

CHAPTER 12 ADMINISTRATION OF JUSTICE

POLICE SERVICES

General

1. If Nisga'a Lisims Government decides to provide policing within Nisga'a Lands, it may do so by:
 - a. making laws for a Nisga'a Police Board and a Nisga'a Police Service under paragraph 3;
 - b. entering into agreements under which some or all of the policing will be provided by the provincial police service or other police services; or
 - c. both (a) and (b).
2. The Parties' objectives are that a Nisga'a Police Service:
 - a. be responsive to the needs and priorities of the Nisga'a Nation;
 - b. has the full range of police responsibilities and the authority to enforce Nisga'a laws, the laws of British Columbia, the criminal law, and other federal laws within Nisga'a lands; and
 - c. contributes to the administration of justice, the maintenance of social order, and public security.

Establishment of Nisga'a Police Board and Nisga'a Police Service

3. If Nisga'a Lisims Government decides to establish a Nisga'a Police Service, Nisga'a Lisims Government will make laws to provide for the establishment, organization, composition, indemnification, and roles and responsibilities of a Nisga'a Police Board and a Nisga'a Police Service.
4. Nisga'a laws under paragraph 3 will include provisions:
 - a. in substantial conformity with provincial legislation in respect of:
 - i. minimum standards for certification of members of the Nisga'a Police Service,

- ii. the swearing in of the members of the Nisga'a Police Service and the Nisga'a Police Board,
 - iii. use of force by members of the Nisga'a Police Service,
 - iv. discipline and dismissal procedures for members of the Nisga'a Police Service, and
 - v. a public complaint procedure; and
- b. compatible with provincial legislation in respect of:
- i. selection standards for the members of the Nisga'a Police Service,
 - ii. a code of conduct for members of the Nisga'a Police Service,
 - iii. appropriate mechanisms to ensure police independence, accountability, and competence, and
 - iv. police operations.

Nisga'a Police Board

5. The Nisga'a Police Board will:
- a. be independent and accountable in accordance with the standards that apply generally to police boards in British Columbia;
 - b. provide general direction and training to the Nisga'a Police Service;
 - c. determine priorities and goals of the Nisga'a Police Service;
 - d. act as the employer of the members of the Nisga'a Police Service;
 - e. appoint members of the Nisga'a Police Service, including a chief constable who, under the direction of the Nisga'a Police Board, will have general supervision and command over the Nisga'a Police Service, and will have the powers and authorities necessary to direct the members of the Nisga'a Police Service;
 - f. make rules respecting standards for the administration of the Nisga'a Police Service, the prevention of neglect and abuse by its members, and the efficient discharge of their duties and functions;
 - g. enforce the code of conduct established for the Nisga'a Police Service and take any
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- a. will provide policing sufficient to maintain law and order within Nisga'a Lands;
 - b. will ensure that there are adequate physical resources for the proper operation of police services within Nisga'a lands; and
 - c. is jointly and severally liable for torts committed by members of the Nisga'a Police Service or by other employees of the Nisga'a Police Board in the performance of their duties.
12. The Nisga'a Police Board and its members are not liable for torts committed by members of the Nisga'a Police Service, or by other employees of the Nisga'a Police Board, in the performance of their duties.

Nisga'a Police Service

13. A member of the Nisga'a Police Service:
- a. has the powers, duties, privileges, liabilities and responsibilities of a peace officer according to law;
 - b. has the immunity from personal liability provided to police officers under provincial law; and
 - c. has authority throughout British Columbia while carrying out the powers, duties, privileges, and responsibilities that a police constable or peace officer is entitled or required to exercise or carry out according to law.
14. If a member of the Nisga'a Police Service performs duties outside of Nisga'a Lands, the member will, if possible, notify in advance the municipal police service or the provincial police service of the area in which the member performs duties, but in any case will promptly notify the municipal police service or provincial police service after performing those duties.
15. If a provincial or other police constable performs duties within Nisga'a Lands, the constable will, if possible, notify the Nisga'a Police Service in advance, but in any case will notify the Nisga'a Police Service promptly after performing those duties.
16. The Nisga'a Police Service and other police forces in British Columbia will respond to requests from one another for temporary assistance in accordance with federal and provincial law.
17. British Columbia will be jointly and severally liable with respect to torts committed by a member of the Nisga'a Police Service in the performance of the member's duties outside of Nisga'a Lands.

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18. At the request of the Nisga'a Nation, the Parties will, to the extent of their respective jurisdictions, negotiate and attempt to reach agreements or protocols as may be necessary to enable Nisga'a Lisims Government to carry out its policing responsibilities, including agreements concerning:
- a. the role and responsibility of the provincial police service in the provision of police services within Nisga'a Lands;
 - b. mutual assistance and operational cooperation between the Nisga'a Police Service and other police services;
 - c. other matters required by this Chapter; and
 - d. any other matters relating to police services.
19. If the Minister is of the opinion that:
- a. effective policing in accordance with standards prevailing elsewhere in British Columbia is not being delivered within Nisga'a Lands; or
 - b. it is necessary or desirable to ensure effective delivery of policing in accordance with standards prevailing elsewhere in British Columbia
- the Minister, on terms approved by the Lieutenant Governor in Council, may provide or reorganize policing within Nisga'a Lands by appointing individuals as constables, using the provincial police force to provide policing, or by other means.
20. The Minister will not exercise authority under paragraph 19 if that exercise discriminates against the Nisga'a Police Service or is aimed at aboriginal police forces generally throughout British Columbia.
21. If practicable, before exercising authority under paragraph 19, the Minister will provide Nisga'a Lisims Government with:
- a. written notice of the reasons or circumstances that form the basis of the Minister's decision to provide or reorganize policing;
 - b. reasonable opportunity to show cause why no action should be taken; and
 - c. reasonable opportunity to correct or modify any Nisga'a Lisims Government acts or omissions that form the basis for the Minister's decision to provide or reorganize policing.
22. If it is not practicable for the Minister to comply with paragraph 21 before exercising authority under paragraph 19, the Minister, after exercising that authority, will forthwith
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provide Nisga'a Lisims Government with the notice and opportunities described in paragraph 21.

COMMUNITY CORRECTION SERVICES

23. Nisga'a Lisims Government may appoint one or more persons to provide community correction services in respect of persons charged with, or convicted of, offences under Nisga'a laws.
 24. At the request of the Nisga'a Nation, the Nisga'a Nation and British Columbia will negotiate and attempt to reach agreements to enable the persons appointed under paragraph 23 to provide community correction services within Nisga'a Lands under provincial legislation.
 25. An agreement under paragraph 24 will contain provisions:
 - a. ensuring that community correction services are delivered in accordance with generally accepted standards;
 - b. confirming the authority of the official charged with the responsibility for investigations, inspections, and standards under provincial legislation; and
 - c. for Nisga'a Lisims Government to provide community correction services consistent with the needs and priorities of the Nisga'a Nation.
 26. The Nisga'a Nation and British Columbia may enter into agreements to enable the persons appointed under paragraph 23 to provide community correction services outside Nisga'a Lands under provincial legislation.
 27. Persons performing duties under agreements referred to in paragraphs 24 to 26 will comply with all provincial standards respecting professional, personal, and other qualifications, except as modified by those agreements.
 28. The Nisga'a Nation and Canada may enter into agreements:
 - a. to enable the persons appointed under paragraph 23 to provide community correction services under federal legislation; and
 - b. for the provision of services or programs for adult and young offenders, including their care and custody.
 29. This Agreement does not authorize Nisga'a Government to establish places of confinement, other than jails or lockups operated by the Nisga'a Police Service, or as provided for under an agreement referred to in paragraph 28.
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NISGA'A COURT**General**

30. Nisga'a Lisims Government may make laws to provide for the constitution, maintenance, and organization of a Nisga'a Court for the better administration of Nisga'a laws.
31. Until Nisga'a Lisims Government establishes a Nisga'a Court that has been approved by the Lieutenant Governor in Council, prosecutions under Nisga'a laws will be heard in the Provincial Court of British Columbia.
32. Any fines collected in respect of a penalty imposed on a person by the Provincial Court of British Columbia for a violation of a Nisga'a law will be paid to Nisga'a Lisims Government on a similar basis as British Columbia makes payments to Canada for fines that may be collected by British Columbia for a violation of a federal law.

Establishment of Nisga'a Court

33. If Nisga'a Lisims Government decides to establish a Nisga'a Court, Nisga'a Lisims Government will make laws to:
 - a. ensure that the Nisga'a Court and its judges comply with generally recognized principles in respect of judicial fairness, independence, and impartiality;
 - b. provide for means of supervision of judges of the Nisga'a Court by the Judicial Council of British Columbia or other similar means; and
 - c. provide procedures for appeals from decisions of the Nisga'a Court.
 34. The Nisga'a Court may exercise its functions when the Lieutenant Governor in Council has approved the Nisga'a Court's structure, procedures, and method of selection of judges of the Nisga'a Court.
 35. An amendment to the Nisga'a Court's structure, procedures, or method of selection of judges of the Nisga'a Court will take effect when approved by the Lieutenant Governor in Council.
 36. The Lieutenant Governor in Council will approve the Nisga'a Court's structure, procedures, and the method of selection of the judges of the Nisga'a Court or any amendment to the structure, procedures, or method of selection of judges of the Nisga'a Court, if Nisga'a Lisims Government has made laws in accordance with paragraph 33.
 37. Nisga'a Lisims Government will appoint the judges of the Nisga'a Court.
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Nisga'a Court

38. The Nisga'a Court may exercise the powers and perform all the duties conferred or imposed on it by or under Nisga'a laws, in respect of:
- a. the review of administrative decisions of Nisga'a Public Institutions;
 - b. the adjudication of prosecutions under Nisga'a laws; and
 - c. the adjudication of disputes arising under Nisga'a laws between Nisga'a citizens on Nisga'a Lands that would be within the jurisdiction of the Provincial Court of British Columbia if the disputes arose under provincial law.
39. The Nisga'a Court may adjudicate in respect of a dispute not referred to in paragraph 38 if the parties to that dispute, before commencing the proceeding in the Nisga'a Court, agree:
- a. to accept the Nisga'a Court's authority to decide the dispute and to grant the remedies as between the parties sought in the proceeding; and
 - b. that any order of the Nisga'a Court will be final and binding, except for an appeal under paragraph 48.
40. In addition to the matters set out in paragraphs 38 and 39, the Nisga'a Court may exercise jurisdiction that may be assigned to the Nisga'a Court by federal or provincial law.
41. The Nisga'a Court:
- a. may impose penalties and other remedies under the laws of Nisga'a Government, British Columbia, or Canada in accordance with generally accepted principles of sentencing;
 - b. in disputes under subparagraph 38(c), may make any order that could be made by the Provincial Court of British Columbia if the disputes arose under provincial law;
 - c. in disputes under paragraph 39, may grant the remedies sought by the parties;
 - d. may apply traditional Nisga'a methods and values, such as using Nisga'a elders to assist in adjudicating and sentencing, and emphasizing restitution; and
 - e. may issue process, such as summons, subpoenas, and warrants.
42. Any process issued by the Nisga'a Court has the same force and effect as process issued by the Provincial Court of British Columbia.
43. In proceedings in which an accused person may receive a sentence of imprisonment under
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Nisga'a law, the accused person may elect to be tried in the Provincial Court of British Columbia.

44. The Nisga'a Court may not impose on a person who is not a Nisga'a citizen a sanction or penalty different in nature from those generally imposed by provincial or superior courts in Canada, without the person's consent.

Appeals

45. An appeal from a final decision of the Nisga'a Court in respect of prosecutions under Nisga'a laws may be taken to the Supreme Court of British Columbia on the same basis as summary conviction appeals under the *Criminal Code of Canada*.
46. An appeal from a final decision of the Nisga'a Court in respect of a review of an administrative decision under subparagraph 38(a) may be taken to the Supreme Court of British Columbia on an error of law or jurisdiction.
47. An appeal from a decision of the Nisga'a Court in respect of a matter under subparagraph 38(c) may be taken to the Supreme Court of British Columbia on the same basis as a similar decision could be appealed from the Provincial Court of British Columbia.
48. An appeal from a final decision of the Nisga'a Court in respect of a matter under paragraph 39 may be taken to the Supreme Court of British Columbia on an error of law or jurisdiction.

Enforcement

49. An order of the Nisga'a Court may be registered in the Supreme Court of British Columbia and, once registered, will be enforceable as an order of the Supreme Court of British Columbia.

Other

50. The Lieutenant Governor in Council, upon recommendation of Nisga'a Lisims Government and with the concurrence of the persons or bodies required under provincial law, may appoint a judge of the Nisga'a Court as a provincial court judge, justice of the peace, or referee.
51. Nisga'a Lisims Government is responsible for the prosecution of all matters arising from Nisga'a laws, including appeals, and may carry out this responsibility by:
 - a. appointing or retaining individuals to conduct prosecutions and appeals, in a manner

consistent with the principle of prosecutorial independence and consistent with the overall authority and role of the Attorney General in the administration of justice in British Columbia;

- b. entering into agreements with Canada or British Columbia in respect of the conduct of prosecutions and appeals; or
- c. both (a) and (b).

REVIEW

52. The Parties will review this Chapter no later than 10 years after the effective date, and may amend this Chapter if all Parties agree.

CHAPTER 13

INDIAN ACT TRANSITION

GENERAL

1. The *Indian Act* applies, with any modifications that the circumstances require, to the estate of a Nisga'a citizen who:
 - a. died testate or intestate before the effective date; and
 - b. at the time of death, was a member of the:
 - i. Gitlakdamix Indian Band,
 - ii. Gitwinksihlkw Indian Band,
 - iii. Lakalzap Indian Band, or
 - iv. Gingolx Indian Band.

 2. Before the effective date, Canada will take reasonable steps to:
 - a. notify in writing all members of the Nisga'a Indian bands that are referred to in paragraph 1 who have deposited wills with the Minister; and
 - b. provide information to persons who may be eligible for enrolment under this Agreement

that their wills may not be valid after the effective date, and that their wills should be reviewed to ensure validity under provincial laws.

 3. Section 51 of the *Indian Act* applies, with any modifications that the circumstances require, to the property and estate of a Nisga'a citizen:
 - a. who was a "mentally incompetent Indian" as defined in the *Indian Act* immediately before the effective date; and
 - b. whose property and estate was under the authority of the Minister under section 51 of the *Indian Act* immediately before the effective date

until they are no longer a "mentally incompetent Indian".

 4. Sections 52, 52.2, 52.3, 52.4 and 52.5 of the *Indian Act* apply, with any modifications that the circumstances require, to the administration of any property to which a Nisga'a citizen who
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is an infant child of an Indian is entitled, if the Minister was administering that property under the *Indian Act* immediately before the effective date, until the duties of the Minister in respect of the administration have been discharged.

5. Nisga'a Government will provide for participation in Nisga'a Public Institutions by individuals who are ordinarily resident within Nisga'a Lands, who are not Nisga'a citizens, and who were members of the Indian bands referred to in paragraph 1 on the date immediately before the effective date.
6. The means of participation under paragraph 5 will be:
 - a. a reasonable opportunity to make representations to a Nisga'a Public Institution;
 - b. the ability to vote for, or become a member of, a Nisga'a Public Institution if the members of the Nisga'a Public Institution are elected; or
 - c. other comparable measures.

CONTINUATION OF *INDIAN ACT* BY-LAWS

7. The by-laws of the Gitlakdamix, Gitwinksihlkw, Gingolx or Lakalzap Indian Bands that were in effect immediately before the effective date, have effect for 30 days after the effective date on the Nisga'a Village Lands of the Nisga'a Village Government that replaces the band council that made the by-law.
8. The relationship between a by-law referred to in paragraph 7, and federal and provincial laws, will be governed by the provisions of this Agreement governing the relationship between Nisga'a laws and federal and provincial laws in respect of the subject matter of the by-law.
9. The Nisga'a Village Government replacing the band council that made a by-law referred to in paragraph 7, may repeal, but not amend, that by-law.
10. Nothing in this Agreement precludes a person from challenging the validity of a by-law referred to in paragraph 7.

STATUS OF BANDS AND TRANSFER OF BAND ASSETS

11. Subject to this Agreement, on the effective date, all of the rights, titles, interests, assets, obligations, and liabilities of:
 - a. the Gitlakdamix Indian Band vest in the Nisga'a Village of New Aiyansh;

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- b. the Gitwinksihlkw Indian Band vest in the Nisga'a Village of Gitwinksihlkw;
 - c. the Lakalzap Indian Band vest in the Nisga'a Village of Laxgalt'sap; and
 - d. the Gingolx Indian Band vest in the Nisga'a Village of Gingolx
- and those Indian Bands cease to exist.
12. On the effective date, Nisga'a Lisims Government will designate the Nisga'a Lands that were, before the effective date, Indian reserves set aside for the use and benefit of:
- a. the Gitlakdamix Indian Band, as Nisga'a Village Lands of New Aiyansh;
 - b. the Gitwinksihlkw Indian Band, as Nisga'a Village Lands of Gitwinksihlkw;
 - c. the Lakalzap Indian Band, as Nisga'a Village Lands of Laxgalt'sap; and
 - d. the Gingolx Indian Band, as Nisga'a Village Lands of Gingolx.

NISGA'A TRIBAL COUNCIL

13. Subject to this Agreement, on the effective date, all of the rights, titles, interests, assets, obligations, and liabilities of the Nisga'a Tribal Council vest in the Nisga'a Nation, and the Nisga'a Tribal Council ceases to exist.

CHAPTER 14

CAPITAL TRANSFER AND NEGOTIATION LOAN REPAYMENT

CAPITAL TRANSFER

1. Subject to paragraph 4, Canada and British Columbia will each pay their respective capital transfer amounts to the Nisga'a Nation, in accordance with Schedule A.

NEGOTIATION LOAN REPAYMENT

2. Subject to paragraph 3, the Nisga'a Nation will pay loan repayment amounts to Canada in accordance with Schedule B.
3. The Nisga'a Nation may pay to Canada, in advance and on account, without bonus or penalty, amounts that will be credited against the loan repayment amounts in the manner described in Schedule B.
4. Canada may deduct from a capital transfer amount that it would otherwise be required to pay to the Nisga'a Nation on a scheduled date in accordance with Schedule A, any loan repayment amount, or portion thereof, that the Nisga'a Nation would otherwise be required to pay to Canada in accordance with Schedule B on that scheduled date, except to the extent that the loan repayment amount has been prepaid in accordance with paragraph 3.

SCHEDULE A -- PROVISIONAL SCHEDULE OF CAPITAL TRANSFER AMOUNTS

DATE	AMOUNTS	
	CANADA WILL PAY	BRITISH COLUMBIA WILL PAY
On the effective date	\$20,327,328.42	\$1,672,671.58
On the first anniversary	\$20,327,328.42	\$1,672,671.58
On the second anniversary	\$12,011,603.16	\$988,396.84
On the third anniversary	\$12,011,603.16	\$988,396.84
On the fourth anniversary	\$12,011,603.16	\$988,396.84
On the fifth anniversary	\$12,011,603.16	\$988,396.84
On the sixth anniversary	\$12,011,603.16	\$988,396.84
On the seventh anniversary	\$12,011,603.16	\$988,396.84
On the eighth anniversary	\$20,896,021.94	\$1,719,467.57
On the ninth anniversary	\$20,896,021.94	\$1,719,467.57
On the 10 th anniversary	\$20,896,021.94	\$1,719,467.57
On the 11 th anniversary	\$20,896,021.94	\$1,719,467.57
On the 12 th anniversary	\$20,896,021.94	\$1,719,467.57
On the 13 th anniversary	\$20,896,021.94	\$1,719,467.57
On the 14 th anniversary	\$20,896,021.94	\$1,719,467.57

In this schedule "anniversary" means an anniversary of the effective date.

Note 1 and Note 2 to this Schedule will be deleted, and will no longer form part of this Agreement, when this Schedule is completed in accordance with those Notes and the effective date occurs.

Note 1 to Schedule A

The Parties will calculate on the calculation date the amounts to be shown in the provisional schedule of capital transfer amounts in accordance with this Note.

The Canada and British Columbia capital transfer amounts for the effective date will sum to \$22.0 million.

The Canada and British Columbia capital transfer amounts for the first anniversary will sum to \$22.0 million.

The Canada and British Columbia capital transfer amounts will sum to \$13.0 million for each of the second, third, fourth, fifth, sixth, and seventh anniversaries.

The capital transfer amounts for the eighth to fourteenth anniversaries, inclusive, will be calculated on the calculation date as follows:

all seven of the Canada capital transfer amounts will be equal amounts and each will be calculated so that the net present value, calculated on the calculation date, of all of the Canada capital transfer amounts in the provisional schedule of capital transfer amounts, discounted back to the beginning of the provisional schedule of capital transfer amounts, and using the calculation rate as the discount rate, will equal \$175,554,200 multiplied by M and divided by L; and

all seven of the British Columbia capital transfer amounts will be equal amounts and each will be calculated so that the net present value, calculated on the calculation date, of all of the British Columbia capital transfer amounts in the provisional schedule of capital transfer amounts, discounted back to the beginning of the provisional schedule of capital transfer amounts, and using the calculation rate as the discount rate, will equal \$14,445,800 multiplied by M and divided by L

where L, M, the calculation date and the calculation rate are defined in Note 2 to this schedule.

On each scheduled date, the Canada capital transfer amount will be approximately 92.4 per cent of the sum of the Canada capital transfer amount and the British Columbia capital transfer amount, and the British Columbia capital transfer amount will be approximately 7.6 per cent of the same sum.

Note 2 to Schedule A

The Parties will calculate on the revision date the amounts to be shown in the final version of this schedule in accordance with this Note and will delete the word "PROVISIONAL" from the title of this schedule.

In this note "signing of the Nisga'a final agreement" means signing by the Parties after the ratification by the Nisga'a Nation in accordance with paragraph 2 of the Ratification Chapter.

If, within fifteen months after the signing of the Nisga'a final agreement, the Parliament of Canada has not enacted settlement legislation to give effect to the Nisga'a final agreement, Part B of this note will apply. Otherwise, Part A will apply. In either event, the following will apply:

“.” means multiplied by, and “/” means divided by;

CR is the calculation rate;

L is the value of FDDIPI for the fourth quarter of 1995 published by Statistics Canada at the same time as the value used in M is published;

M is the first published value of FDDIPI for the latest calendar quarter for which Statistics Canada has published a FDDIPI before the calculation date;

FDDIPI is the Final Domestic Demand Implicit Price Index for Canada, series D15613, published regularly by Statistics Canada in Matrix 6544: Implicit Price Indexes, Gross Domestic Product;

the calculation date is a date 14 days before the signing of the Nisga'a final agreement, or another date if the Parties agree, and is the same calculation date as that referred to in Schedule B; and

the revision date is a date 14 days before the effective date, or another date if the Parties agree, and is the same revision date as that referred to in Schedule B.

Part A of Note 2

On the revision date, the final schedule of capital transfer amounts will be prepared by amending each amount in this provisional schedule as follows:

$$\text{amount in provisional schedule} \cdot (L/M) \cdot (N/O)$$

where:

N is the first published value of FDDIPI for the latest calendar quarter for which Statistics Canada has published a FDDIPI before the revision date, and

O is the value of FDDIPI for the fourth quarter of 1995 published by Statistics Canada at the same time as the value used in N is published.

Part B of Note 2

On the revision date, the final schedule of capital transfer amounts will be prepared by amending each amount in the provisional schedule as follows:

$$\text{amount in provisional schedule} \cdot (L/M) \cdot (P/Q) \cdot (1 + CR)^Y \cdot (1 + CR \cdot D/365)$$

where:

P is the first published value of FDDIPI for the latest calendar quarter for which Statistics Canada has published a FDDIPI before the transition date,

Q is the value of FDDIPI for the fourth quarter of 1995 published by Statistics Canada at the same time as the value used in P is published,

Y is the number of complete years between the transition date and the effective date,

D is the number of days remaining in the period between the transition date and the effective date, after deducting the complete years in that period that have been taken into account in the determination of Y,

the transition date is the date that is 15 months after the date of the signing of the Nisga'a final agreement, and

the calculation rate is 5.185 per cent per year.

[The rate to be inserted in the definition of calculation rate is the most recently released rate of interest, as of the calculation date, that the Minister of Finance for Canada has approved on loans from the Consolidated Revenue Fund amortized over 14 years, less 0.125 per cent (specified to three decimal places of a per cent).]

This paragraph is for information purposes and not for calculation purposes. The approximate effects of applying Part B are to limit the period for which the capital transfer is adjusted by FDDIPI to the period that ends on the date that is 15 months after the signing of the Nisga'a final agreement, and to lengthen the period for which the capital transfer is adjusted by the calculation rate to the period between the date that is 15 months after the signing of the Nisga'a final agreement and the effective date.

SCHEDULE B -- LOAN REPAYMENT AMOUNTS

On the effective date	0
On the first anniversary	0
On the second anniversary	\$2,000,000
On the third anniversary	\$2,000,000
On the fourth anniversary	\$2,000,000
On the fifth anniversary	\$2,000,000
On the sixth anniversary	\$2,000,000
On the seventh anniversary	\$2,000,000
On the eighth anniversary	to be calculated on revision date
On the ninth anniversary	to be calculated on revision date
On the 10th anniversary	to be calculated on revision date
On the 11th anniversary	to be calculated on revision date
On the 12th anniversary	to be calculated on revision date
On the 13th anniversary	to be calculated on revision date
On the 14th anniversary	to be calculated on revision date

In this schedule "anniversary" means an anniversary of the effective date.

PREPAYMENTS

In addition to any required loan repayment amount, at each anniversary, and up to three times during the first nine months after an anniversary, the Nisga'a Nation may make loan prepayments to Canada. All prepayments will be applied to the outstanding scheduled loan repayment amount(s) in consecutive order from the effective date.

The "r" anniversary at which a prepayment is to be applied is the earliest anniversary for which a scheduled loan repayment amount, or a portion thereof, remains outstanding. Any loan prepayment applied to an outstanding loan repayment amount, or to a portion thereof, will be credited to the Nisga'a Nation at its future value, as of the "r" anniversary, determined in accordance with the following formula:

$$\text{Future Value} = \text{Prepayment} \cdot (1 + \text{calculation rate})^{Zr} \cdot (1 + \text{calculation rate} \cdot E/365)$$

where:

“.” means multiplied by, and “/” means divided by,

Zr is the number of complete years between the date of the prepayment and the “r” anniversary,

E is one plus the number of days between the date of the prepayment and the “r” anniversary, once the number of complete years referred to in “Zr” above has been deducted, and

the calculation rate is 5.185 per cent per year.

[The rate to be inserted in the definition of the calculation rate is the most recently released rate of interest, as of the calculation date, that the Minister of Finance for Canada has approved on loans from the Consolidated Revenue Fund amortized over 14 years, less 0.125 per cent (specified to three decimal places of a per cent). The calculation date is a date 14 days before the signing of the Nisga'a final agreement, or another date if the Parties agree, and is the same calculation date as that referred to in Schedule A. In this paragraph “signing of the Nisga'a final agreement” means signing by the Parties after the ratification by the Nisga'a Nation in accordance with paragraph 2 of the Ratification Chapter. This bracketed paragraph will be deleted on the date that Note 1 to this schedule is deleted.]

If the future value of the prepayment exceeds the outstanding amount of the loan repayment amount scheduled for the “r” anniversary, the excess will be deemed to be a prepayment made on the “r” anniversary so that the future value of the excess will be applied as of the next “r” anniversary in a manner analogous to that described in this paragraph.

On receipt of a loan prepayment, Canada will issue a letter to the Nisga'a Nation setting out the amount of the prepayment received and the manner in which it will be applied in accordance with this “Prepayments” section of this schedule.

Illustrative Example:

Hypothetical calculation rate = 10.000%
 Annual equal payments of \$100.00
 Prepayment = \$100, made in year four at day 182
 Fifth anniversary payment has been previously prepaid
 Amount owing at fifth anniversary = \$0.00
 Amount owing at sixth anniversary = \$100.00

Therefore:

$$Z_r = 1$$

$$E = 184$$

$$r = 6$$

$$\begin{aligned} \text{Future Value of prepayment made in year four at day 182} \\ = \$100.00 \cdot (1 + 0.10000)^1 \cdot (1 + 0.10000 \cdot 184/365) = \$115.55 \end{aligned}$$

$$\text{Amount prepaid for sixth anniversary} = \$100.00$$

$$\text{Amount in excess for sixth anniversary} = \$115.55 - \$100.00 = \$15.55$$

Future value of \$15.55 as of the seventh anniversary

$$= \$15.55 \cdot (1 + 0.10000)^1 \cdot (1 + 0.10000 \cdot 0/365) = \$17.11$$

$$\text{Amount prepaid for seventh anniversary} = \$17.11$$

The prepayment made at day 182 in year four has eliminated the loan repayment amount for the sixth anniversary and reduced the loan repayment amount for the seventh anniversary from \$100.00 to \$82.89.

Note 1 to this Schedule will be deleted, and will no longer form part of this Agreement, when this Schedule is completed in accordance with the Note and the effective date occurs.

Note 1 to Schedule B

Canada will calculate in accordance with this note the actual loan repayment amounts for the eighth to 14th anniversaries inclusive to be inserted on the revision date in the final version of this schedule. In the final version of this schedule the loan repayment amounts for the effective date, and for the first to seventh anniversaries inclusive, will remain as set out in the initial version of this schedule.

The revision date is a date 14 days before the effective date, or another date if the Parties agree, and is the same revision date as that referred to in Schedule A.

On the revision date, Canada will calculate the amounts in the final schedule of loan repayment amounts for the eighth to 14th anniversaries, inclusive. These seven amounts will be equal amounts and each will be such that the net present value of all of the amounts in the final schedule of loan repayment amounts, discounted back to the effective date using the calculation rate (as described in the "Prepayment" section of this Schedule B) as the discount rate, will equal the loan amount.

In this schedule, the loan amount means the aggregate outstanding balance, at the effective date, of all negotiation and support loans, including principal and accrued interest, made by Canada to the Nisga'a Tribal Council.

Canada will calculate the loan amount, based on a document that Canada and the Nisga'a Tribal Council will produce jointly before the initialling of the Nisga'a final agreement. That document will set out the amounts of all loans from Canada to the Nisga'a Tribal Council, interest accrued to date and the relevant terms and conditions of those loans.

The document referred to in the previous paragraph will be available from either the Nisga'a Tribal Council or the Federal Treaty Negotiation Office of the Department of Indian Affairs and Northern Development, upon request, as of the date of initialling of the Nisga'a final agreement, to persons eligible to be enrolled as participants under that agreement.

For information purposes (and not for calculation purposes), the approximate amount of outstanding loans, including principal and accrued interest, as of the date that settlement legislation is introduced in Parliament, will be inserted in the following blank space before that date: \$ 50.3 million.