 1999; and
 - (c) by reducing the seven (7) remaining payments from two hundred fifty thousand (\$250,000.00) dollars each to two hundred forty thousand (\$240,000.00) dollars each.
4. In all other respects, the Original Agreement is hereby confirmed and remains unamended and in full force and effect.

- 5. For the purposes of this agreement the terms "Nation" and "Sagkeeng Nation" shall be deemed to include the Sagkeeng First Nation, Band 262, and any predecessor or successor entity.

Signed on behalf of the parties:

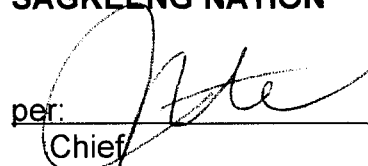
MANITOBA HYDRO

per:



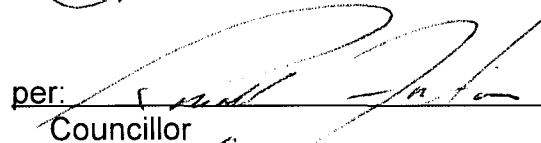
SAGKEENG NATION

per:



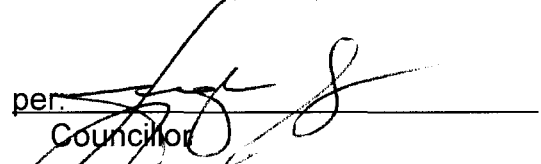
Chief

per:



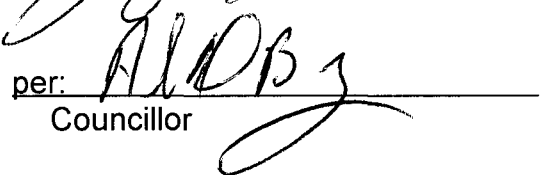
Councillor

per:



Councillor

per:



Councillor



Witness as to Chief and Councillors