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
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”)
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:
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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:

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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,

(b) Acts of the Parliament of Canada:


(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:

<table>
<thead>
<tr>
<th>Type</th>
<th>Number</th>
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<tbody>
<tr>
<td>article</td>
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</tr>
<tr>
<td>section</td>
<td>1.1</td>
</tr>
<tr>
<td>paragraph</td>
<td>1.1(a)</td>
</tr>
<tr>
<td>subparagraph</td>
<td>1.1(a)(i)</td>
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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:

<table>
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<tr>
<th>PAYMENT DATE</th>
<th>PAYMENT AMOUNT</th>
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<tr>
<td>Thirty days after the signing of this Agreement</td>
<td>$325,000.00</td>
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<td>September 1, 2006</td>
<td>85,000.00</td>
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<td>85,000.00</td>
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<td>September 1, 2009</td>
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<td>September 1, 2011</td>
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<td>September 1, 2012</td>
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<td>September 1, 2013</td>
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<tr>
<td>September 1, 2014</td>
<td>200,000.00</td>
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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**.
THIS TRUST INDENTURE made this __________ day of __________ 2006.

AMONG:

THE INCORPORATED COMMUNITY OF NELSON HOUSE

(the “Community”),

- and -

Mayor of The Incorporated Community of Nelson House

- and -

Councillor of The Incorporated Community of Nelson House

- and -

______________________________

(the “Trustees”),

- and -

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

(“Manitoba”),

- and -

OF THE FIRST PART,

OF THE SECOND PART,

OF THE THIRD PART.
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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:

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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:


(b) Acts of the Parliament of Canada:

   
   
   

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;
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;

Trust means the Nelson House Community Trust established and settled by the Community pursuant to this Indenture;

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

Trustees means the Initial Trustees and their successors in office, selected in accordance with Article 5; and

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.

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;
resource rehabilitation and development measures to support increased viability for traditional and commercial resource pursuits and other resource harvesting; and

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.
Initial Trustees

Witness_________________________     Trustee____________________________
Witness_________________________     Trustee____________________________
Witness_________________________     Trustee____________________________
On the day of 2006.

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
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 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: _________________________________
  o General Description: _______________________________________________
  o Make: ____________________________________________________________
  o Model: ____________________________________________________________
  o Serial No.: _______________________________________________________
  o 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;

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;

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;

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.
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:

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<tr>
<th>PAYMENT DATE</th>
<th>PAYMENT AMOUNT</th>
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<tbody>
<tr>
<td>30 days after signing agreement</td>
<td>$325,000.00</td>
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<td>September 1, 2006</td>
<td>85,000.00</td>
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<td>September 1, 2007</td>
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<td>September 1, 2011</td>
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<td>September 1, 2012</td>
<td>85,000.00</td>
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<tr>
<td>September 1, 2013</td>
<td>85,000.00</td>
</tr>
<tr>
<td>September 1, 2014</td>
<td>200,000.00</td>
</tr>
</tbody>
</table>

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.
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


_____________________________________
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, 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: 

[Signatures]

Mayor
Per: 

[Signatures]

Councillor

[Signatures]

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
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: [Signature]

Bella Leonard
Mayor

[Signature]

Councillor

[Signature]

Councillor

[Signature]

Councillor

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF MANITOBA

Per: [Signature]

THE MANITOBA HYDRO-ELECTRIC BOARD

Per: [Signature]