



THE AGREEMENT BETWEEN

**THE INCORPORATED COMMUNITY OF NELSON HOUSE
As represented by the Community Council
(the "Community")**

and

**HER MAJESTY THE QUEEN
IN RIGHT OF THE PROVINCE OF MANITOBA
As represented by The Minister of Aboriginal and Northern Affairs
("Manitoba")**

and

**THE MANITOBA HYDRO-ELECTRIC BOARD
("Hydro")**

2006

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**The Incorporated Community of
NELSON HOUSE
as represented by the Community Council
(the “Community”)**

and

**HER MAJESTY THE QUEEN
IN RIGHT OF THE PROVINCE OF MANITOBA
as represented by The Minister of
Aboriginal and Northern Affairs
 (“Manitoba”)**

and

**THE MANITOBA HYDRO-ELECTRIC BOARD
 (“Hydro”)**

NELSON HOUSE COMMUNITY SETTLEMENT AGREEMENT dated May 24, 2006.

AMONG:

THE INCORPORATED COMMUNITY OF NELSON HOUSE,
as represented by the **Community Council**,
(the "**Community**"),

- and -

HER MAJESTY THE QUEEN
IN RIGHT OF THE PROVINCE OF MANITOBA,
as represented by The Minister of Aboriginal and Northern Affairs,
("**Manitoba**"),

- and -

THE MANITOBA HYDRO-ELECTRIC BOARD,
("**Hydro**"),

WHEREAS:

- A. **Manitoba** administers and controls provincial lands, waters and water powers as provided in the Manitoba Natural Resources Transfer Agreement, which is part of the *Constitution Act, 1930*;
- B. **Hydro** is a Crown Corporation established in 1949 and continued by *The Manitoba Hydro Act*, for the purpose, among others, of providing for the continuance of a supply of power adequate for the needs of the Province of Manitoba, and may engage in and promote the development, generation, transmission, distribution, supply and end-use of power;
- C. Pursuant to licences issued by **Manitoba** to **Hydro** under *The Water Power Act*, **Hydro** developed and operates the Lake Winnipeg Regulation and Churchill River Diversion Project and related generation, transmission and distribution facilities for the ongoing benefit of the people of Manitoba;
- D. The **Project** caused **Adverse Effects** upon the natural environment in the area of the **Community** and upon the **Members** of the **Community**;
- E. **Manitoba**, **Hydro** and the **Community** have entered into negotiations to address the **Adverse Effects** of the **Project** on the **Community** and **Members** of the **Community**;
- F. As a result of these negotiations, the **Parties** are entering into this **Agreement**.

The **Parties** agree as follows:

TABLE OF CONTENTS

	<u>Page</u>
PREAMBLE	1
ARTICLE 1.0 – AGREEMENT AND INTERPRETATION	2
1.1 Contents.....	2
1.2 Definitions	2
1.3 Use of Definitions	5
1.4 Statutory References	5
1.5 Legislation Speaks from Present	5
1.6 Description of Provisions in Agreement	5
ARTICLE 2.0 – PAYMENT AND COSTS.....	6
2.1 Introduction	6
2.2 Payments by Manitoba and Hydro.....	6
2.3 Payments Settled with Trustees.....	6
2.4 Interest on Late Payment.....	6
2.5 Prime Lending Rate	6
2.6 Past Costs, Fees and Contingency Fees.....	6
2.7 Current Costs.....	6
2.8 Limitations.....	7
SCHEDULE 2.1 – TRUST INDENTURE	
ARTICLE 3.0 – SHORELINE MAINTENANCE, COMMUNITY WORKS.....	8
3.1 Shoreline Maintenance and Community Works.....	8
SCHEDULE 3.1 – DESIGN SPECIFICATIONS OF COMMUNITY DOCK	
ARTICLE 4.0 – ONGOING COMMUNICATION BETWEEN THE PARTIES.....	9
4.1 Meetings	9
4.2 Costs Borne by Each Party.....	9
ARTICLE 5.0 – COMPENSATION FOR CLAIMS.....	10
5.1 Introduction	10
5.2 Claims	10
5.3 Limitation.....	10
5.4 Claims Officer	10
5.5 Resignation or Expiration or Termination of Appointment of Trustee	10
5.6 Undertaking.....	10
5.7 Claims Officer Fees	10
5.8 Liability	11
5.9 Form of Claims.....	11
5.10 Investigation Process.....	11
5.11 Notice Period	11
5.12 Conflict.....	11
5.13 Investigation.....	11
5.14 Preliminary Decisions	11
5.15 Further Decision Process.....	12
5.16 Payment Following Decision.....	12

5.17 Decisions Available..... 13

5.18 Rejection of Claim by Delay 13

5.19 Reimbursement..... 13

5.20 Onus 13

5.21 Evidence 13

5.22 Hearing Location 13

5.23 Substantial Compliance 13

5.24 Amend Forms 13

5.25 Reference to Courts 13

SCHEDULE 5.1 – CLAIM FOR COMPENSATION FORM

SCHEDULE 5.2 – NOTICE OF RECEIPT OF CLAIM FOR COMPENSATION

SCHEDULE 5.3 – UNDERTAKING OF CLAIMS OFFICER OR APPEAL CLAIMS OFFICER

SCHEDULE 5.4 – DECISION OF CLAIMS OFFICER OR APPEAL CLAIMS OFFICER

SCHEDULE 5.5 – NOTICE OF APPEAL (BY CLAIMANT, WHERE CLAIM DEEMED TO BE REJECTED DUE TO DELAY)

SCHEDULE 5.6 – CLAIMANT ACCEPTANCE AND RELEASE FOR COMPENSATION FOR ADVERSE EFFECTS

ARTICLE 6.0 – APPEAL..... 14

6.1 Introduction 14

6.2 Appeal 14

6.3 Filing of Appeal 14

6.4 Appeal Claims Officer 14

6.5 Investigation Process 14

6.6 Notice Period 14

6.7 Inability of Appeal Claims Officer to Act 14

6.8 Undertaking..... 14

6.9 Fees 14

6.10 Liability 15

6.11 Conflict 15

6.12 Investigation 15

6.13 Decision of Appeal Claims Officer 15

6.14 Further Decision Process..... 15

6.15 Costs 16

6.16 Payment Following Decision 16

6.17 Decisions Available 16

6.18 Reimbursement..... 16

6.19 Finality..... 16

SCHEDULE 6.1 – NOTICE OF APPEAL (BY CLAIMANT OR COMMUNITY COUNCIL)

SCHEDULE 6.2 – NOTICE OF RECEIPT OF APPEAL

ARTICLE 7.0 – SETTLEMENT AND SATISFACTION, RELEASES AND INDEMNITIES..... 17

7.1	Introduction.....	17
7.2	Settlement and Satisfaction	17
7.3	Exclusions.....	17
7.4	Not Settled by this Agreement	17
7.5	Manitoba Programs.....	17
7.6	Considerations	17
7.7	Acknowledgement re: Independent Advice.....	18
7.8	Release – Manitoba	18
7.9	Release – Hydro	18
7.10	Release by Individuals	18
7.11	Indemnity	18
7.12	Indemnity	19
7.13	Exceptions	19
7.14	Notice.....	19
7.15	Future Acts or Omissions.....	19
7.16	Liability for Acts or Omissions of Other Parties.....	19
7.17	Other Agreements.....	20

SCHEDULE 7.1 – RELEASE BY ADULT MEMBERS OF THE INCORPORATED COMMUNITY OF NELSON HOUSE

ARTICLE 8.0 – APPROVAL AND EXECUTION.....	21	
8.1	Introduction	21
8.2	Approval of Agreement	21
8.3	Public Meeting	21
8.4	Voters.....	21
8.5	List of Voters	22
8.6	Vote.....	22
8.7	Ballot Question.....	22
8.8	Approval.....	22
8.9	Execution of Agreement by Community.....	22
8.10	Execution of Agreement by Hydro and Manitoba.....	22
8.11	Agreement of No Force and Effect	22
8.12	Certificate of Independent Advice	22

SCHEDULE 8.1 – BALLOT QUESTION

SCHEDULE 8.2 – THE INCORPORATED COMMUNITY OF NELSON HOUSE COUNCIL RESOLUTION (APPROVING EXECUTION OF AGREEMENT)

SCHEDULE 8.3 – CERTIFICATE OF INDEPENDENT LEGAL ADVICE

ARTICLE 9.0 – GENERAL PROVISIONS	23	
9.1	Introduction	23
9.2	Headings.....	23
9.3	Singular and Plural.....	23
9.4	No Presumptions	23
9.5	Aboriginal and Treaty Rights.....	23
9.6	Rights of First Nations Not Affected.....	23

9.7	Powers and Prerogatives.....	23
9.8	Statutory Requirements	23
9.9	Binding on Parties.....	23
9.10	Notices	23
9.11	Addresses	23
9.12	Agreement Supersedes	24
9.13	No Merger with Other Agreements	24
9.14	Assignment	24
9.15	Further Action	24
9.16	Laws in Manitoba	24
9.17	No Admission.....	24
9.18	Amendment.....	24
9.19	Assumption of Liability	24
9.20	Notice.....	25

1.0 AGREEMENT AND INTERPRETATION

1.1 Contents. This **Agreement** consists of articles 1.0 through 9.0 and includes the following schedules which are attached to this **Agreement**:

ARTICLE No.	TITLE
Article 1.0	Agreement and Interpretation
Article 2.0	Payment and Costs
Article 3.0	Shoreline Maintenance, Community Works
Article 4.0	Ongoing Communication between the Parties
Article 5.0	Compensation for Claims
Article 6.0	Appeal
Article 7.0	Settlement and Satisfaction, Releases and Indemnities
Article 8.0	Approval and Execution
Article 9.0	General Provisions
SCHEDULE No.	TITLE
Schedule 2.1	Trust Indenture
Schedule 3.1	Design Specifications of Community Dock
Schedule 5.1	Claim for Compensation Form
Schedule 5.2	Notice of Receipt of Claim for Compensation
Schedule 5.3	Undertaking of Claims Officer or Appeal Claims Officer
Schedule 5.4	Decision of Claims Officer or Appeal Claims Officer
Schedule 5.5	Notice of Appeal (by Claimant , where Claim rejected due to delay)
Schedule 5.6	Claimant Acceptance and Release for Compensation for Adverse Effects
Schedule 6.1	Notice of Appeal (by Claimant or Community Council)
Schedule 6.2	Notice of Receipt of Appeal
Schedule 7.1	Release by Adult Members of The Incorporated Community of Nelson House
Schedule 8.1	Ballot Question
Schedule 8.2	The Incorporated Community of Nelson House Council Resolution (approving execution of Agreement)
Schedule 8.3	Certificate of Independent Legal Advice

1.2 Definitions. In this **Agreement**, the following words and phrases, when capitalized and printed in bold type, whether in the plural, the singular or the possessive, have the following meanings:

- (a) **Adverse Effects** means the direct or indirect negative consequences of the **Project** or the operation thereof by **Hydro**, which consequences impact on or change the physical, chemical or biological characteristics of the environment and which consequences include, without limitation, risks or injuries to the health,

safety, well-being, comfort or enjoyment of life by the **Community or Members**, and which consequences impact on interests in and the exercise of rights in relation to lands, pursuits, activities, opportunities, lifestyles and assets of the **Community or Members**;

- (b) **Agreement** means this Nelson House Community Settlement Agreement, including all schedules listed in section 1.1;
- (c) **Appeal Claims Officer** means a person who investigates and decides an appeal of a **Claim** under article 6.0;
- (d) **Band** means a “band” as defined in the *Indian Act*;
- (e) **Claim** means a claim for individual loss or damage arising from those **Adverse Effects** of the **Project** that are addressed under article 5.0;
- (f) **Claimant** means any **Member** of the **Community** who suffered loss or damage resulting from or attributable to **Adverse Effects** and who files a **Claim** under article 5.0;
- (g) **Claims Account** means the account established under Article 11.2 of the **Indenture**;
- (h) **Claims Officer** means a person who investigates and decides a **Claim** under article 5.0;
- (i) **Community** means The Incorporated Community of Nelson House, a community incorporated pursuant to the *Nelson House Community Incorporation Regulation*, Manitoba Regulation 45/2004 made under *The Northern Affairs Act*, which is represented by the **Community Council**;
- (j) **Community Council** means the Mayor and Council of the **Community** elected and in office pursuant to *The Northern Affairs Act*;
- (k) **Council Resolution** means a resolution of the **Community Council**;
- (l) **Date of this Agreement** means the date this **Agreement** has been executed by the last **Party**;
- (m) **Financial Proceeds** means the amounts paid pursuant to section 2.2 by **Hydro** and **Manitoba** to the **Community**, for the benefit of the **Community**;
- (n) **Funding and Programming** means the moneys or services provided by **Manitoba** on a discretionary basis pursuant to appropriation legislation of the Legislative Assembly of **Manitoba** to persons, entities or groups in Manitoba, which are at the relevant time available or potentially or conditionally available to the **Community or Members**;
- (o) **Hydro** means The Manitoba Hydro-Electric Board;

- (p) **Indenture** means the Trust Indenture attached as schedule 2.1;
- (q) **Manitoba** means Her Majesty the Queen in Right of Manitoba as represented by the Minister of Aboriginal and Northern Affairs;
- (r) **Member** means a person who, at the relevant time, has his or her place of residence within the boundaries of the **Community**;
- (s) **Northern Flood Agreement** means an agreement that was entered into by **Manitoba, Hydro**, the Government of Canada, and The Northern Flood Committee, Inc. on behalf of the York Landing, Nelson House, Norway House, Split Lake and Cross Lake Indian **Bands**;
- (t) **Party** means, as the context requires, any one of **Manitoba, Hydro** or the **Community**;
- (u) **Project** means all those physical works related to hydro-electric development on the Churchill, Nelson, Rat and Burntwood River Systems and the development of the Lake Winnipeg Regulation System north of the 53rd parallel, to the extent such works have been physically developed and constructed by or on behalf of **Hydro** as of the **Date of this Agreement** and any re-development thereof, and without limiting the generality of the foregoing, includes all dams, dikes, channels, control structures, excavations, generating stations, roads, transmission lines and other works forming part of, or related to, all aspects of such hydro-electric development including:
- Lake Winnipeg Regulation,
Churchill River Diversion, including without limitation, the Notigi
and Missi control structures,
Grand Rapids Generating Station,
Laurie River Generating Stations,
Kelsey Generating Station,
Kettle Generating Station,
Long Spruce Generating Station, and
Limestone Generating Station,
- and the access road and other physical construction with respect to the proposed Conawapa Generating Station;
- (v) **Trust** means the Nelson House Community Trust established and settled by the **Community** pursuant to the **Indenture**;
- (w) **Trust Funds** means all property of every nature and kind, whether real, personal, or mixed, held from time to time in the **Trust** by the **Trustees**;

- (x) **Trustees** means the trustees who are signatories to the **Indenture** and their successors in office, selected in accordance with Article 5 of the **Indenture**;
- (y) **Voting Member** means a person who, at the relevant time, is qualified to vote for the Council of Nelson House under section 10 of the *Northern Manitoba Elections Regulation*, Manitoba Regulation 43/93 under *The Northern Affairs Act* or a successor enactment.

1.3 Use of Definitions. Except for use in this **Agreement**, these definitions are without prejudice to, and are not binding upon, any of the **Parties**.

1.4 Statutory References. The following legislation is referred to in this **Agreement** and, unless otherwise specifically provided, when described by the title set out in this section, the legislation will be interpreted to mean the legislation as cited in this section:

- (a) Acts of the Legislature of Manitoba:

The Manitoba Hydro Act, C.C.S.M. c. H190,
The Northern Affairs Act, C.C.S.M. c. N100,
The Water Power Act, C.C.S.M. c. W60.

- (b) Acts of the Parliament of Canada:

Indian Act, R.S.C. 1985, c. I-5.

- (c) Acts constituting part of the Constitution of Canada:

Constitution Act, 1982 being Schedule B to the *Canada Act, 1982* (U.K.) 1982, c.11,
Constitution Act, 1930.

1.5 Legislation Speaks from Present. All references to legislation referred to in section 1.4 will include all regulations made in accordance with that legislation and any amendment, re-enactment or replacement from time to time of that legislation.

1.6 Description of Provisions in Agreement. For ease of reference, the provisions of this **Agreement** are described in the following manner in this **Agreement**:

article	1.0
section	1.1
paragraph	1.1(a)
subparagraph	1.1(a)(i)

2.0 PAYMENT AND COSTS

2.1 Introduction. Article 2.0 provides for payments to be made to the **Community** and contains arrangements for the reimbursement of certain costs.

2.2 Payments by Manitoba and Hydro. On or before the dates set out below, **Manitoba** and **Hydro** covenant and agree to pay, jointly, the **Financial Proceeds**, totalling \$1,205,000.00 by cheques payable to the **Community** as follows:

<u>PAYMENT DATE</u>	<u>PAYMENT AMOUNT</u>
Thirty days after the signing of this Agreement	\$325,000.00
September 1, 2006	85,000.00
September 1, 2007	85,000.00
September 1, 2008	85,000.00
September 1, 2009	85,000.00
September 1, 2010	85,000.00
September 1, 2011	85,000.00
September 1, 2012	85,000.00
September 1, 2013	85,000.00
September 1, 2014	200,000.00
TOTAL	\$1,205,000.00

2.3 Payments Settled with Trustees. The **Community** will settle the funds paid under section 2.2 on the **Trustees** in accordance with the **Indenture** attached as schedule 2.1.

2.4 Interest on Late Payment. Interest will be payable by **Hydro** on overdue amounts. Interest will be calculated daily by multiplying the overdue amount by the interest rate of two (2) percent more than the Prime Lending Rate that is in effect for each day that the payment is overdue and dividing the result by 365.

2.5 Prime Lending Rate. For purposes of section 2.4, the Prime Lending Rate means the then current prime interest rate per year as publicly announced from time to time by the Royal Bank of Canada at its main office in the City of Winnipeg, Manitoba as its preferred lending rate of interest charged to its most creditworthy Canadian customers, whether or not such interest rate is actually charged by said bank to any customer.

2.6 Past Costs, Fees and Contingency Fees. No past costs or fees, and no contingency fees, bonuses or other similar disbursements arising from negotiation of this **Agreement** are to be paid from the payments made under section 2.2.

2.7 Current Costs. In addition to the amounts that will be paid under section 2.2, the **Community** has been or will be reimbursed by **Manitoba** and **Hydro** for all reasonable costs incurred in negotiating, ratifying and concluding this **Agreement**, including the costs of legal and consulting services required for the informed participation of the **Community**.

2.8 Limitations. Neither **Manitoba** nor **Hydro** will bear any responsibility for costs incurred by the **Community** in negotiating, ratifying and concluding this **Agreement** other than as provided for in this **Agreement**.

Schedule 2.1 - Trust Indenture

SCHEDULE 2.1

TRUST INDENTURE

THIS TRUST INDENTURE made this day of 2006.

AMONG:

THE INCORPORATED COMMUNITY OF NELSON HOUSE

(the "**Community**")

OF THE FIRST PART,

- and -

Mayor of The Incorporated Community of Nelson House

- and -

Councillor of The Incorporated Community of Nelson House

- and -

(the "**Trustees**"),

OF THE SECOND PART,

- and -

**HER MAJESTY THE QUEEN
IN RIGHT OF THE PROVINCE OF MANITOBA,**
as represented by The Minister of Aboriginal and Northern Affairs

(**"Manitoba"**),

OF THE THIRD PART.

TABLE OF CONTENTS

Page

PREAMBLE	2
ARTICLE 1 – INTERPRETATION	3
1.1 Contents.....	3
1.2 Guides to Interpretation	3
1.3 Statutory References	4
1.4 Legislation Speaks from Present	4
ARTICLE 2 – DEFINITIONS.....	4
2.1 Definitions	4
2.2 Reference to Decision of Trustees.....	6
ARTICLE 3 – BASIC PROVISIONS	6
3.1 Name	6
3.2 Principal Purposes of the Trust.....	6
3.3 Beneficiary	7
3.4 Non-divisibility	7
3.5 Fiscal Year	7
ARTICLE 4 – COMMUNITY COUNCIL	7
4.1 Duties of Community.....	7
4.2 Disclosure of Conflicts of Interest	7
4.3 Exception	8
ARTICLE 5 – QUALIFICATION, APPOINTMENT AND FIDUCIARY RESPONSIBILITIES OF TRUSTEES.....	8
5.1 Eligibility	8
5.2 Appointment of Trustees	8
5.3 Term of Trustees.....	8
5.4 Shortened Term	9
5.5 Additional Terms	9
5.6 Deemed Resignation	9
5.7 Resignation	9
5.8 Termination of Appointment.....	10
5.9 Validity of Actions.....	10
5.10 Acceptance of Indenture	10
5.11 Trustees’ Dealings with the Trust.....	10
5.12 Fiduciary Responsibilities of Trustees	10
5.13 Disclosure of Conflicts of Interests.....	10
5.14 Exception	11
5.15 Liability of Trustees	11
5.16 Trustees’ Indemnification	11
5.17 Trustee Fees.....	11
ARTICLE 6 – DECISIONS OF THE TRUSTEES	11
6.1 Trustees	11
6.2 Decisions by Trustees.....	11

6.3	Quorum	11
6.4	Procedure	11
6.5	Meetings	11
6.6	Meetings by Telephone.....	12
6.7	Minutes	12
6.8	Maintain Records and Books	12
ARTICLE 7 – TRUSTEES’ POWERS		12
7.1	Powers and Authorities	12
7.2	Proper Execution of Documents	13
7.3	Transaction Information and Quarterly Statements	13
7.4	Reliance Upon Reports.....	14
ARTICLE 8 – ANNUAL PLANNING PROCESS.....		14
8.1	Preparation of Proposals, Plans and Initiatives.....	14
8.2	Preparation of the Budget	14
8.3	Planning Process	14
8.4	Meeting of the Members	15
8.5	Budget Decisions	15
8.6	Disclosure to Members	15
ARTICLE 9 – COMMUNITY MEETINGS		15
9.1	Other Meetings of the Members	15
9.2	Calling Meetings of the Members	15
ARTICLE 10 – AUDITOR		16
10.1	Auditor.....	16
10.2	Auditor’s Duties	16
ARTICLE 11 – RECEIPT AND ALLOCATION OF TRUST FUNDS		16
11.1	Delivery of Financial Proceeds	16
11.2	Timing of Establishment.....	16
11.3	Accounts of the Trust	16
11.4	Delivery of Financial Proceeds to Manitoba.....	16
11.5	Funding of Accounts	16
11.6	Investment of Trust Funds	17
11.7	Distribution of Funds Available	17
11.8	Distribution of Funds in the Community Development Account.....	17
ARTICLE 12 – ACCOUNTS		17
12.1	Uses of Community Development Account.....	17
12.2	Uses of Claims Account.....	18
ARTICLE 13 – INDEMNITY.....		18
13.1	Indemnity	18
ARTICLE 14 – INCOME AND EXPENSES.....		18
14.1	Income of the Trust	18
14.2	Administration and Operating Expenses.....	18

ARTICLE 15 – TRUSTEES’ REPORT	18
15.1 Annual Reporting Requirements	18
15.2 Required Meeting.....	18
ARTICLE 16 – RECTIFICATION.....	19
16.1 Rectification and Additional Administrative Provisions.....	19
ARTICLE 17 – AMENDMENT AND DISSOLUTION.....	19
17.1 Amendment or Dissolution of Trust.....	19
17.2 Application to Court.....	19
17.3 Consent of Members.....	19
17.4 Use of Trust Funds upon Dissolution of Trust.....	20
17.5 Term of Trust	20
17.6 Amendment of Schedules	20
ARTICLE 18 – GENERAL PROVISIONS	20
18.1 Proper Law of Trust	20
18.2 Trust not Revocable	20
18.3 Addition to Trust Funds.....	20
18.4 Assignment	20
18.5 Enurement	20
18.6 Hydro Ceasing to be Agent.....	20
18.7 Entire Agreement	20
18.8 Notices	20
APPENDIX 1 – COUNCIL RESOLUTION.....	23
APPENDIX 2 – UNDERTAKING AND ACCEPTANCE OF TRUSTEES	24
APPENDIX 3 – PERMITTED INVESTMENTS	25

Schedule 2.1 - Trust Indenture

SCHEDULE 2.1

TRUST INDENTURE

THIS TRUST INDENTURE made this day of 2006.

AMONG:

THE INCORPORATED COMMUNITY OF NELSON HOUSE

(the "**Community**")

OF THE FIRST PART,

- and -

Mayor of The Incorporated Community of Nelson House

- and -

Councillor of The Incorporated Community of Nelson House

- and -

(the "**Trustees**"),

OF THE SECOND PART,

- and -

**HER MAJESTY THE QUEEN
IN RIGHT OF THE PROVINCE OF MANITOBA,**
as represented by The Minister of Aboriginal and Northern Affairs

(**"Manitoba"**),

OF THE THIRD PART.

WHEREAS:

A. The **Community** will receive **Financial Proceeds** from **Hydro** and **Manitoba** in accordance with the **Agreement** entered into among the **Community, Manitoba** and **Hydro** for the purposes of fully and finally resolving and concluding all outstanding issues related to the **Project**; and

B. Pursuant to the **Agreement**, the **Community**, as a condition of receiving the **Financial Proceeds**, has agreed to settle a **Trust** on the terms, and for the purposes, set out in this **Indenture**.

NOW THEREFORE the **Parties** agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Contents. This **Indenture** consists of Articles 1 through 18 as noted in this Article 1.1, and includes the following appendices which are attached to this **Indenture**:

ARTICLE No.	TITLE
Article 1	Interpretation
Article 2	Definitions
Article 3	Basic Provisions
Article 4	Community Council
Article 5	Qualification, Appointment and Fiduciary Responsibilities of Trustees
Article 6	Decisions of the Trustees
Article 7	Trustees' Powers
Article 8	Annual Planning Process
Article 9	Community Meetings
Article 10	Auditor
Article 11	Receipt and Allocation of Trust Funds
Article 12	Accounts
Article 13	Indemnity
Article 14	Income and Expenses
Article 15	Trustees' Report
Article 16	Rectification
Article 17	Amendment and Dissolution
Article 18	General Provisions

APPENDIX No.	TITLE
Appendix 1	Council Resolution
Appendix 2	Undertaking and Acceptance of Trustees
Appendix 3	Permitted Investments

1.2 Guides to Interpretation. In this **Indenture**:

- (a) any reference to a person shall include the successor to that person;
- (b) singular words shall include the plural and vice versa;
- (c) words referring to one (1) gender shall include both genders;
- (d) the headings and the division of this **Indenture** into Articles is for convenience of reference only, and shall not affect the construction or interpretation of this **Indenture**;
- (e) this **Indenture** shall be read in conjunction with the **Agreement** of which this **Indenture** forms a part; and
- (f) references to Articles or Schedules mean articles or schedules of this **Indenture** unless otherwise indicated.

1.3 Statutory References. The following legislation is referred to in this **Indenture** and, unless otherwise specifically provided, when described by the title set out in this Article, the legislation will be interpreted to mean the legislation as cited in this Article:

- (a) Acts of the Legislature of Manitoba:
The Northern Affairs Act, C.C.S.M. c. N100.
- (b) Acts of the Parliament of Canada:
Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3
Criminal Code, R.S.C. 1985, c. C46
Income Tax Act, R.S.C. 1985, c. 1 (Supp.)
Indian Act, R.S.C. c. I-5.

1.4 Legislation Speaks from Present. All references to legislation referred to in Article 1.3 will include all regulations made in accordance with that legislation and any amendment, re-enactment or replacement from time to time of that legislation.

ARTICLE 2 DEFINITIONS

2.1 Definitions. For all purposes of this **Indenture**, unless otherwise specifically provided, the following words and phrases, when capitalized and printed in bold type, have the following meanings:

- (a) **Agreement** means the **Agreement** entered into between the **Community, Hydro and Manitoba**, dated May 24, 2006, of which this **Indenture** forms a part;
- (b) **Appeal Claims Officer** means a person who investigates and decides an appeal of a **Claim** under article 6.0 of the **Agreement**;
- (c) **Auditor** means the auditor appointed under Article 10.1;
- (d) **Band** means a “band” as defined in the *Indian Act*;
- (e) **Claim** means a claim for individual loss or damage arising from those **Adverse Effects** of the **Project** that are addressed under article 5.0 of the **Agreement**;
- (f) **Claims Account** means the account established under Article 11.2, the use and purpose of which is set out in Article 12.2;
- (g) **Claims Officer** means a person who investigates and decides **Claims** under article 5.0 of the **Agreement**;
- (h) **Community** means The Incorporated Community of Nelson House, a community established and incorporated under *The Northern Affairs Act*, which is represented by the **Community Council**;

- (i) **Community Council** means the Mayor and Council of the **Community** elected and in office pursuant to *The Northern Affairs Act*;
- (j) **Community Development Account** means the account established pursuant to Article 11.2, the use and purpose of which is set out in Article 12.1;
- (k) **Council Resolution** means a resolution of the **Community Council** in the form set out in Appendix 1;
- (l) **Financial Proceeds** means the amounts paid pursuant to section 2.2 of the **Agreement by Hydro and Manitoba to the Community**;
- (m) **Funds Available** in a fiscal year of the **Trust** means:
 - (i) in the fiscal year ending March 31, 2006, the amount of \$315,000.00 (\$325,000.00 minus \$10,000.00 deposited directly to **Claims Account**); and
 - (ii) in any subsequent fiscal year, the total of:
 - A. the **Income of the Trust** for the year, and
 - B. the amount in the **Community Development Account**.
- (n) **Hydro** means The Manitoba Hydro-Electric Board;
- (o) **Income of the Trust** means all of the income of the **Trust** for a fiscal year as calculated in accordance with section 3 of the *Income Tax Act* without reference to subsections 75(2) or 104(6) of the *Income Tax Act*, except that in making such calculation there shall be included 100% of any capital gains and there shall be excluded 100% of any capital losses and any gross-up of any dividend;
- (p) **Indenture** means this trust agreement;
- (q) **Initial Trustees** means the **Trustees** who are signatories to this **Indenture**;
- (r) **Manitoba** means Her Majesty the Queen in Right of Manitoba;
- (s) **Meeting of the Members** means any meeting of **Members** of the **Community** contemplated in this **Indenture**;
- (t) **Member** means a person who, at the relevant time, has his or her place of residence within the boundaries of the **Community**;
- (u) **Party** means **Manitoba** or the **Community**;
- (v) **Special Vote** means a secret ballot vote of **Voting Members**, at a **Meeting of the Members**, where 75% of those **Voting Members** in attendance and voting approve the matter voted upon;

- (w) **The Northern Affairs Fund** means the fund operated by the Minister of Aboriginal and Northern Affairs (Manitoba) pursuant to section 11 of *The Northern Affairs Act*;
- (x) **Trust** means the Nelson House Community Trust established and settled by the **Community** pursuant to this **Indenture**;
- (y) **Trust Funds** means all property of every nature and kind, whether real, personal, or mixed, held from time to time in the **Trust** by the **Trustees**; and
- (z) **Trustees** means the **Initial Trustees** and their successors in office, selected in accordance with Article 5; and
- (aa) **Voting Member** means a **Member** who, at the relevant time, is qualified to vote under section 10 of the *Northern Manitoba Elections Regulation*, Manitoba Regulation 43/93.

2.2 Reference to Decision of Trustees. A reference in this **Indenture** to a decision of **Trustees** shall mean a decision of the **Trustees** made in accordance with Article 6.2.

ARTICLE 3 BASIC PROVISIONS

3.1 Name. The **Trust** created by this **Indenture** shall be known as “Nelson House Community Trust”.

3.2 Principal Purposes of the Trust. The **Trustees** shall hold the **Trust Funds** in trust and administer the **Trust** for the benefit of the **Community**, and in particular, the **Trust** shall

- (a) promote and enhance for the benefit of the **Community**
 - (i) economic, social, cultural and spiritual welfare, awareness and development initiatives, including heritage works, programs, events and activities;
 - (ii) recreational opportunities;
 - (iii) employment and business development undertakings;
 - (iv) civic improvement, including community infrastructure and housing projects;
 - (v) educational and training programs, opportunities and assistance;
 - (vi) works and programs designed and intended to address **Adverse Effects**;
 - (vii) traditional pursuits;
 - (viii) support for elders;
 - (ix) youth development;

- (x) resource rehabilitation and development measures to support increased viability for traditional and commercial resource pursuits and other resource harvesting; and
 - (xi) technical and legal costs related to effective control and utilization of the funds and management of local development challenges and pursuit of rights and responsibilities; and
- (b) fund **Claims** relating to the **Project**.

3.3 **Beneficiary.** Subject to the terms of this **Indenture**, the beneficiary of the **Trust** is the **Community**.

3.4 **Non-divisibility.** The **Trust Funds** are not divisible into individual shares or benefits. No **Member** may claim an individual share of the **Trust Funds** and no **Member** shall have any personal entitlement or claim to any benefit from the **Trust Funds**.

3.5 **Fiscal Year.** The fiscal year of the **Trust** shall end on March 31 unless otherwise determined by the **Trustees** and permitted by applicable law.

ARTICLE 4 COMMUNITY COUNCIL

4.1 **Duties of Community.** The **Community** through its **Community Council** shall:

- (a) appoint **Initial Trustees** and successor **Trustees** as provided in Article 5;
- (b) settle any **Financial Proceeds** paid to the **Community** on the **Trustees** in accordance with Article 11.1; and
- (c) provide bookkeeping and general administrative services for the **Trust** in return for such annual fee as may be agreed upon; and

the **Community** shall take such steps as necessary to ensure its **Community Council** is able to perform any other duties given to the **Community** and to fulfill any obligations imposed on the **Community** by this **Indenture** or the **Agreement**.

4.2 **Disclosure of Conflicts of Interest.** The **Community Council** shall require that any member of the **Community Council** with a direct or indirect pecuniary interest in any matter before **Community Council** involving **Trust Funds** shall:

- (a) immediately disclose such interest in writing to the **Community Council**;
- (b) withdraw from any meeting of the **Community Council** while such matter is being considered; and
- (c) refrain from voting on, or otherwise influencing, the decision of the **Community Council** in relation to such matter.

It shall not be considered that a member of the **Community Council** has a conflict of interest merely by virtue of that member of the **Community Council** also being a **Trustee**.

4.3 Exception. The restrictions set forth in Article 4.2 shall not apply if such interest is of a **Member** in common with the general population of **Members**.

ARTICLE 5 QUALIFICATION, APPOINTMENT AND FIDUCIARY RESPONSIBILITIES OF TRUSTEES

5.1 Eligibility. To be eligible to be a **Trustee**, a person:

- (a) must be 18 years of age or older;
- (b) must be a **Voting Member**;
- (c) must have no convictions for municipal corruption under the *Criminal Code* or for an indictable offence for which a person is liable to imprisonment for five years or more;
- (d) must not be an elected official of a **Band**;
- (e) must not be an employee of the **Community Council** or a paid consultant of the **Community Council**; and
- (f) must not be an undischarged bankrupt within the meaning of the *Bankruptcy and Insolvency Act*.

5.2 Appointment of Trustees.

- (a) It is intended that there be three (3) **Trustees** at all times.
- (b) The **Community Council** shall have the right by **Council Resolution** to appoint three (3) **Initial Trustees**. Two (2) of the **Initial Trustees** shall be appointed from among the sitting members of the **Community Council** and the other one (1) shall be appointed from among persons who are not sitting members of the **Community Council**, nor candidates in the election of members of the **Community Council**. Thereafter, the **Community Council** shall have the right by **Council Resolution** to appoint two (2) of the successor **Trustees**. These appointments shall be made from among the members of the **Community Council**.
- (c) Except for the **Initial Trustees**, **Voting Members** shall have the right to elect one (1) of the **Trustees**. **Voting Members** shall elect such **Trustee** by ballot not concurrent with a regular election of members of the **Community Council**. The **Community Council** shall establish the procedure for the election of this **Trustee** with a view to saving costs. The individual so elected shall not be a sitting member of the **Community Council**, nor a candidate in the election of members of the **Community Council**.

5.3 Term of Trustees.

- (a) Of the **Initial Trustees**, Cecilia Tait and Emmy Lou Wrightson shall serve until the election of members of **Community Council** in February, 2007. On

completion of the terms of these **Initial Trustees**, the **Community Council** shall appoint successor **Trustees** as contemplated in Article 5.2(b), each for a three (3) year term to run coincident with their terms as members of the **Community Council**, and so on each time the term of a **Trustee** appointed pursuant to Article 5.2(b) has expired.

- (b) Of the **Initial Trustees**, Bella Leonard, shall serve until February, 2008. On completion of the term of this **Initial Trustee**, **Voting Members** shall elect a successor **Trustee** as contemplated in Article 5.2(c), for a three (3) year term so that the term of the **Trustee** elected by the **Voting Members** expires one (1) year after the expiration of the terms of **Trustees** who are members of the **Community Council**, and so on each time the term of a **Trustee** appointed pursuant to Article 5.2(c) has expired.
- (c) If a vacancy in office occurs prior to the normal expiration of the term of an **Initial Trustee** who is referred to in Article 5.3(a) or of a **Trustee** who has been subsequently appointed by the **Community Council**, the **Community Council** shall forthwith appoint a successor **Trustee** who is a member of the **Community Council**.
- (d) If a vacancy in office occurs prior to the normal expiration of the term of the **Initial Trustee** who is referred to in Article 5.3(b) or of a **Trustee** who has been subsequently elected by the **Voting Members**, the **Voting Members** shall forthwith elect a successor **Trustee** who is not a sitting member of the **Community Council**, nor a candidate in the election of members of the **Community Council**.
- (e) The term of a successor **Trustee** so appointed pursuant to Article 5.3(c) or elected pursuant to Article 5.3(d) shall expire at the same time that the term of the vacating **Trustee** would normally have expired.
- (f) If the month in which the election of members of the **Community Council** is changed, then the reference in Articles 5.3(a) and 5.3(b) to the month of February shall be read as a reference to the new month in which the election of members of the **Community Council** thereafter takes place.

5.4 Shortened Term. Notwithstanding Article 5.3, the term of a **Trustee** may end before its expiration as provided in Articles 5.6, 5.7 and 5.8.

5.5 Additional Terms. A **Trustee** may serve more than one (1) term and may serve consecutive terms.

5.6 Deemed Resignation. If a **Trustee** who was elected by **Voting Members** later is elected a member of the **Community Council**, on becoming a member of the **Community Council**, such **Trustee** shall be deemed to have resigned as a **Trustee**. Nothing contained in this Article 5.6 shall be read so as to preclude such individual from subsequently being appointed a **Trustee** by the **Community Council** as otherwise permitted under Article 5.

5.7 Resignation. A **Trustee** may resign his or her office by written notice to the **Community Council**.

5.8 Termination of Appointment. Where a **Trustee**:

- (a) is unable or unwilling to act;
- (b) ceases to meet the terms of eligibility in Article 5.1; or
- (c) misses three (3) consecutive meetings without prior or subsequent written authorization from both of the other **Trustees**;

that **Trustee's** term of office shall be terminated forthwith by the **Community Council** by providing written notice to that **Trustee** setting out the reasons for termination. In paragraph (c), "meetings" includes meetings that are scheduled but cannot be held due to a quorum of **Trustees** not being present.

5.9 Validity of Actions. Until termination under Article 5.8, no action by the **Trustees** shall be invalid due solely to the ineligibility of a **Trustee**.

5.10 Acceptance of Indenture. Prior to assuming office, a **Trustee** shall execute an Undertaking and Acceptance of Trustees in the form of Appendix 2 and deposit it with the **Community Council**.

5.11 Trustees' Dealings with the Trust. A **Trustee** shall act for the **Trust** only in that capacity and shall not otherwise be employed or retained by the **Trust** for services for consideration.

5.12 Fiduciary Responsibilities of Trustees. Every **Trustee**, in exercising powers and discharging duties under this **Indenture**, shall:

- (b) act honestly and in good faith, with a view to the best interests of the **Trust**;
- (c) use such care, diligence and skill as a reasonably prudent person would in exercising comparable duties; and
- (d) comply with the terms of this **Indenture** and the duties associated with the **Trust** contained in the **Agreement**.

5.13 Disclosure of Conflicts of Interests. Any **Trustee** with a direct or indirect pecuniary interest in any matter involving the **Trust** or **Trust Funds** shall:

- (a) immediately disclose such interest in writing to the other **Trustees**;
- (b) withdraw from any meeting of the **Trustees** while such matter is being considered; and
- (c) refrain from voting on, or otherwise influencing, the decision of the other **Trustees** in relation to the matter.

It shall not be considered that a **Trustee** has a conflict of interest merely by virtue of that **Trustee** also being a member of the **Community Council**.

5.14 Exception. The restrictions set forth in Article 5.13 shall not apply if such interest is of a **Member** in common with the general population of **Members**.

5.15 Liability of Trustees. The **Trustees** shall not be liable in their personal capacity for any loss arising out of any act, omission or error in judgment made in good faith in the execution of their powers and duties under this **Indenture**, nor shall they be personally liable for any debt or liability incurred by or on behalf of the **Trust** or for any other liability, obligation or debt arising out of the administration or existence of the **Trust**; provided however that the **Trustees** are not exempted from personal liability for any loss arising out of an act, omission or error in judgment of the **Trustees** through negligence or through wilful misconduct or by acting in bad faith.

5.16 Trustees Indemnification. Each **Trustee** assumes office on the express understanding and condition that the **Trustee**, and the heirs, executors, administrators and successors of that **Trustee** shall be indemnified out of the **Trust**, from and against all costs, charges and expenses which are brought, commenced or prosecuted against the **Trustee**, for or in respect of any act, deed, matter or thing, done or permitted by the **Trustee**, related to the duties set out in this **Indenture** and at law, and also from and against all other costs, charges and expenses which the **Trustee** sustains or incurs with respect to the **Trust**, except such costs, charges or expenses which arise due to matters a **Trustee** is liable for under Article 5.15.

5.17 Trustee Fees. **Trustees** shall be entitled to one hundred (\$100.00) dollars per half day meeting or hearing and two hundred (\$200.00) dollars per full day meeting or hearing, plus reimbursement for reasonable travel expenses and other reasonable expenses incurred in the performance of their duties.

ARTICLE 6 DECISIONS OF THE TRUSTEES

6.1 Trustees. It is intended that the **Trust** shall have three (3) **Trustees** each of whom shall faithfully administer the terms of this **Indenture**.

6.2 Decisions of Trustees. It is expected that decisions of **Trustees** shall be unanimous, but where this is not possible, approval of the majority of the **Trustees** shall be necessary to make decisions except as provided in Article 17.3(c). Decisions of **Trustees** may only be made at a meeting of **Trustees**. Any question arising in connection with the **Trust** not specifically provided for in this **Agreement** shall be left to a decision of the **Trustees**. If fewer than two (2) **Trustees** vote in favour of a motion, the motion shall be defeated and the **Trustees** shall not reconsider the same motion for six (6) months.

6.3 Quorum. Three (3) **Trustees** shall constitute a quorum for meetings of the **Trustees**. A meeting shall not be held unless a quorum of **Trustees** is present.

6.4 Procedure. Subject to the terms of this **Indenture**, the **Trustees** shall establish their own procedures for the manner of notice for calling meetings, for providing an agenda for meetings, and as to the place and time of meetings. At any meeting of the **Trustees**, a Chair and Secretary for the meeting shall be selected from among the **Trustees** in attendance. The Chair shall preside over, and the Secretary shall record, the business of the meeting. The Chair and Secretary shall be entitled to vote on all decisions.

6.5 Meetings. The **Trustees** shall meet no less than three (3) times a year and not more than eight (8) times a year, and at least once every five (5) months.

6.6 Meetings by Telephone. The **Trustees** may meet in person to conduct the business of the **Trust** or they may conduct such business by telephone as long as a quorum of **Trustees** is present on the telephone at the time business is conducted in which case such telephone call shall be deemed to constitute a meeting of the **Trustees**.

6.7 Minutes. Written minutes of all **Trustees** meetings shall be kept and the minutes of the preceding meeting will be considered for approval at the commencement of each meeting.

6.8 Maintain Records and Books. The **Trustees** shall maintain a duplicate set of current, accurate and complete records and books of the account(s) of the **Trust**. The **Trustees**, in cooperation with **Community Council**, shall make appropriate custodial arrangements to safeguard the duplicate set of records and books of the accounts of the **Trust** and provide reasonable access thereto to the **Members**.

ARTICLE 7 TRUSTEES' POWERS

7.1 Power and Authorities. The **Trustees** may:

- (a) make, execute, acknowledge and deliver any agreements with any person or corporation, concerning any **Trust Funds**;
- (b) direct **Manitoba** to establish separate accounts for the **Claims Account** and the **Community Development Account** in **The Northern Affairs Fund**, and all such forms as may be required to establish and open the accounts in **The Northern Affairs Fund** and related matters, shall be completed in the required manner and on the forms required by **Manitoba** for **The Northern Affairs Fund**;
- (c) direct **Manitoba** to maintain separate accounting records for the **Claims Account** and the **Community Development Account**;
- (d) deliver any cash balances in the hands of the **Trustees** at any time to **Manitoba** for deposit in the **Claims Account** or **Community Development Account**, or both, in **The Northern Affairs Fund** and transfer by **Manitoba** of all or a portion of the **Trust Funds** not immediately required by the **Community** to the Minister of Finance to be held in **Manitoba's** Consolidated Fund as authorized under *The Northern Affairs Act*, and for the purposes of the **Trust**, draw, make, endorse, deposit and deal in cheques, bills of exchange, promissory notes, drafts, or any security documents or any nature or kind with **Manitoba**;
- (e) direct **Manitoba** to invest the **Trust Funds** in **The Northern Affairs Fund** and in **Manitoba's** Consolidated Fund in accordance with the guidelines set forth in Appendix 3 and to retain any portion of **Financial Proceeds** originally transferred to the **Trustees** pursuant to this **Indenture** as an authorized investment of the **Trust**, for all purposes of this **Trust**, for such length of time as they consider necessary;
- (f) for the purposes of the **Trust**, requisition withdrawals from the accounts in **The Northern Affairs Fund** held and administered by **Manitoba**, provided that for any requisition, the signing authority shall require the signatures of any two (2)

Trustees, and a requisition from the **Claims Account**, in the form approved by **Manitoba**, shall be accompanied by a copy of the decision of a **Claims Officer** or **Appeal Claims Officer** and other requisitions shall be accompanied by a copy of a **Council Resolution** approving a **Community** proposal, plan or initiative and written confirmation by the **Trustees** of the expenditures to be made in the new fiscal year, and for such purposes the signatures of such persons and such attached documentation shall be valid and binding upon the **Trust**;

- (g) employ professional financial and/or investment advisors, brokers, solicitors, **Auditors**, accountants and agents, deemed by the **Trustees** to be helpful for the proper settlement or administration of the **Trust**, and to do so without any liability for any neglect, omission, misconduct, or default of any such employed person, provided such employed person was selected and retained with reasonable care, and determine and pay reasonable compensation for all charges associated with the use of such professional services;
- (h) following notice to, and approval by, the **Community Council**, provided the **Community Council** are not parties adverse in interest, prosecute, defend or settle any suits, actions or other proceedings affecting them or the **Trust**;
- (i) make, or refrain from making, any election, determination or designation permitted by any statute or regulation enacted by Parliament or by a Legislature of a Province of Canada or by any other legislative or governmental body of any other country, which exercise of discretion by the **Trustees** shall be binding upon all of the beneficiaries of this **Trust**;
- (j) retain the offices of the **Community Council** to provide bookkeeping and general administrative tasks for the **Trust** for an annual fee as agreed to by the **Trustees** and the **Community Council**;
- (k) pay for all reasonable and necessary expenses incurred by the **Trust** in connection with its establishment, administration and operation, including reimbursement of reasonable expenses, incurred by the **Trustees** in the performance of their duties;
- (l) pay any taxes payable in respect of any **Trust Funds**;
- (m) make payment of any of the **Income of the Trust** to the **Community** either in cash, in kind, or by the issue of an unrestricted demand promissory note; and
- (n) exercise such other incidental powers and authorities as are necessary to accomplish the purposes of the **Trust** set out in Article 3.2.

7.2 Proper Execution of Documents. Unless otherwise authorized by this **Indenture**, no contract, document, instrument, promissory note, bill of lading, commercial instrument or other similar commercial or legal document shall be entered into by the **Trust** unless first approved by a decision of the **Trustees** and executed by such **Trustees** as are authorized to do so by such decision.

7.3 Transaction Information and Quarterly Statements. **Manitoba** shall provide the **Community** with

- (a) a copy of each cheque that **Manitoba** pays from **The Northern Affairs Fund** pursuant to this **Indenture**, together with a copy of the corresponding requisition for withdrawal; and
- (b) quarterly statements of the **Community Development Account** and the **Claims Account** in **The Northern Affairs Fund**, showing the balance in each of the accounts, as well as all deposits and withdrawals from the accounts.

7.4 Reliance Upon Reports. The **Trustees** may, providing they exercise due diligence, rely and act upon the accuracy of any statement, report, certificate or opinion from the **Auditor**, or any solicitor for the **Trust**, or any person required to prepare a report or certificate under this **Indenture** or pursuant to a document attached hereto, and shall not be responsible or held liable for any loss or damage resulting from acting in good faith, upon such statement, certificate, opinion or report.

ARTICLE 8 ANNUAL PLANNING PROCESS

8.1 Preparation of Proposals, Plans and Initiatives. The **Community Council** shall prepare detailed proposals, plans and initiatives for the next fiscal year which shall include the finances required, including the information set out in Articles 8.3(b) and 8.3(c), and shall submit same to the **Trustees** for review by September 30.

8.2 Preparation of the Budget. The **Trustees** shall prepare a budget to determine the use of the **Funds Available** for the next fiscal year taking into account the proposals, plans and initiatives submitted under Article 8.1, the previous proposals, plans and initiatives of the **Community Council** and the purposes of the **Trust**.

8.3 Planning Process. By November 30, the **Trustees** shall give notice of a **Meeting of the Members** in order to review the proposed budget and the use of the **Funds Available** for the next fiscal year. The notice of the meeting shall be given in the manner set out in Article 8.4. The **Trustees** shall make available for review at least thirty (30) days before the meeting:

- (a) the budget prepared in accordance with Article 8.2;
- (b) a written explanation of any material variance or change to the proposals, plans or initiatives submitted by the **Community Council** pursuant to Article 8.1; and
- (c) for any proposed borrowings by the **Trust**:
 - (i) the purpose of the loan,
 - (ii) the nature of any security to support the loan, and
 - (iii) loan proposals from at least two (2) unaffiliated financial institutions and the material terms of the loan, including name of the lender, the principal amount of the loan, rate of interest, term of the loan and repayment terms.

8.4 **Meeting of the Members.** The **Meeting of the Members** referred to in Article 8.3 shall be scheduled for a date not later than thirty (30) days into the new fiscal year and shall:

- (a) specify the time, place and purpose of the meeting;
- (b) be publicized at least thirty (30) days before the end of the preceding fiscal year by posting notices in public places within the boundaries of the **Community** and by other means reasonably likely to reach as many **Members** as is reasonably practical; and
- (c) indicate where the information and relevant documents referred to in Article 8.3 can be obtained or reviewed by **Members**.

8.5 **Budget Decisions.** Following the **Meeting of the Members** under Article 8.4, the **Trustees** shall, where applicable:

- (a) make a final decision on the expenditure of the **Funds Available** for the new fiscal year; and
- (b) provide confirmation of their decision by means reasonably likely to reach the **Members**.

8.6 **Disclosure to Members.** If the **Trustees** propose to vary in any material way from the information previously disclosed under Article 8.3 then, prior to providing confirmation under Article 8.5(b), the **Trustees** shall make fresh disclosure with respect to those variations in accordance with Article 8.3 and amend the confirmation provided under Article 8.5(b).

ARTICLE 9 COMMUNITY MEETINGS

9.1 **Other Meetings of the Members.** Where this **Indenture** contemplates a **Meeting of the Members** and has not otherwise been specifically dealt with herein or if for any reason the **Trustees** decide it would be appropriate to convene a **Meeting of the Members** regarding a matter pertaining to the **Trust**, the **Trustees** shall call a **Meeting of the Members**. Notice for a **Meeting of the Members** shall:

- (a) specify the time, place and purpose of the meeting;
- (b) be publicized at least fourteen (14) days before the proposed meeting by posting notices in public places within the boundaries of the **Community** and by other means reasonably likely to reach as many **Members** as is reasonably practical; and
- (c) indicate where information or any relevant documents relating to the meeting can be obtained or reviewed by the **Members**.

9.2 **Calling Meetings of the Members.** Where this **Indenture** contemplates a **Meeting of the Members** being called by the **Trustees** and such meeting has not been called as required, the **Community Council** or any **Member** may call such meeting. Notice of such meeting shall be in accordance with the notice requirements set out in Article 9.1.

ARTICLE 10 AUDITOR

10.1 **Auditor.** The **Trustees** shall annually appoint a chartered accountant or certified general accountant in private practice, who is licensed to prepare audits in the Province of Manitoba, as the **Auditor** to audit the receipt and expenditure of all **Trust Funds**. The initial auditor shall be Dayton Barenz.

10.2 **Auditor's Duties.** The **Auditor** shall be retained to:

- (a) review and report on the system for comprehensive accounting and reporting of **Trust Funds**;
- (b) conduct an annual audit of all assets and **Trust Funds** and provide a copy to each of the **Trustees** and the **Community Council**;
- (c) provide any other necessary reports on **Trust Funds** and the **Trust** to the **Trustees** as may be requested by the **Trustees**;
- (d) prepare the GST income tax returns for the **Trust**; and
- (e) provide advice and recommendations on the management and disposition of **Trust Funds** as an element of the audit.

ARTICLE 11 RECEIPT AND ALLOCATION OF TRUST FUNDS

11.1 **Delivery of Financial Proceeds.** The **Community** agrees and irrevocably directs that all **Financial Proceeds** shall be delivered by the **Community** to the **Trustees**, to be held by the **Trustees** upon the terms of this **Indenture**.

11.2 **Timing of Establishment.** The **Trustees** shall direct **Manitoba** to establish separate accounts and maintain separate accounting records for the **Claims Account** and **Community Development Account** in **The Northern Affairs Fund** upon settlement of the **Trust**.

11.3 **Accounts of the Trust.** The **Trustees** shall also maintain separate accounting records for:

- (a) the **Claims Account**; and
- (b) the **Community Development Account**.

11.4 **Delivery of Financial Proceeds to Manitoba.** On receipt of the **Financial Proceeds** from the **Community**, the **Trustees** shall deliver the **Financial Proceeds** to **Manitoba** for deposit in the **Claims Account** or **Community Development Account** or both in **The Northern Affairs Fund**, and all forms as may be required to deposit moneys in **The Northern Affairs Fund** shall be completed in the manner and on the forms required by **Manitoba**.

11.5 **Funding of Accounts.** The **Trustees** shall direct **Manitoba** to fund the **Community Development Account** and the **Claims Account** on the following basis:

- (a) \$10,000 of the first payment of **Financial Proceeds** received shall be added to the capital of the **Claims Account**. When the **Claims Account** is depleted, the **Trustees** may direct **Manitoba** to fund the **Claims Account** by depositing some or all of subsequent payments of **Financial Proceeds** to the **Claims Account** or by transferring **Trust Funds** from the **Community Development Account** to the **Claims Account** in an amount or amounts determined by the **Trustees** to be necessary to pay **Claims**;
- (b) \$315,000 of the first payment of **Financial Proceeds** and subject to Article 11.5(a), all subsequent payments of **Financial Proceeds** received shall be added to the capital of the **Community Development Account**; and
- (c) any gifts or contributions received by the **Trust** other than under the **Agreement** shall be added to the capital of the **Community Development Account**.

11.6 Investment of Trust Funds. The **Trustees** shall direct **Manitoba** to hold the **Trust Funds** in **The Northern Affairs Fund** and to transfer all or a portion of the **Trust Funds** in **The Northern Affairs Fund** not immediately required by the **Community** to the Minister of Finance for investment in **Manitoba's** Consolidated Fund as authorized under *The Northern Affairs Act*, and to invest the **Trust Funds** in accordance with Appendix 3, which the **Parties** acknowledge is in accordance with **Manitoba's** practice for the investment of moneys in **The Northern Affairs Fund** and **Manitoba's** Consolidated Fund.

11.7 Distribution of Funds Available. Each fiscal year, the **Trustees** shall requisition withdrawal(s) of and use the **Funds Available** to pay amounts to the **Community** to fund proposals, plans and initiatives of the **Community** in accordance with the budgetary process in Article 8. The **Funds Available** which are so used each fiscal year shall be paid:

- (a) firstly out of **Income of the Trust** for the year; and
- (b) secondly out of the capital of the **Trust** which capital payments shall be debited to the **Community Development Account**.

11.8 Distribution of Funds in the Community Development Account. The capital of the **Community Development Account** shall only be spent or distributed as provided for in Article 12.1.

ARTICLE 12 ACCOUNTS

12.1 Uses of Community Development Account. The capital of the **Community Development Account** shall be used for the following purposes:

- (a) for the things approved by the **Trustees** consistent with the purposes of this **Indenture** as set forth in Article 3.2(a);
- (b) for the administration of the **Trust**;
- (c) for indemnification payments required to be made pursuant to articles 7.11 and 7.12 of the **Agreement**; and

and shall comprise part of the **Funds Available** for distribution as provided for in Article 11.7.

12.2 Uses of Claims Account. The **Claims Account** shall be used for

- (a) the reasonable costs for investigation of **Claims** by a **Claims Officer** or **Appeal Claims Officer** as provided by articles 5.0 or 6.0 of the **Agreement**;
- (b) the payment of compensation and costs awarded by a **Claims Officer** or **Appeal Claims Officer** against the **Claims Account** in accordance with articles 5.0 or 6.0 of the **Agreement**; and
- (c) the fees and expenses of the **Claims Officer** or **Appeal Claims Officer** as provided by articles 5.0 or 6.0 of the **Agreement**.

ARTICLE 13 INDEMNITY

13.1 Indemnity. If the **Community** is required by sections 7.11 and 7.12 of the **Agreement** to make a payment to indemnify **Manitoba** or **Hydro**, the **Trustees** shall make such payment out of the **Community Development Account**.

ARTICLE 14 INCOME AND EXPENSES

14.1 Income of the Trust. **Income of the Trust** shall be used for the things approved by the **Trustees** consistent with the purposes of this **Indenture** as set forth in Article 3.2 and shall comprise part of the **Funds Available** for distribution as provided in Article 11.7.

14.2 Administration and Operating Expenses. General administration, and any other expenses of the **Trust** in a fiscal year which are currently deductible for income tax purposes in calculating **Income of the Trust** for the year shall be paid out of receipts constituting **Income of the Trust**. Any other such expenses of the **Trust** for the year which are not currently deductible in calculating **Income of the Trust** shall be charged to the capital of the **Community Development Account**.

ARTICLE 15 TRUSTEES' REPORT

15.1 Annual Reporting Requirements. Within ninety (90) days after the end of each fiscal year, the **Trustees** shall provide the **Community Council** and, upon written request, any **Member, Party** or **Hydro**, with an annual report on the financial operations of the **Trust**, including:

- (a) the **Auditor's** report and opinion referred to in Article 10.2, including any supporting documentation;
- (b) any special audit reports and opinions requested by the **Trustees**; and
- (c) a narrative description of the use of the **Funds Available** during the fiscal year.

15.2 Required Meeting. If the **Trustees'** report, signed by all **Trustees**, is not provided as required in Article 15.1, the **Community Council** shall, by May 1st, call a **Meeting of the Members** to take place no later than June 30th. The **Trustees** shall attend and explain their failure to comply with the reporting requirements.

ARTICLE 16 RECTIFICATION

16.1 Rectification and Additional Administrative Provisions. The **Trustees** acting unanimously, with the prior written consent of the **Community Council**, shall have the power from time to time by written agreement:

- (a) to rectify any provision in this **Indenture** which the **Trustees** reasonably believe is a manifest error which is not in accordance with the **Community's** original intention; or
- (b) to add any administrative provisions to this **Trust** as the **Trustees** may deem appropriate, in their discretion;

provided any such action shall not conflict with the beneficial provisions of this **Trust** nor derogate in any way from the rights of **Manitoba** or **Hydro**.

ARTICLE 17 AMENDMENT AND DISSOLUTION

17.1 Amendment or Dissolution of Trust. Subject to Article 16.1(b), the **Trust** established by this **Indenture** may only be amended in accordance with the conditions of Article 17. The **Trust** may only be terminated and dissolved in accordance with the conditions of Article 17.

17.2 Application to Court. Subject to Article 17.3, the **Community** or the **Trustees** may, with the written consent of **Manitoba** and **Hydro**, which consents shall not be unreasonably withheld, apply to a court of competent jurisdiction to terminate and dissolve or amend the terms and conditions of this **Indenture**. Such application may proceed in the absence of written consent from **Manitoba** or **Hydro** if the court determines such consent has been unreasonably withheld or is unnecessary in the circumstances.

17.3 Consent of Members. Before applying to a court of competent jurisdiction under Article 17.2, the **Community Council** or the **Trustees** shall:

- (a) give the **Members** at least thirty (30) days notice, in the same manner and with the same disclosures as for a **Meeting of the Members** under Article 9.1, that a meeting will be held to discuss varying or dissolving the **Trust**;
- (b) hold a meeting where the **Trustees** shall explain the nature and significance of the termination and dissolution, amendment, variation, addition, revision, modification, payment or transfer;
- (c) obtain a **Special Vote** of **Voting Members** present at such meeting, by secret ballot, authorizing the **Trustees** to make the court application;
- (d) compile a list of those **Members** attending the meeting and the results of the vote, which document shall be filed in court with the application; and
- (e) after obtaining authorization by a secret ballot vote, make the court application.

17.4 Use of Trust Funds upon Dissolution of Trust. Upon termination and dissolution of the **Trust**, the remaining **Trust Funds** shall be dealt with as follows: The **Community Council** shall keep such amount segregated in a separate fund that invests only in investments described in Appendix 3 hereof, and shall only use such fund for indemnification payments required to be made pursuant to sections 7.11 and 7.12 of the **Agreement** unless the prior written consent of **Manitoba** and **Hydro** is obtained.

17.5 Term of Trust. Subject to prior dissolution by a court of competent jurisdiction, the **Trust** shall terminate and dissolve one day prior to the twenty-first anniversary of the date of this **Indenture**.

17.6 Amendment of Schedules. Notwithstanding anything else contained in this Article 17, the Schedules may be amended by a decision of the **Trustees** provided the prior written consent of the **Community Council** is first obtained.

ARTICLE 18 GENERAL PROVISIONS

18.1 Proper Law of Trust. This **Trust** shall be governed and interpreted according to the laws in force in Manitoba from time to time.

18.2 Trust not Revocable. This **Trust** shall be irrevocable.

18.3 Addition to Trust Funds. The **Community** or any individual, corporation, trust, partnership or estate with the approval of the **Trustees** may at any time and from time to time add to the **Trust Funds** by way of gift or contribution.

18.4 Assignment. This **Indenture** and the rights and obligations under it shall not be assigned.

18.5 Enurement. This **Indenture** shall enure to the benefit of, and be binding upon the **Parties**, and successors of all of them.

18.6 Hydro Ceasing to be Agent. If **Hydro** should cease to be an agent of Her Majesty the Queen in Right of Manitoba, all of its rights under this **Indenture** shall devolve upon **Manitoba**.

18.7 Entire Agreement. This **Indenture** and the **Agreement** constitute the entire agreement between the **Parties**, and except as expressly provided, supersede all prior agreements, understandings, negotiations and discussions whether oral or written, between the **Parties**. There are no representations, warranties, collateral agreements or conditions except as expressed in this **Indenture**.

18.8 Notices. Any notice or other communication required or desirable to be given hereunder will be in writing and will be given by facsimile or sent by registered mail or hand-delivery as hereinafter provided. Any such notice or other communication, if sent by facsimile will be deemed to have been received on the business day following the sending, or if mailed will be deemed to have been received on the third business day following the date of mailing, or if delivered by hand will be deemed to have been received at the time it is delivered to the applicable address noted below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address will also be governed by this Article 18.8. Notices and other communications will be addressed as follows:

(a) To the **Community**:

Mayor, The Incorporated Community of Nelson House
Nelson House, Manitoba
R0B 1A0

(b) To **Manitoba**:

Deputy Minister of Aboriginal and Northern Affairs
Legislative Building
350 - 450 Broadway
Winnipeg, Manitoba
R3C 0V8
Facsimile (204) 945-1256

(c) To the **Nelson House Trustees**:

c/o Secretary,
The Incorporated Community of Nelson House
Nelson House, Manitoba
R0B 1A0

(d) To **Hydro**

c/o General Counsel
3rd Floor, 820 Taylor Avenue
Winnipeg, Manitoba
R3C 2P4

Signed, sealed and delivered
in the presence of:

**The Incorporated Community of Nelson
House**

Witness _____

Mayor _____

Witness _____

Councillor _____

Witness _____

Councillor _____

Witness _____

Councillor _____

Witness _____

Councillor _____

On the _____ day of _____ 2006.

Witness _____

Witness _____

Witness _____

On the day of 2006.

Initial Trustees

Trustee _____

Trustee _____

Trustee _____

**Her Majesty the Queen in the Right
Of the Province of Manitoba**

Per: _____

On the day of 2006.

Appendix 1

Council Resolution

INCORPORATED COMMUNITY OF NELSON HOUSE _____

RESOLUTION # _____

MOVED BY: _____

SECONDED BY: _____

WHEREAS _____

THEREFORE _____

I CERTIFY THAT THE ABOVE RESOLUTION WAS PASSED AT THE REGULAR [] OR SPECIAL [] MEETING OF THE INCORPORATED COMMUNITY OF NELSON HOUSE COUNCIL.

MAYOR / CHAIRMAN

I CERTIFY THAT THE ABOVE IS A TRUE AND CORRECT COPY OF THE MOTION / RESOLUTION AS IT APPEARS IN THE MINUTES OF THE MEETING OF THE INCORPORATED COMMUNITY OF NELSON HOUSE COUNCIL HELD ON _____ DAY OF _____, 2____.

CLERK / SECRETARY

Appendix 2

Undertaking and Acceptance of Trustees

I, _____, elected, or appointed by the Council of the **Community**, as a **Trustee** on _____ (date of election/appointment), state and undertake as follows:

1. I have read, or I have had explained to me, the terms of the **Indenture** establishing the Nelson House Community Trust, with particular reference to the responsibilities and liabilities of **Trustees** in the administration of the **Trust** and the disbursement of and accounting of **Trust Funds** in accordance with the terms of the **Trust**;
2. I have obtained / I hereby waive my right to (deleted inapplicable words) the advice of legal counsel in connection with my duties and responsibilities under the **Trust**; and
3. I hereby accept and will honestly and faithfully discharge the duties, responsibilities and liabilities as a **Trustee** under the Nelson House Community Trust during my term in that office.

DATED AT _____, Manitoba, on the _____ day of _____, 20____.

Witness

Trustee

Note: Terms in bold face type in this form have the meaning given to them in the Nelson House Community Agreement.

Appendix 3

Permitted Investments

1. Debt instruments or contracts issued by Canada, a Province, or a Crown Corporation of Canada or of a Province.
2. Bank accounts, term deposits, guaranteed investment certificates and similar instruments or contracts issued by banks, trust companies, insurance companies and credit unions.
3. Money market funds managed by or on behalf of a bank, trust company, insurance company, or credit union, or which are generally available to the public.
4. Short term securities rated R-1 (prime credit quality) by Dominion Bond Rating Service or equivalent.
5. Bonds, debentures and like instruments rated AA or higher (superior or highest) by Dominion Bond Rating Service or equivalent.

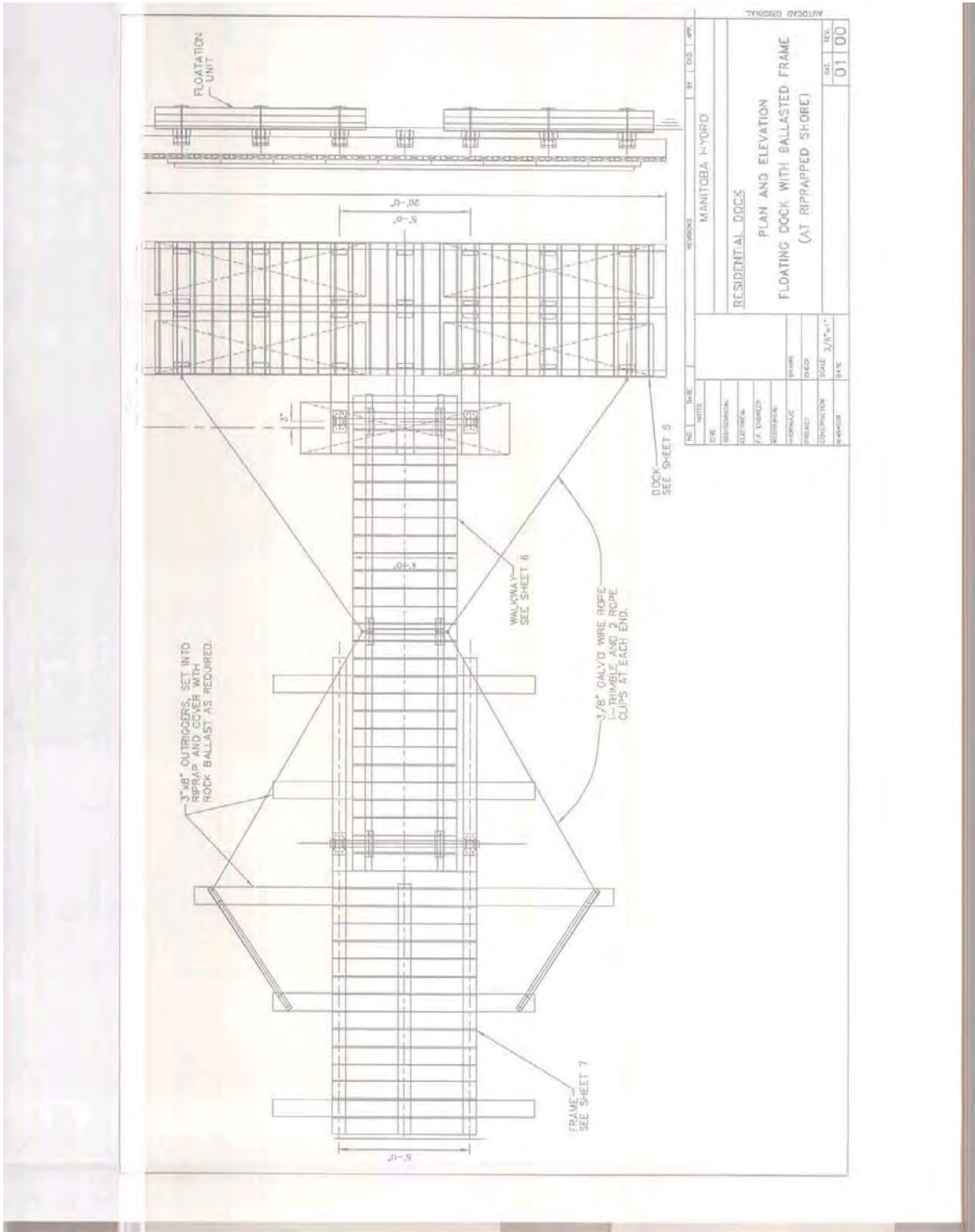
Note: Terms in bold face type in this form have the meaning given to them in the Nelson House Community Agreement.

3.0 SHORELINE MAINTENANCE, COMMUNITY WORKS

3.1 Shoreline Maintenance and Community Works. **Manitoba** and **Hydro** will use reasonable efforts and resources, where practicable:

- (a) to inspect the **Community** shoreline to identify and prevent shoreline erosion in accordance with **Hydro's** policies and programming;
- (b) to clear driftwood and debris related to the **Project** from the **Community** shoreline and adjacent waterways in accordance with **Hydro's** policies and programming;
- (c) to maintain the **Community** dock, as needed, excepting damage occasioned by vandalism in accordance with the design specifications set forth in schedule 3.1;
- (d) to clear vegetation and debris in and around **Hydro** power lines running through the **Community** lands in accordance with **Hydro's** policies and programming;
and
- (e) to employ Members or Community businesses to carry out any work or improvements described in this section where possible.

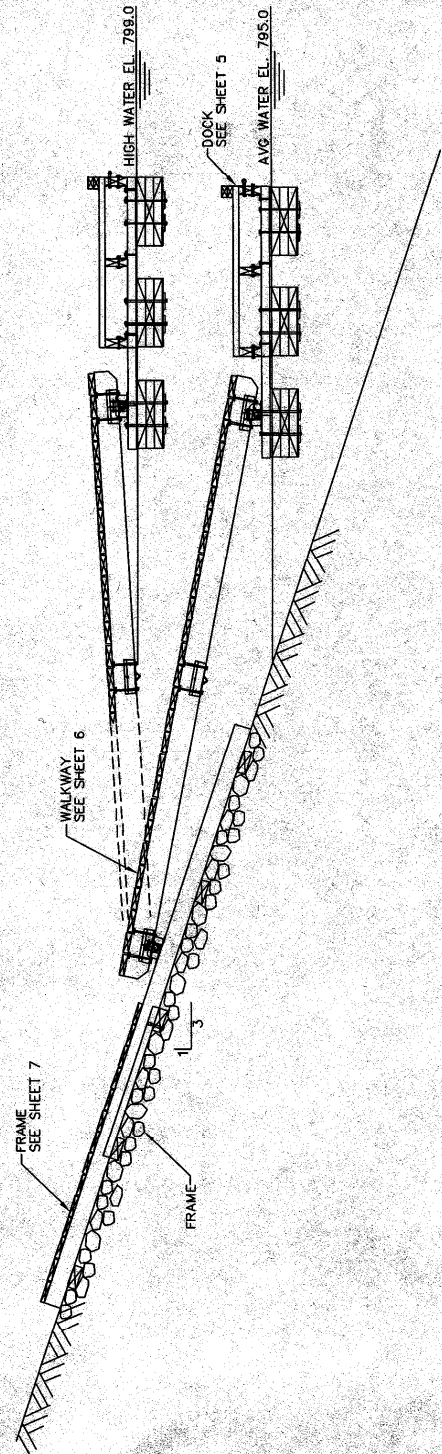
SCHEDULE 3.1 DESIGN SPECIFICATIONS OF COMMUNITY DOCK



NO.	DATE	BY	DES.	APP.

MECHANICAL ELECTRICAL PLUMBING STRUCTURAL CIVIL MARINE	MANITOBA HYDRO RESIDENTIAL DOCKS PLAN AND ELEVATION FLOATING DOCK WITH BALLASTED FRAME (AT RIPRAPPED SHORE)	SHEET NO. 01	TOTAL SHEETS 00
---	---	------------------------	---------------------------

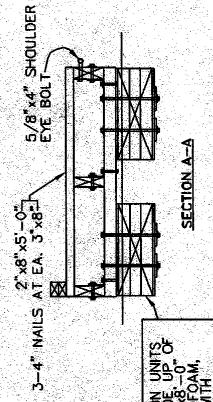
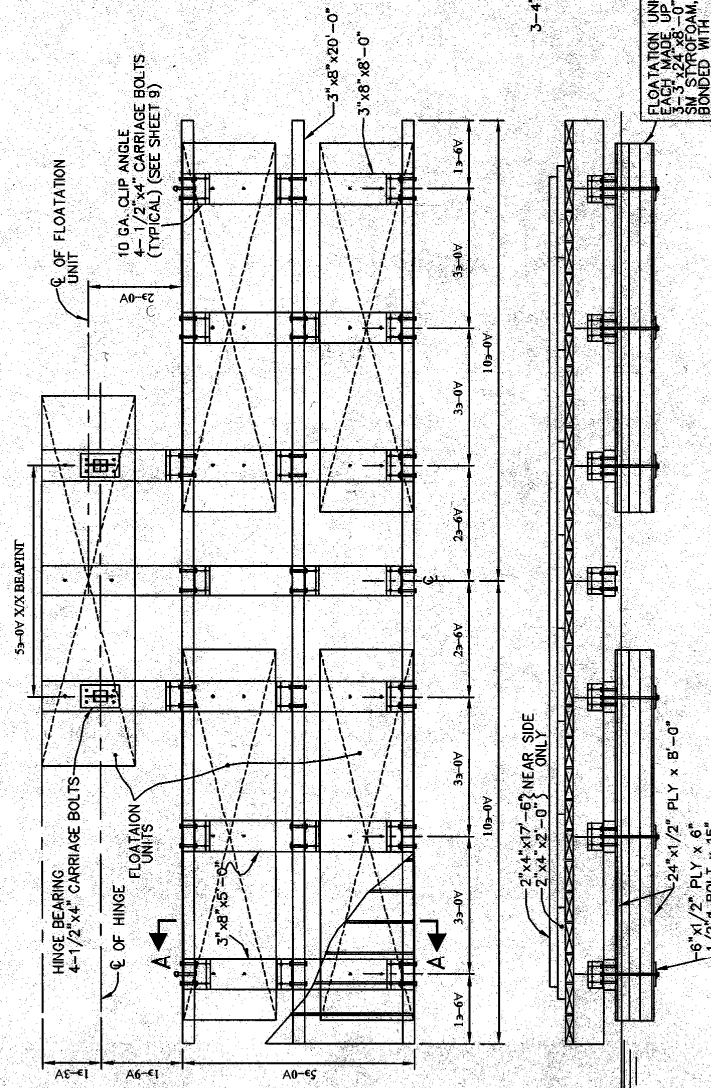
AUTOCAD ORIGINAL



NO.	DATE	BY	CHK.	APP.

MANITOBA HYDRO	
RESIDENTIAL DOCK	SIDE ELEVATION
FLOATING DOCK WITH BALLASTED FRAME	
(AT RIPRAPPED SHORE)	
DRAWN	SCALE 3/8" = 1'
CHECK	DATE
NO.	REV.
02	00

QTY.	DESCRIPTION
3	MATERIAL FOR ONE DOCK
3	3" x 8" x 20'-0"
4	3" x 8" x 8'-0"
4	3" x 8" x 5'-0"
30	2" x 4" x 5'-0"
3	2" x 4" x 17'-6"
5	2" x 4" x 2'-0"
10	2 1/2" x 1 1/2" PLYWOOD x 8'-0"
28	6" x 1 1/2" PLYWOOD x 6"
2	9" x 24" x 8'-0" STYROFOAM SM BILLETS
2	HINGE BEARINGS SHEET 9
2	5/8" x 4" GALVANIZED SHOULDER EYE BOLT
36	1/2" x 4" GALVANIZED CARRIAGE BOLTS
28	1/2" x 15" GALVANIZED MACNICAL BOLTS
28	C/W 1-NUT AND 2-WASHERS
28	4" x 2-1/2" CLIP ANGLES, 8", SHT 9
	4" COATED NAILS

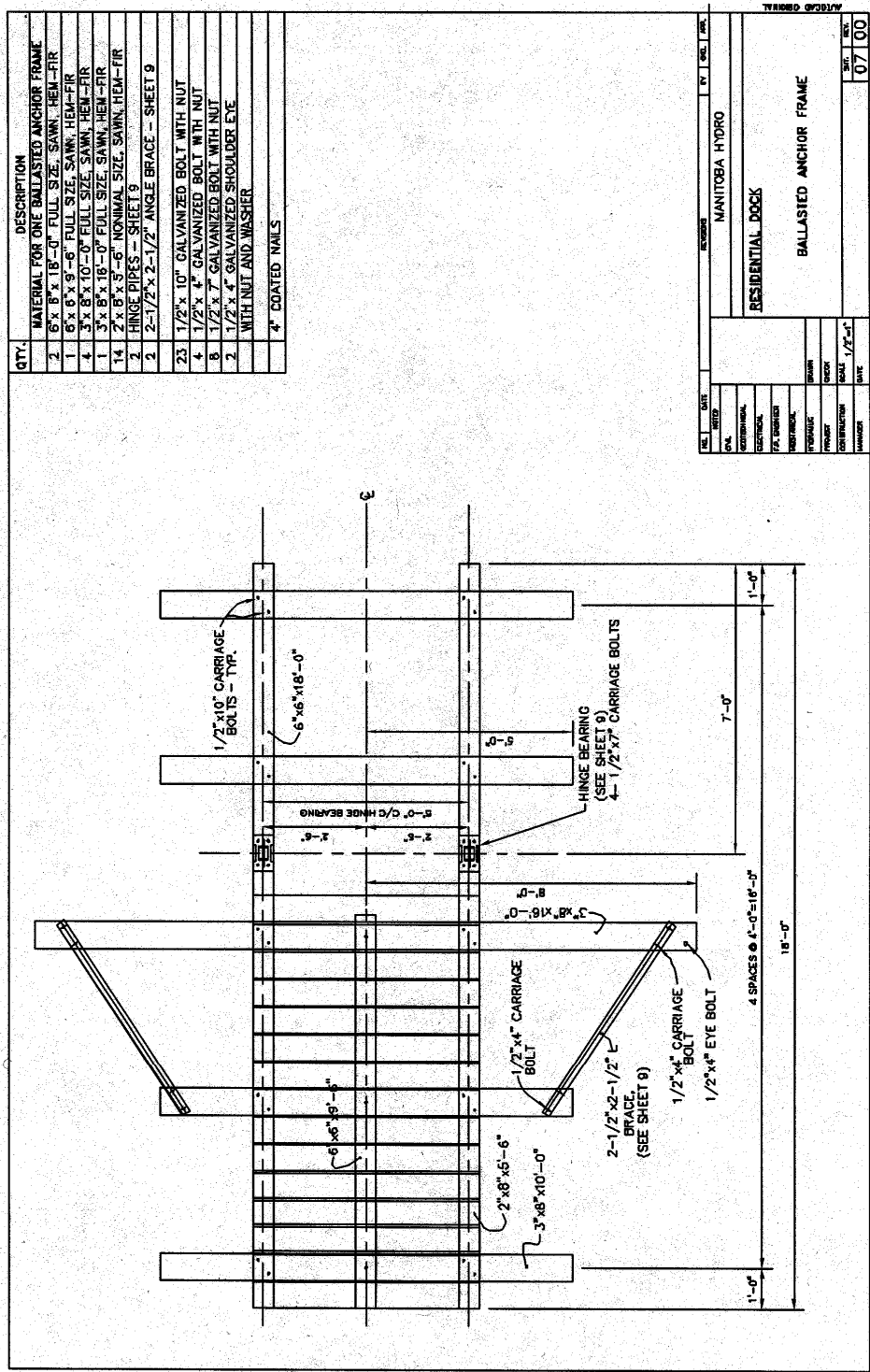


FLOATATION UNITS EACH MADE UP OF 3" x 24" x 8'-0" BILLED WITH 10" STYROFOAM BONDING WITH FOAMASTIK ADHESIVE

NO.	DATE	REVISIONS	BY	CHK.	APP.
		MANITOBA HYDRO			
		RESIDENTIAL DOCK			
		5'-0" x 20'-0" FLOATING DOCK			
		SCALE 3/8" = 1"			
		DATE			
		MANAGER			
		CONSTRUCTION			
		PROJECT			
		HYDRAULIC			
		MECHANICAL			
		P. ENGINEER			
		ELECTRICAL			
		GEOTECHNICAL			
		CIVIL			

SHEET NO.	REV.
05	00

HYDRAULIC DRAWING LTD.



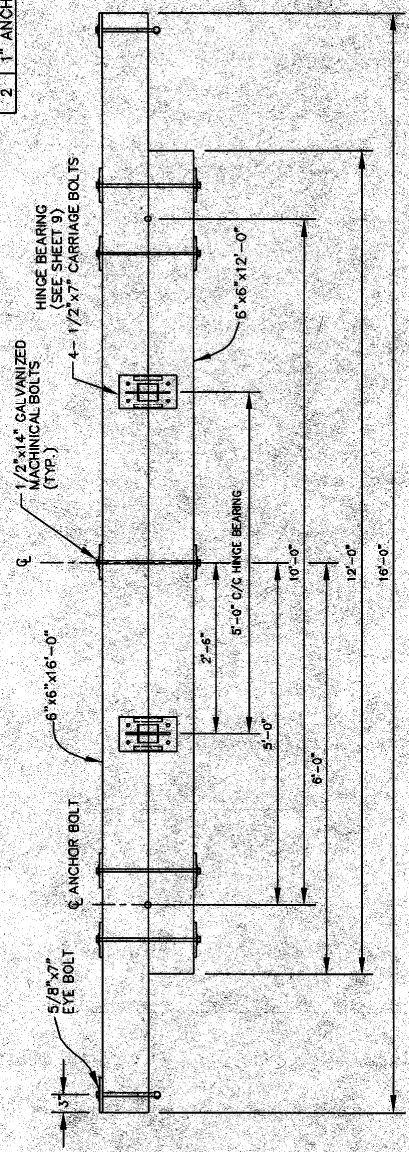
QTY.	DESCRIPTION
	MATERIAL FOR ONE BALLASTED ANCHOR FRAME
2	6" x 8" x 18'-0" FULL SIZE, SAWN, HEM-FIR
1	6" x 6" x 9'-6" FULL SIZE, SAWN, HEM-FIR
4	3" x 8" x 10'-0" FULL SIZE, SAWN, HEM-FIR
1	3" x 8" x 18'-0" FULL SIZE, SAWN, HEM-FIR
14	2" x 8" x 5'-6" NOMINAL SIZE, SAWN, HEM-FIR
2	HINGE PIPES - SHEET 9
2	2-1/2" x 2-1/2" ANGLE BRACE - SHEET 9
23	1/2" x 10" GALVANIZED BOLT WITH NUT
4	1/2" x 4" GALVANIZED BOLT WITH NUT
8	1/2" x 7" GALVANIZED BOLT WITH NUT
2	1/2" x 4" GALVANIZED SHOULDER EYE WITH NUT AND WASHER
	4" COATED NAILS

REV.	DATE	BY	CHK.	APP.

DESIGNER	MANITOBA HYDRO
CHECKED	
APPROVED	
PROJECT	
CONTRACTOR	
SCALE	1/2"=1'
DATE	

RESIDENTIAL DOCK	
BALLASTED ANCHOR FRAME	
NO.	07 00
REV.	

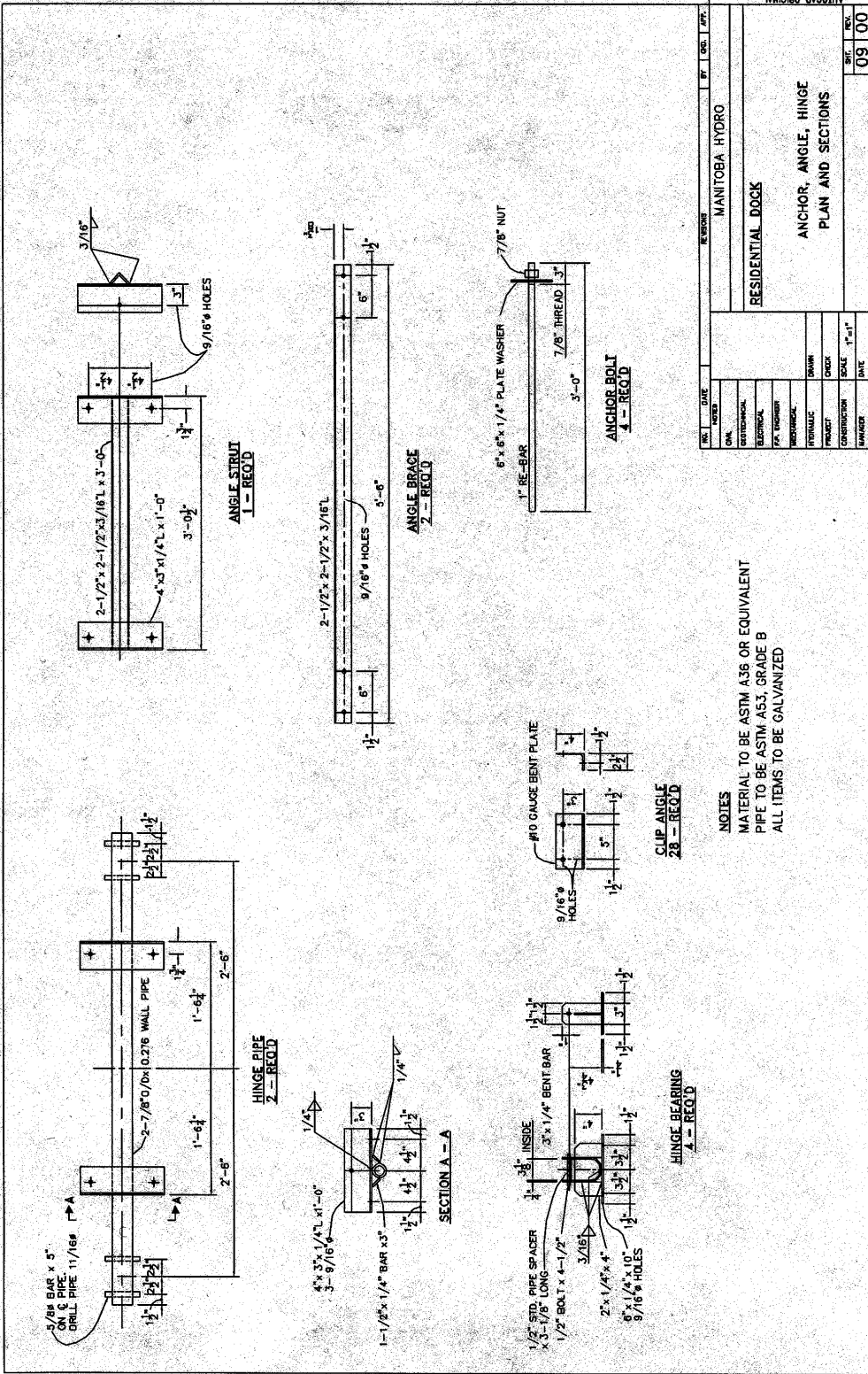
QTY.	DESCRIPTION
MATERIAL FOR ONE ANCHOR BEAM	
1	6" x 6" x 16'-0" FULL SIZE, SAWN, HEM-FIR
1	6" x 6" x 12'-0" FULL SIZE, SAWN, HEM-FIR
2	HINGE BEARINGS SHEET 9
2	5/8" x 7" GALVANIZED SHOULDER EYE BOLT
5	WITH NUT AND WASHER
5	1/2" x 14" GALVANIZED MACHINICAL BOLT
4	WITH NUT AND WASHER
4	1/2" x 7" GALVANIZED BOLT WITH NUT
2	1" ANCHOR BOLTS SHEET 9



NO.	DATE	REVISIONS	BY	CHKD.	APP.
01					
02					
03					
04					
05					
06					
07					
08					
09					
10					

MANITOWBA HYDRO	PROJECT	RESIDENTIAL DOCK
PLAN	ANCHOR BEAM	
SCALE	3/8" = 1'	
DATE		
CONSTRUCTION		
PROJECT		
DESIGNER		
CHECKER		
DRAWN		
SCALE	3/8" = 1'	
DATE		
NO.	REV.	
08	00	

AUTOCAD ORIGINAL



NOTES
 MATERIAL TO BE ASTM A36 OR EQUIVALENT
 PIPE TO BE ASTM A53, GRADE B
 ALL ITEMS TO BE GALVANIZED

NO.	DATE	BY	CHKD.	APP'D.	REV.

MANITOBA HYDRO
 RESIDENTIAL DOCK
 ANCHOR, ANGLE, HINGE
 PLAN AND SECTIONS
 SCALE: 1" = 1'-0"
 SHEET NO. 09 OF 00

4.0 ONGOING COMMUNICATION BETWEEN THE PARTIES

4.1 Meetings. Any **Party** may, at any time, request a meeting of one or both of the other **Parties** to discuss:

- (a) the progress of, and any issues or concerns surrounding, the implementation of this **Agreement** in its entirety; and
- (b) other matters relating to the **Agreement**;

by providing not less than thirty (30) days written notice setting forth the purpose of the meeting. The **Party** who made the request and **Party** or **Parties** who received the request will meet in the **Community** or other mutually acceptable location.

4.2 Costs Borne by Each Party. Each **Party** will be responsible for any costs incurred by it to participate in the meetings under section 4.1.

5.0 COMPENSATION FOR CLAIMS

5.1 Introduction. Article 5.0 specifies **Claims** which may be advanced, the procedure for advancing them against the **Claims Account**, and their relationship to other programs funded by **Trust Funds**.

5.2 Claims. A **Claim** may be advanced against the **Claims Account** for compensation sufficient to compensate the **Claimant** for loss or damages suffered by that **Claimant** due to **Adverse Effects**, but no **Claim** may be advanced:

- (a) by a person who was not a **Member** at the time the loss or damage due to **Adverse Effects** occurred;
- (b) by an insurer by way of subrogation;
- (c) by a **Member** who is also a member of a **Band** that is a signatory to the **Northern Flood Agreement**; or
- (d) by a **Member** who holds insurance concerning the property that is the subject of the **Claim** and who has not, prior to making such **Claim**, submitted a proof of loss to his or her insurer concerning the said loss or damage.

5.3 Limitation. A right to claim under section 5.2 shall expire two (2) years from the date the loss or damage became evident to the **Claimant**.

5.4 Claims Officer. A **Trustee** shall act as **Claims Officer** for the purpose of investigating and deciding **Claims** under article 5.0. The **Trustees** shall determine who, among themselves, will act as **Claims Officer** in respect of a **Claim**.

5.5 Resignation or Expiration or Termination of Appointment of Trustee. Where a **Claim** is being considered at the time of the resignation, or expiration or termination of the appointment of the **Trustee** who is acting as the **Claims Officer**, the **Claimant** shall be notified by the **Community Council** and subject to section 5.12, the **Claim** will be decided by one of the remaining **Trustees** or by the **Trustee's** successor, appointed or elected under Article 5.3 of the **Indenture**.

5.6 Undertaking. Prior to assuming office, a **Claims Officer** shall sign an undertaking in the form set out in schedule 5.3 and file it with the **Community Council**.

5.7 Claims Officer Fees. A **Claims Officer** shall be entitled to two hundred (\$200.00) dollars per investigation of a **Claim** to a maximum of two thousand (\$2000.00) dollars per calendar year, plus reimbursement for reasonable travel expenses and other reasonable expenses incurred in the performance of his or her duties.

5.8 Liability. A **Claims Officer** shall be responsible for the fair, prudent and impartial administration of the **Claims** procedures set out in article 5.0 and provided he or she acts in good faith, a **Claims Officer** shall incur no liability arising out of his or her administration of **Claims**.

5.9 Form of Claims. **Claims** shall be filed at the **Community Council** office and directed to the attention of the **Claims Officer** and shall contain the information set out in schedule 5.1.

5.10 Investigation Process. Upon receipt of a **Claim**, the **Community Council** shall:

- (a) if appropriate, send a copy of the **Claim** to the RCMP or other police force responsible for policing the **Community**;
- (b) post a copy of the **Claim** and a completed notice in the form set out in schedule 5.2 in the **Community Council** office or in some other public place within the boundaries of the **Community** that is frequented by **Members**; and
- (c) retain a copy of the **Claim** and forward the original to the **Claims Officer**.

5.11 Notice Period. Prior to a decision being made under section 5.15, the notice under section 5.10(b) shall be posted and available to public view for not less than ten (10) business days.

5.12 Conflict. A **Claims Officer** who has an interest in a **Claim** that could affect his or her impartiality may not act as the **Claims Officer** with respect to that **Claim**. If all of the **Trustees** have an interest in a **Claim**, the **Trustees** shall appoint an elder of the **Community** to act as **Claims Officer** in respect of the **Claim**.

5.13 Investigation. A **Claims Officer** shall conduct, or cause to be conducted, an investigation of a **Claim** as he or she considers appropriate.

5.14 Preliminary Decisions. Upon completion of the investigation of a **Claim**, the **Claims Officer** shall decide if:

- (a) the person advancing the **Claim** meets the criteria of a **Claimant**;
- (b) the person advancing the **Claim** was a **Member** at the time the loss or damage due to **Adverse Effects** occurred;
- (c) the **Claim** is being brought by an insurer by way of subrogation;
- (d) the person advancing the **Claim** is a member of a **Band** that is a signatory to the **Northern Flood Agreement**;

- (e) the person advancing the **Claim** is a **Member** who holds insurance concerning the property that is the subject of the **Claim** and has not, prior to making the **Claim**, submitted a proof of loss to his or her insurer concerning the said loss or damage;
- (f) the **Claim** is excluded under section 7.3; and
- (g) the **Claim** has been brought within the time limit imposed under section 5.3.

Where there is a dispute as to who is, or is not, a **Member**, the **Claims Officer** shall resolve such dispute consistent with the Community Council Electors List compiled for the election of the **Community Council** immediately preceding the date of the **Claim**.

5.15 Further Decision Process. If the **Claim** is not excluded under section 7.3, the person advancing the **Claim** meets the criteria of a **Claimant**, the **Claim** has been brought within the time specified, and it is determined under section 5.14 that the **Claim** meets the requirements of section 5.2, the **Claims Officer** shall:

- (a) decide if the **Claim** should be paid;
- (b) assess the amount of compensation taking into account any prior benefit received by, or compensation or insurance proceeds paid, or payable, to the **Claimant** or any other benefit received by the **Claimant** under this **Agreement** or under any other agreement with a **Party**;
- (c) deliver a decision in the form set out in schedule 5.4 to the **Claimant**, with a copy to the **Community Council** and any **Member** who provided comments; and
- (d) upon request, or if the **Claims Officer** determines it is appropriate, deliver the information set out in schedule 5.4 orally, in a language spoken by the **Claimant** or any **Member** who provided comments.

5.16 Payment Following Decision. If compensation is awarded under section 5.15, the **Claims Officer** shall, upon the expiry of the time to appeal, and if no appeal is filed, deliver to the **Trustees**:

- (a) a copy of any **Claim** made by a **Claimant** to whom money is to be paid;
- (b) a copy of the written decision delivered pursuant to paragraph 5.15(c) in relation to that **Claim**; and
- (c) a copy of the **Claimant's** Acceptance and Release for Compensation for **Adverse Effects** in the form of schedule 5.6, signed by the **Claimant**.

Upon receipt of the documentation in (a), (b) and (c), the **Trustees**, pursuant to Article 12.2 of the **Indenture**, shall promptly pay such compensation and any costs awarded with **Trust Funds** advanced from the **Claims Account**.

5.17 Decisions Available. All decisions concerning **Claims** for compensation from the **Claims Account** shall be made available by the **Trustees** for review by **Members** at the **Community Council** offices during normal business hours, and in the case of a decision under paragraph 5.14(f), shall be forwarded to **Hydro** as soon as reasonably practicable.

5.18 Rejection of Claim by Delay. If a decision is not delivered within sixty (60) days of the date the **Claim** is filed with the **Community Council**, that **Claim** shall be deemed to be rejected and the **Claimant** may appeal the **Claim** to an **Appeal Claims Officer** by filing a Notice of Appeal with the **Community Council** in the form set out in schedule 5.5.

5.19 Reimbursement. Forthwith, upon receipt of an invoice and all relevant supporting material, **Hydro** will reimburse the **Community** for the reasonable expenses incurred by the **Claims Officer** in investigating and reaching a preliminary decision under section 5.14 with respect to which **Hydro** agrees it has continuing liability under section 7.3.

5.20 Onus. Any party to a **Claim** under article 5.0 or an appeal under article 6.0 taking the position that the **Project** caused or contributed to any loss or damage suffered by a **Claimant** bears the onus of proof on that issue on a balance of probabilities.

5.21 Evidence. Evidence in respect of a proceeding under articles 5.0 or 6.0 may be presented in writing or orally.

5.22 Hearing Location. Any hearing under articles 5.0 or 6.0 shall be held in the **Community** unless the parties to the dispute consent to it being held elsewhere in Manitoba.

5.23 Substantial Compliance. No **Claim** or appeal of **Claim** shall be dismissed for failure on the part of the **Claimant** to use a specified form or procedure, and no **Claim**, notice, release, undertaking, appeal, acceptance or release contemplated in schedules 5.1 to 5.6 and 6.1 to 6.2 inclusive shall be invalid for failure to follow or be in the specified form, provided there has been substantial compliance and no prejudice results therefrom.

5.24 Amend Forms. Provided any such amendment is not prejudicial to the other **Parties** and is consistent with this **Agreement**, the forms appended as schedules 5.1 to 5.6 and 6.1 to 6.2 inclusive, may be amended by the **Community Council** on behalf of the **Community**.

5.25 Reference to Courts. Any constitutional issue arising out of, or in respect to, this **Agreement** or the matters implemented or settled by this **Agreement**, and any dispute relating to the interpretation or administration of this **Agreement** or the use or administration of **Trust Funds**, other than for the use of **Trust Funds** for the payment of **Claims** as described in articles 5.0 and 6.0, shall be referred to court and not decided by a **Claims Officer** or an **Appeal Claims Officer** under articles 5.0 or 6.0.

SCHEDULE 5.1

CLAIM FOR COMPENSATION FORM

CLAIMANT

- Name: _____
- Address: _____
- City/Town: _____
- Commercial Fishing Licence (if applicable): _____
- Commercial Trapping Licence No. (if applicable): _____
- Band Name and Number (if applicable): _____

DETAILS OF CLAIM

- Date & Time of Injury/Loss/Damage: _____
- Activity at time of Injury/Loss/Damage: _____
- Cause of Injury/Loss/Damage: _____
- Compensation Claimed: _____
- Nature of Injury: _____
- Goods or Property Lost or Damaged: _____
 - General Description: _____
 - Make: _____
 - Model: _____
 - Serial No.: _____
 - Year Manufactured: _____

- Year Purchased: _____
- Purchase Price: _____
- Location where Injury/Loss/Damage occurred (Attach Sketch or Map): _____
- Names of Witnesses to Injury/Loss/Damage: _____
- Is the **Claim** covered by insurance in whole or in part: Yes? ____ No? ____
 - If yes, give particulars: _____
 - If yes, has a claim been made under the insurance policy? Yes? ____ No? ____
 - Give particulars: _____

CLAIMANT'S CONSENT TO RELEASE OF INFORMATION ABOUT INSURANCE POLICY

I hereby consent to my insurer releasing information about my insurance policy and insurance coverage relating to the injury/loss/damage that is the subject of my **Claim** to the **Claims Officer** who is responsible for assessing my **Claim**.

 (Signature of **Claimant**) (date)

CLAIMANT'S STATEMENT:

I believe the injury, loss or damage described above was caused by the **Project** because:

I hereby certify that the above information is correct.

 (Signature of **Claimant**) (date)

Note: Terms in bold face type in this form have the meaning given to them in the Nelson House Community Settlement Agreement.

SCHEDULE 5.2

NOTICE OF RECEIPT OF CLAIM FOR COMPENSATION

_____ IS CURRENTLY INVESTIGATING THE ATTACHED **CLAIM** FOR COMPENSATION, AND A DECISION ON THIS MATTER WILL BE MADE ON OR AFTER _____. PERSONS WHO WISH TO COMMENT ON THIS **CLAIM** SHOULD DIRECT THEIR COMMENTS TO _____ BEFORE THAT DATE.

Note: Terms in bold face type in this form have the meaning given to them in the Nelson House Community Settlement Agreement.

SCHEDULE 5.3

**UNDERTAKING OF
CLAIMS OFFICER OR APPEAL CLAIMS OFFICER**

I, _____, **Claims Officer** or **Appeal Claims Officer**, state and undertake as follows:

1. I have read, or had explained to me, the terms of the **Agreement** with **Hydro** and **Manitoba** (2006) with particular reference to the provisions relating to the processes for administering and deciding **Claims** for compensation.
2. I hereby accept and will honestly and faithfully discharge the duties and responsibilities of a **Claims Officer** or **Appeal Claims Officer**, during my term in such office.
3. I have been advised by the **Community Council**, that I have the right to obtain legal counsel in connection with the signing of this undertaking.
4. I have obtained / I hereby waive my right to (delete inapplicable words) the advice of legal counsel in making this undertaking.

DATED at Nelson House on the _____ day of _____, 2____.

Note: Terms in bold face type in this form have the meaning given to them in the Nelson House Community Settlement Agreement.

SCHEDULE 5.4

DECISION OF CLAIMS OFFICER OR APPEAL CLAIMS OFFICER

A **Claim** for compensation from the **Claims Account** of Nelson House Community Trust was filed by _____, on _____.

I, _____, the **Claims Officer/Appeal Claims Officer** (delete inapplicable words) decide as follows:

1. From my investigation of the **Claim**:
 - (a) the applicant meets the criteria of a **Claimant**;
 the applicant does not meet the criteria of a **Claimant**;
 - (b) the applicant was a **Member** at the time the loss or damage due to **Adverse Effects** occurred;
 the applicant was not a **Member** at the time the loss or damage due to **Adverse Effects** occurred;
 - (c) the applicant is not an insurer claiming by way of subrogation;
 the applicant is an insurer claiming by way of subrogation;
 - (d) the applicant is entitled to be covered under a policy of insurance with respect to the compensation claimed;
 the applicant is not entitled to be covered by a policy of insurance for the compensation being claimed;
 - (e) the **Claim** has been brought within 2 years of the date the loss or damage became evident to the **Claimant**;
 the **Claim** has not been brought within 2 years of the date the loss or damage became evident to the **Claimant**;
 - (f) the applicant is a member of a **Band** that is a signatory to the **Northern Flood Agreement**;

- the applicant is not a member of a **Band** that is a signatory to the **Northern Flood Agreement**;
- (g) all of the loss or damage is the result of or attributable to **Adverse Effects** of the **Project**;
- part of the loss or damage is the result of or attributable to **Adverse Effects** of the **Project**;
- none of the loss or damage is the result of or attributable to **Adverse Effects** of the **Project**;
- (h) the loss or damage is compensable in full from the **Claims Account** of the **Trust**;
- the loss or damage is compensable in part from the **Claims Account** of the **Trust**;
- the loss or damage is not compensable from the **Claims Account** of the **Trust**;
- (i) the loss or damage is not compensable from the **Claims Account** of the **Trust** because the **Claim** is excluded under section 7.3 of the **Agreement** between **Hydro, Manitoba** and the **Community**;
- the loss or damage is not compensable from the **Claims Account** of the **Trust** because the **Claimant** otherwise has been fully compensated;
- the loss or damage is not compensable in full from the **Claims Account** of the **Trust** because the **Claimant** otherwise has been partially compensated by the reasonable compensation payable from the **Trust** in the amount of \$_____.

Additional Reasons: _____

Signed at Nelson House, Manitoba, this _____ day of _____, 2____.

Claims Officer / Appeal Claims Officer (cross out inapplicable words)

NOTICE: THE CLAIMANT MAY APPEAL A DECISION OF THE CLAIMS OFFICER TO AN APPEAL CLAIMS OFFICER, BY MAKING A WRITTEN REQUEST IN THE FOLLOWING FORM TO THE COMMUNITY COUNCIL WITHIN 21 DAYS OF THE DELIVERY OF THIS DECISION.

**NOTICE OF APPEAL
(BY CLAIMANT OR COMMUNITY COUNCIL)**

TO: The **Community Council**
Community Council Office
Nelson House, Manitoba
R0B 1A0

TAKE NOTICE that the decision dated _____, 2____ of the **Claims Officer**, under article 5.0 of the Nelson House Community Settlement Agreement (2005) with **Hydro** and **Manitoba**, is not acceptable to the undersigned and is being appealed to an **Appeal Claims Officer** to be dealt with in accordance with article 6.0 of the **Agreement**.

DATED at Nelson House the _____ day of _____, 2 _____.

Note: Terms in bold face type in this form have the meaning given to them in the Nelson House Community Settlement Agreement.

SCHEDULE 5.5

**NOTICE OF APPEAL
(BY CLAIMANT WHERE CLAIM DEEMED TO BE REJECTED DUE TO DELAY)**

TO: (Insert name(s) of respondents)

Take notice that the following matter is being appealed to an **Appeal Claims Officer** under section 5.18 of the **Agreement** to be dealt with under article 6.0 of the **Agreement**:

(describe matter in dispute) _____

Further take notice that the following relief, remedy, redress or order is being sought:

(describe relief, remedy, redress or order sought) _____

DATED at Nelson House the _____ of _____, 2____.

Note: Terms in bold face type in this form have the meaning given to them in the Nelson House Community Settlement Agreement.

SCHEDULE 5.6

**CLAIMANT ACCEPTANCE AND RELEASE
FOR COMPENSATION FOR ADVERSE EFFECTS**

I, _____ (name of **Claimant**), filed a **Claim** dated _____, 2____ under article 5.0 of the **Agreement** in respect of damage or loss that I was aware of at the date of filing the **Claim**, arising from **Adverse Effects** caused by the **Project**.

A decision on the **Claim** was made by _____ a **Claims Officer** under article 5.0 of the **Agreement** / an **Appeal Claims Officer** under article 6.0 of the **Agreement** (delete inapplicable words) dated _____, 2____, a copy of which is attached.

That decision is a fully satisfactory settlement of the damage or loss referenced in the **Claim** dated _____.

In consideration of the payment of _____ (insert the amount), I hereby fully and finally release the **Community Council**, the **Trustees**, the **Claims Officer**, the **Appeal Claims Officer** (if the decision of the **Claims Officer** was appealed), and the **Trust** with respect to this **Claim**, and I will bring no further claim for the same damage or loss against any other person.

I have been advised by the **Claims Officer** or the **Appeal Claims Officer** (if the decision of the **Claims Officer** was appealed), that I have the right to obtain legal counsel in connection with the execution of this release.

I have obtained / I hereby waive my right to (delete inapplicable words) the advice of legal counsel in connection with this release.

DATED at _____, Manitoba the _____ day of _____, 2_____.

Witness _____ **Claimant** _____

Note: Terms in bold face type in this form have the meaning given to them in the Nelson House Community Settlement Agreement.

6.0 APPEAL

6.1 Introduction. Article 6.0 establishes procedures for appealing a decision of a **Claims Officer**, which shall proceed as prescribed under this article.

6.2 Appeal. Where a **Claimant** or the **Community Council** disputes the decision made by a **Claims Officer** under sections 5.14 or 5.15, either may, within twenty-one (21) days of their receipt of the decision, appeal the decision to an **Appeal Claims Officer** by serving upon the other a Notice of Appeal in the form set out in schedule 6.1.

6.3 Filing of Appeal. A Notice of Appeal shall be filed at the **Community Council** office.

6.4 Appeal Claims Officer. Subject to section 6.11, where a Notice of Appeal is filed under section 6.3, the **Claimant** and **Community Council** shall select an elder of the **Community** to act as an **Appeal Claims Officer**.

6.5 Investigation Process. Upon the filing of a Notice of Appeal under section 6.3, or under section 5.18 for failure of the **Claims Officer** to deliver a decision within sixty (60) days of the **Claim** being filed, and the appellant depositing a security for costs in the amount of seven hundred and fifty (\$750.00) dollars, the **Community Council** shall

- (a) post a copy of the Notice of Appeal and a completed notice in the form set out in schedule 6.2 in the **Community Council** office or in some other public place within the boundaries of the **Community** that is frequented by **Members**; and
- (b) retain a copy of the Notice of Appeal and forward the original to the **Appeal Claims Officer**.

6.6 Notice Period. Prior to a decision being made under section 6.13, the notice under section 6.5(a) shall be posted and available to public view for not less than ten (10) business days.

6.7 Inability of Appeal Claims Officer to Act. Where an **Appeal Claims Officer**, who is considering a **Claim**, is unable to continue to act, the **Claimant** shall be notified by the **Community Council** and, subject to section 6.11, the **Claimant** and **Community Council** shall select another elder of the **Community** to act as an **Appeal Claims Officer**.

6.8 Undertaking. Prior to assuming office, an **Appeal Claims Officer** shall sign an undertaking in the form set out in schedule 5.3 and file it with the **Community Council**.

6.9 Fees. An **Appeal Claims Officer** shall be entitled to two hundred (\$200.00) dollars per appeal of a decision of a **Claims Officer** to a maximum of two thousand (\$2000.00) dollars per calendar year, plus reimbursement for reasonable travel expenses and other reasonable expenses incurred in the performance of his or her duties.

6.10 Liability. An **Appeal Claims Officer** shall be responsible for the fair, prudent and impartial administration of the **Claims** procedures set out in article 6.0 and provided he or she acts in good faith, the **Appeal Claims Officer** shall incur no liability arising out of the administration of such **Claims**.

6.11 Conflict. An elder who has an interest in a **Claim** that could affect his or her impartiality may not act as an **Appeal Claims Officer**. It shall not be considered that an elder has a conflict of interest merely by virtue of that member also being a member of the **Community Council**. Where an elder has an interest in a **Claim** that could affect his or her impartiality, he or she shall inform the **Community Council**, and the **Claimant** and **Community Council** shall select another elder to act as an **Appeal Claims Officer**.

6.12 Investigation. The **Appeal Claims Officer** shall conduct, or cause to be conducted, an investigation of a **Claim** as he or she considers appropriate.

6.13 Decision of Appeal Claims Officer. Upon completion of the investigation of an appeal, the **Appeal Claims Officer** shall make his or her decision and for that purpose, he or she shall have the authority to make any of the decisions in section 5.14 and paragraphs 5.15 (a) and (b). Where there is a dispute as to who is, or is not a **Member**, the **Appeal Claims Officer** shall resolve such dispute consistent with the Community Council Electors List compiled for the election of the **Community Council** for the election immediately preceding the filing of the **Claim**.

6.14 Further Decision Process. If a **Claim** is not excluded under section 7.3, the person advancing the **Claim** meets the criteria of a **Claimant**, the **Claim** has been brought within the time specified, and it is determined that the **Claim** meets the requirements of section 5.2, the **Appeal Claims Officer** shall:

- (a) decide if the **Claim** should be paid;
- (b) assess the amount of compensation taking into account any prior benefit received by, or compensation or insurance proceeds paid, or payable, to the **Claimant** or any other benefit received by the **Claimant** under the **Agreement** or under any other agreement with a **Party**;
- (c) deliver a decision in the form set out in schedule 5.4 to the **Claimant**, with a copy to the **Community Council** and any **Member** who provided comments; and
- (d) upon request, or if the **Appeal Claims Officer** determines it is appropriate, deliver the information set out in schedule 5.4 orally, in a language spoken by the **Claimant** or any **Member** who provided comments;

and may award costs.

6.15 Costs. Any award of costs under section 6.14 may include reasonable fees, traveling allowances and other ancillary expenses for lawyers, consultants, experts or other witnesses participating in such appeal as well as the fees of the **Appeal Claims Officer** under article 6.0.

6.16 Payment Following Decision. If compensation is awarded under section 6.14, the **Appeal Claims Officer** shall deliver to the **Trustees**:

- (a) a copy of any **Claim** made by a **Claimant** to whom money is to be paid;
- (b) a copy of the written decision delivered by the **Appeal Claims Officer** in the form set out in schedule 5.4; and
- (c) a copy of the **Claimant's** Acceptance and Release for Compensation for **Adverse Effects** in the form of schedule 5.6, signed by the **Claimant**.

Upon receipt of the documentation in (a), (b) and (c), the **Trustees**, pursuant to Article 12.2 of the **Indenture**, shall promptly pay such compensation and any costs awarded with **Trust Funds** advanced from the **Claims Account**.

6.17 Decisions Available. All decisions concerning appeals of **Claims** for compensation from the **Claims Account** shall be made available by the **Trustees** for review by **Members** at the **Community Council** offices during normal business hours, and in the case of a decision under paragraph 5.14(f), shall be forwarded to **Hydro** as soon as reasonably practicable.

6.18 Reimbursement. Forthwith, upon receipt of an invoice and all relevant supporting material, **Hydro** will reimburse the **Community** for the reasonable expenses incurred by the **Appeal Claims Officer** to investigate and reach a decision under section 6.14 with respect to which **Hydro** agrees it has continuing liability under section 7.3.

6.19 Finality. The decision of the **Appeal Claims Officer** in respect of a **Claim** is final.

SCHEDULE 6.1

**NOTICE OF APPEAL
(BY CLAIMANT OR COMMUNITY COUNCIL)**

TO: The Incorporated Community of Nelson House

Community Council
Community Council Office
Nelson House, Manitoba
R0B 1A0

TAKE NOTICE that the decision dated, _____, 2____, of the **Claims Officer**, under article 5.0 of the 2005 **Agreement** with **Hydro** and **Manitoba**, is not acceptable to the undersigned and is appealed to an **Appeal Claims Officer** to be dealt with in accordance with article 6.0 of the **Agreement**.

DATED at Nelson House the _____ of _____, 2____.

Note: Terms in bold face type in this form have the meaning given to them in the Nelson House Community Settlement Agreement.

SCHEDULE 6.2

NOTICE OF RECEIPT OF APPEAL

_____, THE **APPEAL CLAIMS OFFICER** IS CURRENTLY INVESTIGATING AN APPEAL IN RESPECT OF THE ATTACHED **CLAIM** FOR COMPENSATION, AND A DECISION ON THIS MATTER WILL BE MADE ON OR AFTER _____. PERSONS WHO WISH TO COMMENT ON THE APPEAL OF THIS **CLAIM** SHOULD DIRECT THEIR COMMENTS TO _____ BEFORE THAT DATE.

Note: Terms in bold face type in this form have the meaning given to them in the Nelson House Community Settlement Agreement.

7.0 SETTLEMENT AND SATISFACTION, RELEASES AND INDEMNITIES

7.1 Introduction. Article 7.0 sets forth the general releases and indemnities, and the exceptions to both the general and specific releases contained in this **Agreement**.

7.2 Settlement and Satisfaction. This **Agreement** will, subject to section 7.3, constitute a full and final settlement and satisfaction of any and all obligations of **Manitoba** or **Hydro** in respect of, and all liabilities of **Manitoba** or **Hydro** arising out of or attributable to:

- (a) **Adverse Effects** of the **Project** prior to the **Date of this Agreement**; and
- (b) **Adverse Effects** of the **Project** after the **Date of this Agreement**.

7.3 Exclusions. Section 7.2 does not apply to:

- (a) **Adverse Effects** of the **Project** that are unknown or unanticipated and are not discernible with the ordinary exercise of due diligence by the **Community** at the **Date of this Agreement**;
- (b) the personal injury or death of an individual to the extent resulting from, or attributable to, the **Project**;
- (c) obligations under this **Agreement**;
- (d) liabilities arising out of breaches of this **Agreement**; and
- (e) damage caused by future negligence of **Hydro**, **Manitoba** or their respective employees.

7.4 Not Settled by this Agreement. This **Agreement** does not apply to any additional adverse effects that result from any future development by **Hydro** not existing at the **Date of this Agreement**, including the Wuskwatim hydro generating station.

7.5 Manitoba Programs. **Financial Proceeds** shall not be considered a substitute for **Funding and Programming** available to the **Community** and **Members** under the normal program criteria in effect from time to time.

7.6 Considerations. In considering requests for **Funding and Programming**, **Manitoba** shall:

- (a) consider all requests in accordance with existing program criteria in effect from time to time; and

- (b) provide **Funding and Programming**, subject to there being unexpended moneys within the existing budget of the relevant program, without reduction in the amounts which would be available in the absence of **Financial Proceeds**.

7.7 Acknowledgement re: Independent Advice. The **Community** warrants that, throughout the negotiations leading to this **Agreement**:

- (a) it has been independently advised by negotiators, legal counsel, technical advisors and consultants of its choice with respect to all matters arising in connection with or dealt with in this **Agreement**;
- (b) this **Agreement** has been jointly drafted, considered and revised by representatives of all **Parties**, and duly authorized **Community** representatives have participated fully in the preparation of this **Agreement**; and
- (c) it has caused all aspects of this **Agreement** to be explained at one or more **Community** meetings, which were open to all **Members** of the **Community**.

7.8 Release - Manitoba. The **Community** hereby releases and forever discharges **Manitoba** of and from any and all actions, causes of action, suits, claims, demands, losses or damages of any nature or kind whatsoever, at law or in equity, which the **Community**, its successors, assigns or those it represents, have had, now have or hereafter can, shall or may have, for, or by reason of, any cause, matter or thing whatsoever to the extent attributable to the **Project**, save and except as set forth in this **Agreement**, including claims, if any, of a fiduciary nature which may have arisen in respect of **Manitoba's** obligations to the **Community** for anything done or omitted to be done by **Manitoba** to the **Date of this Agreement** to the extent it is attributable to the **Project**, save and except as set forth in this **Agreement**.

7.9 Release - Hydro. The **Community** hereby releases and forever discharges **Hydro** of and from any and all actions, causes of action, suits, claims, demands, losses or damages of any nature or kind whatsoever, at law or in equity, which the **Community**, its successors, assigns or those it represents, have had, now have or hereafter can, shall or may have, for, or by reason of, any cause, matter or thing whatsoever to the extent it is attributable to the **Project**, save and except as set forth in this **Agreement**, and including claims, if any, of a fiduciary nature which may have arisen in respect of **Hydro's** obligations to the **Community** for anything done or omitted to be done by **Hydro** to the **Date of this Agreement** to the extent attributable to the **Project**, save and except as set forth in this **Agreement**.

7.10 Release by Individuals. A condition precedent to this **Agreement** and to the execution of this **Agreement** is the signing by each **Member** who is 18 years of age or older and not also a member of a **Band** that is a signatory to the **Northern Flood Agreement** of a release in favour of **Manitoba** and **Hydro** in the form attached as schedule 7.1.

7.11 Indemnity. Except in respect of matters set out in section 7.3, the **Community** hereby undertakes and agrees to indemnify and save harmless **Manitoba** and **Hydro** in respect of any

and all actions, causes of action, suits, claims, demands, losses or damages of any nature or kind whatsoever, at law or in equity, brought or instituted, directly or indirectly, by any **Member** by reason of any cause, matter or thing whatsoever attributable to the **Project**. This indemnity does not cover the costs of the indemnified **Party** in resisting such claim and is conditional upon the indemnified **Party**:

- (a) forthwith, upon becoming aware of such claim, giving notice to the **Community**; and
- (b) supporting any application by the **Community** to be named as a party thereto.

7.12 Indemnity. Without limiting the generality of the indemnity provided in section 7.11, the **Community** hereby undertakes and agrees to indemnify and save harmless **Hydro** and **Manitoba**, in respect of any and all actions, causes of action, suits, claims, demands, losses or damages of any nature or kind whatsoever, at law or in equity, brought or instituted by any **Member**, caused by or attributable, in whole or in part, to the use and management of **Financial Proceeds** by the **Community**.

7.13 Exceptions. Nothing in this **Agreement** shall require the **Community** to indemnify **Manitoba** or **Hydro** for:

- (a) an amount greater than the total amount of the **Financial Proceeds**;
- (b) matters which are excluded under sections 7.3 and 7.4;
- (c) future wrongful acts or omissions; and
- (d) claims or actions which have been settled by the **Party** demanding indemnity prior to the **Date of this Agreement**.

7.14 Notice. The **Community** shall give **Hydro** prompt notice of any occurrence which is alleged to have caused an **Adverse Effect** referred to in paragraph 7.3(a), together with all particulars and evidence in support of such occurrence and of any damages which are alleged to have resulted therefrom.

7.15 Future Acts or Omissions. Nothing in this **Agreement** shall relieve any **Party** of liability for breaches of this **Agreement**, future breaches of fiduciary obligations, future negligence or unlawful acts or omissions, or future wilful misconduct, on their own part, or on the part of those for whom they are responsible at law.

7.16 Liability for Acts or Omissions of Other Parties. Except where otherwise specifically provided, no **Party** shall be liable or responsible for things done or omitted to be done by any other **Party**.

7.17 Other Agreements. Nothing in this **Agreement** shall release or discharge any action, cause of action or claim arising from any agreement unrelated to the **Project**.

SCHEDULE 7.1

**RELEASE BY ADULT MEMBERS OF THE INCORPORATED
COMMUNITY OF NELSON HOUSE ("Community")**

I am 18 years of age or older, currently reside in the **Community** and am not a member of a **Band** that is a signatory to the **Northern Flood Agreement**.

I have assigned to the **Community** all rights which I have to claim for damages caused by the Churchill River Diversion and the Lake Winnipeg Regulation Projects and other **Hydro** Projects which exist at the **Date of this Agreement** and may affect water levels and the water regime on Footprint Lake and in the area of the **Community**. I have authorized the **Community** to negotiate to resolve any claim for damages that I may have and to give releases and indemnities binding on me with respect to any claim for damages that I may have.

I am aware that, subject to individual releases being obtained and provided, a settlement has been reached by the **Community, Manitoba** and **Hydro**, in connection with **Adverse Effects** caused by the Churchill River Diversion and Lake Winnipeg Regulation Projects and other **Hydro** projects which exist at the **Date of this Agreement** and may affect water levels and the water regime on Footprint Lake and in the area of the **Community**. Under the terms of this settlement, **Manitoba** and **Hydro** will advance or have advanced cash compensation in the total amount of one million two hundred and five thousand (\$1,205,000) dollars as follows:

<u>PAYMENT DATE</u>	<u>PAYMENT AMOUNT</u>
30 days after signing agreement	\$325,000.00
September 1, 2006	85,000.00
September 1, 2007	85,000.00
September 1, 2008	85,000.00
September 1, 2009	85,000.00
September 1, 2010	85,000.00
September 1, 2011	85,000.00
September 1, 2012	85,000.00
September 1, 2013	85,000.00
September 1, 2014	200,000.00
<hr/>	
TOTAL	\$1,205,000.00

I have authorized, or agreed by my conduct to authorize, the **Community** to accept this settlement.

I understand that under the terms of the settlement, the **Community** shall receive the \$1,205,000.00 referred to above, conditional upon individual releases being obtained, on the basis that the **Community** administer and use the monies which they receive in accordance with the terms of the settlement.

In consideration of the **Agreement** and the terms thereof including the payment to the **Community** of the **Financial Proceeds** as set forth above, I hereby release **Hydro** and **Manitoba** from all claims and debts which I have had, which I have now and which I may have in the future, respecting any loss or damage which I have suffered or which I may in the future suffer caused by or arising from the Churchill River Diversion and Lake Winnipeg Regulation projects and other **Hydro** projects which exist at the **Date of this Agreement** and may affect water levels and the water regime on Footprint Lake and in the area of the **Community**.

This release is subject to five exceptions. First, I do not release **Hydro** or **Manitoba** for any **Adverse Effects** of the Lake Winnipeg Regulation and Churchill River Diversion Project and other **Hydro** projects which exist at the **Date of this Agreement** and may affect water levels and the water regime on Footprint Lake and in the area of the **Community** that are unknown or unanticipated and are not discernible with the ordinary exercise of due diligence by me at the **Date of this Agreement**. Secondly, I do not release **Hydro** or **Manitoba** from any personal injury or death caused by the Lake Winnipeg Regulation and Churchill River Diversion Project and other **Hydro** projects which exist at the **Date of the Agreement** and may affect water levels and the water regime on Footprint Lake and in the area of the **Community**. Thirdly, I do not release **Hydro** or **Manitoba** from obligations under the **Agreement**. Fourthly, I do not release **Hydro** or **Manitoba** from any liabilities arising out of breaches of the **Agreement**. Fifthly, I do not release **Hydro** or **Manitoba** from damage caused by future negligence of **Hydro**, **Manitoba** or their respective employees.

I have read and understand the nature of this release or this release has been read to me and I understand the nature of this release.

Signed on this date: _____, 2006.

_____) _____
Witness)
_____)
_____)

Note: Terms in bold face type in this form have the meaning given to them in the Nelson House Community Settlement Agreement.

8.0 APPROVAL AND EXECUTION

8.1 Introduction. Article 8.0 provides for the process of approving and executing this **Agreement**.

8.2 Approval of **Agreement**. Prior to the execution of this **Agreement**, the **Agreement** will be considered for approval by each of the **Parties** as follows:

- (a) by the **Community** in accordance with sections 8.3 to 8.7;
- (b) by The Manitoba Hydro-Electric Board on behalf of **Hydro**; and
- (c) by the Lieutenant Governor-in-Council on behalf of **Manitoba**.

8.3 Public Meeting. Following the completion of the negotiation of this **Agreement**, the **Community Council** will convene one or more public meetings at which its consultants and legal advisor will explain the nature and significance of the **Agreement**. The **Community Council** on behalf of the **Community** will give notice of such meeting(s) in accordance with the following:

- (a) notice of the meeting(s) will be posted in not less than three (3) prominent, public locations in the **Community**, including the **Community Council** offices, at least two (2) weeks in advance of each meeting;
- (b) each notice will:
 - (i) give the time, date and place of the meeting;
 - (ii) advise where copies of the **Agreement** can be obtained or reviewed;
 - (iii) advise who is eligible to vote on whether or not to approve the **Agreement**; and
 - (iv) advise of the time, date and polling places for the vote to be held in accordance with sections 8.3 to 8.7; and
- (c) **Manitoba** and **Hydro** will be supplied with copies of the notices posted in accordance with paragraphs 8.3(a) and (b) at least five (5) days before the meeting.

8.4 Voters. Persons eligible to vote in elections for the **Community Council** under the *Northern Manitoba Elections Regulation*, Manitoba Regulation 43/93 made under *The Northern Affairs Act* may vote on whether or not to approve this **Agreement**.

8.5 List of Voters. A person named by the **Community Council** will prepare a list of persons eligible to vote on whether or not to approve this **Agreement** and will post it at a public building in the **Community** in the manner set out in Part 4 of the *Northern Manitoba Elections Regulation* and the Election Officers Handbook prepared by Manitoba Aboriginal and Northern Affairs.

8.6 Vote. The vote will take place on a date determined by the **Community Council** and a polling station will be set up in the **Community**.

8.7 Ballot Question. The ballot question for the vote is set out in schedule 8.1.

8.8 Approval. This **Agreement** will be approved by the **Community** if, at the vote held in accordance with sections 8.3 to 8.7, a majority of the persons who are eligible to vote do so, and a majority of those who vote, vote "YES" to the ballot question in schedule 8.1.

8.9 Execution of Agreement by Community. Forthwith upon approval by the **Community** in accordance with section 8.8, the **Community Council** is to pass a **Council Resolution** in the form set out in schedule 8.2 authorizing the execution of this **Agreement** on behalf of the **Community**, and is to deliver to **Manitoba** and **Hydro** a certified copy of such **Council Resolution**.

8.10 Execution of Agreement by Hydro and Manitoba. Forthwith upon completion of approval by the **Community** in accordance with section 8.9, **Hydro** is to authorize its appropriate officers to execute this **Agreement** on behalf of **Hydro**, and **Manitoba** is to, by Order in Council, authorize the Minister of Aboriginal and Northern Affairs to execute this **Agreement** on behalf of **Manitoba**.

8.11 Agreement of No Force and Effect. This **Agreement** will be without force and effect and without prejudice to any of the **Parties** unless and until it has been duly approved and executed by all **Parties** in accordance with article 8.0.

8.12 Certificate of Independent Advice. The **Community** will, contemporaneously with the execution and delivery of this **Agreement**, provide **Manitoba** and **Hydro** with certified copies of a Certificate of Independent Legal Advice from Malcolm McDonald, in the form attached as schedule 8.3.

SCHEDULE 8.1

BALLOT QUESTION

Do you approve the proposed **Agreement** among the **Community, Hydro** and **Manitoba**?

Please mark your answer to the above question with an **X**.

YES

NO

Note: Terms in bold face type in this form have the meaning given to them in the Nelson House Community Settlement Agreement.

SCHEDULE 8.2
THE INCORPORATED COMMUNITY OF NELSON HOUSE
COUNCIL RESOLUTION
(APPROVING EXECUTION OF AGREEMENT)

INCORPORATED COMMUNITY OF NELSON HOUSE _____

RESOLUTION # _____

MOVED BY: _____

SECONDED BY: _____

WHEREAS the Government of Manitoba, The Manitoba Hydro-Electric Board and The Incorporated Community of Nelson House entered into negotiations to address the direct and indirect negative consequences of the hydro-electric developments on the Churchill, Nelson, Rat and Burntwood River Systems and the Lake Winnipeg Regulation System north of the 53rd parallel then existing and the redevelopments of the same, on the Nelson House Community and its members;

AND WHEREAS the parties have come to an agreement on the terms and conditions under which Hydro and Manitoba will compensate the Community for the direct and indirect consequences of such hydro-electric developments and their redevelopments and have set out the terms and conditions of this compensation in the agreement attached to this Resolution;

AND WHEREAS each of the adult members of the Community who is not a member of the Band that is a signatory to the Northern Flood Agreement signed a release in favour of Hydro in the form set out in the agreement attached to this Resolution;

AND WHEREAS a vote took place in the Community in the manner set out in the attached agreement, and a majority of the persons who were eligible to vote, did vote, and a majority of those who voted, voted "YES" to the question "Do you approve the proposed Agreement among the Community, Hydro and Manitoba relating to the Lake Winnipeg Regulation and Churchill River Diversion Project?";

THEREFORE, the Council of The Incorporated Community of Nelson House authorizes the execution of the attached agreement by the Mayor and Councillors on behalf of the Community.

I CERTIFY THAT THE ABOVE RESOLUTION WAS PASSED AT THE REGULAR [] OR SPECIAL [] MEETING OF THE INCORPORATED COMMUNITY OF NELSON HOUSE COUNCIL .

MAYOR / CHAIRMAN

I CERTIFY THAT THE ABOVE IS A TRUE AND CORRECT COPY OF THE MOTION / RESOLUTION AS IT APPEARS IN THE MINUTES OF THE MEETING OF THE INCORPORATED COMMUNITY OF NELSON HOUSE COUNCIL HELD ON _____ DAY OF _____, 2006.

CLERK / SECRETARY

**SCHEDULE 8.3
CERTIFICATE OF INDEPENDENT LEGAL ADVICE**

I, _____, certify as follows:

1. I am a member in good standing of the Law Society of Manitoba.
2. In 1998, I was retained by the **Community** for the purpose of providing legal advice with respect to the Nelson House Community Settlement Agreement.
3. I have received and reviewed the various drafts of the Nelson House Community Settlement Agreement since my engagement in 1998, and have thoroughly reviewed same.
4. I have advised the **Community Council** and members of The Incorporated Community of Nelson House negotiating team on specific legal aspects of the provisions of the Nelson House Community Settlement Agreement, as requested by them or as raised by me from time to time since my engagement.
5. I have explained the legal implications of the Nelson House Community Settlement Agreement to The Incorporated Community of Nelson House **Community Council** and negotiating team, and **Members** who attended membership meetings as convened by the **Community Council** and the negotiating team.

DATED at Thompson, Manitoba this _____ day of _____, 2006.

9.0 GENERAL PROVISIONS

9.1 Introduction. Article 9.0 contains provisions of a general nature relating to this **Agreement**.

9.2 Headings. Article headings, section headings and the introductory provision of each article are for reference and information purposes only, and will not affect in any way the meaning or interpretation of this **Agreement**.

9.3 Singular and Plural. Words importing the singular number only will include the plural, and vice versa, as the context may require; and words importing persons will include firms, governments and corporations, and vice versa, as the context may require.

9.4 No Presumptions. The **Parties** have endeavoured to ensure that the terms of this **Agreement** are as clear as possible and there will be no presumption or rule of interpretation in favour of or against any **Party**.

9.5 Aboriginal and Treaty Rights. Nothing in this **Agreement** shall be construed so as to abrogate or derogate from the existing aboriginal rights or treaty rights of aboriginal peoples that are recognized and affirmed by section 35 of the *Constitution Act, 1982*.

9.6 Rights of First Nations Not Affected. Nothing in this **Agreement** affects any rights or obligations of any First Nation.

9.7 Powers and Prerogatives. Nothing in this **Agreement** will be interpreted to bind or infringe upon the powers and prerogatives of the Legislative Assembly of Manitoba or any legislative powers of the **Community Council**.

9.8 Statutory Requirements. Except as provided herein, nothing in this **Agreement** is intended to detract from, or relieve any **Party** from, any obligations under statute or regulation or under any approval, licence or other authority under which a **Party** operates.

9.9 Binding on Parties. This **Agreement** will be binding upon and enure to the benefit of the **Parties** and their respective successors and permitted assigns. Nothing in this **Agreement** is intended to confer upon any person not a **Party** to this **Agreement** any rights or remedies under, or by reason of, this **Agreement**.

9.10 Notices. Whenever in this **Agreement** it is required or permitted that notice be given by any **Party** to this **Agreement**, to or for any other **Party** to this **Agreement**, such notice will be given in writing and forwarded by registered mail or transmitted by facsimile confirmed by telephone, addressed to the applicable **Party** as set out in section 9.11.

9.11 Addresses. The addresses for the **Parties** are as follows:

- (a) to the **Community** at the **Community Council** office in Nelson House, Manitoba;
- (b) to **Hydro** at the office of the General Counsel of **Hydro**; and
- (c) to **Manitoba** at the office of the Deputy Minister of Aboriginal and Northern Affairs.

9.12 **Agreement Supersedes.** This **Agreement** supersedes all prior understandings, negotiations and discussions, whether oral or written, among the **Parties**, in relation to matters dealt with in this **Agreement**. There are no representations, warranties or conditions to this **Agreement** except as expressly stated in this **Agreement**.

9.13 **No Merger with Other Agreements.** Except as expressly provided in this **Agreement** or in any other agreement between the **Parties**, no provisions of any other agreement will merge with this **Agreement**.

9.14 **Assignment.** Except as expressly provided in this **Agreement**, neither this **Agreement** nor any portion or provision of this **Agreement** may be assigned without prior written permission of all of the **Parties**.

9.15 **Further Action.** Each of the **Parties** to this **Agreement** will, from time to time, and without further consideration, execute and deliver such other instruments of transfer, conveyance and assignment, and take such further action as required, to more effectively complete any matter provided for in this **Agreement**.

9.16 **Laws in Manitoba.** This **Agreement** will be governed by, and construed in accordance with, the federal and provincial laws from time to time in force in the Province of Manitoba.

9.17 **No Admission.** Nothing in this **Agreement** will constitute an admission of liability on the part of any **Party**.

9.18 **Amendment.** Except as otherwise specifically provided, this **Agreement** may only be amended in whole or in part by written agreement among the **Parties**.

9.19 **Assumption of Liability.** If **Hydro** ceases:

- (a) to be an agent of **Manitoba**;
- (b) to have legal authority and control over the operation of the **Project**; or
- (c) to have legal authority and control over the operation of any major work or structure constituting part of the **Project**, the operation of which could affect

inundation or storage of water for purposes of the **Project** within the boundaries of the **Community**;

Manitoba will:

- (d) where paragraph 9.19(a) or 9.19(b) applies, assume all of the rights and obligations of **Hydro** under this **Agreement**; and
- (e) where paragraph 9.19(c) applies, assume the rights and obligations of **Hydro** under this **Agreement**, as such rights and obligations relate to the works or structures over which **Hydro** no longer has legal authority and control;

in which case, this **Agreement** will be read with the necessary modifications to reflect the assumption of rights and obligations by **Manitoba**, but such assumption will not relieve **Hydro**, or any successor of **Hydro**, of its obligations under this **Agreement**.

9.20 Notice. **Manitoba** will give immediate notice to the other **Parties** where an event specified under paragraph 9.19(a), (b) or (c) occurs.

IN WITNESS WHEREOF the **Parties** have executed this **Agreement** on the dates indicated below.

THE INCORPORATED COMMUNITY OF
NELSON HOUSE

Per:

Belle Leonard
Mayor

Cecilia Jait
Councillor


Wayne Spence
Councillor

Bertha Kobliski
Councillor

Shirley Jait
Councillor

On the 24TH day of MAY, 2006.

**HER MAJESTY THE QUEEN IN RIGHT OF
MANITOBA**

Per: 

On the 24TH day of MAY, 2006.

**THE MANITOBA HYDRO-ELECTRIC
BOARD**

Per: 

Per: _____

On the 24TH day of MAY, 2006

AMENDING AGREEMENT to NELSON HOUSE COMMUNITY SETTLEMENT AGREEMENT
dated MAY 24, 2006.

AMONG:

THE INCORPORATED COMMUNITY OF NELSON HOUSE,
as represented by the **Community Council,**
(the "**Community**"),

-and-

HER MAJESTY THE QUEEN
IN RIGHT OF THE PROVINCE OF MANITOBA
as represented by The Minister of Aboriginal and Northern Affairs,
(**"Manitoba"**),

-and-

THE MANITOBA HYDRO-ELECTRIC BOARD,
(**"Hydro"**),

WHEREAS:

- A. The **Community, Manitoba and Hydro** entered into an agreement dated MAY 24, 2006 (referred to in this Amending Agreement as the "Nelson House Community Settlement Agreement") whereby the **Parties** agreed upon the terms and conditions of settlement to address the **Adverse Effects** of the **Project** on the **Community** and **Members** of the **Community**;
- B. Schedule 2.1 of the Nelson House Community Settlement Agreement, the **Trust Indenture**, contemplates that the Nelson House Community Settlement Agreement and **Trust Indenture** are executed by the **Parties** prior to the election of the members of the **Community Council** in February, 2006. The election of the members of the **Community Council** took place on February 8, 2006 prior to the execution of the Nelson House Community Settlement Agreement and the **Trust Indenture**, necessitating an amendment to Schedule 2.1 of the Nelson House Community Settlement Agreement.
- C. The **Community, Manitoba and Hydro** wish to amend the Nelson House Community Settlement Agreement as set out in this Amending Agreement.

NOW THEREFORE the **Parties** agree as follows:

1. The preamble is hereby incorporated into and forms an integral part of this Amending Agreement.
2. The definitions, terms and conditions set forth in the Nelson House Community

Settlement Agreement are incorporated into and form an integral part of this Amending Agreement, except to the extent that they are modified by this Amending Agreement.

- 3. The Nelson House Community Settlement Agreement is amended as follows:
 - (a) in Article 5.3(a) of Schedule 2.1, "February 2006" is deleted and substituted by "February 2007"; and
 - (b) in Article 5.3(b) of Schedule 2.1, "February 2007" is deleted and substituted by "February 2008".
- 4. In all other respects, the terms and conditions of the Nelson House Community Settlement Agreement are confirmed and remain in full force and effect.

IN WITNESS WHEREOF the Parties have executed this Amending Agreement on the day and year indicated above.

THE INCORPORATED COMMUNITY OF NELSON HOUSE

Per: Bella Leonard

Mayor

Cecilia Jait

Councillor

Wagge Spence

Councillor

Bertha Kobleski

Councillor

Shari Jait

Councillor

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF MANITOBA

Per: [Signature]

THE MANITOBA HYDRO-ELECTRIC BOARD

Per: ER Kristjanson