

**Gwaii Trust Society**

PO Box 588, 162 Raven Ave, Masset, B.C. V0T 1V0

Old Massett Office: Ph: 250.626.3654 Toll Free: 1.800.663.2388 Fax: 250.626.3261

Skidegate Office: Ph: 250.559.8883 Toll Free: 1.877.559.8883 Fax: 250.559.8876

www.gwaiitrust.com

19 April 2011

Old Massett Village Council  
PO Box 175  
Masset, HG V0T1M0

Attention: John Disney

**Re: Haida Parity Program**  
**Project: HP 10-4 Haida Salmon Restoration Project**

---

Congratulations, your Haida Parity Program application, CHN Skidegate Regional Administrative Office, has been approved to a maximum of \$1,107,643.00. In order to access the approved funding, you and / or your organization, group or society must accept and abide by the **Standard Gwaii Trust Funding Conditions**.

Note: The Gwaii Trust Board of Directors has approved your application with the following conditions and before any funding disbursements please provide the following:

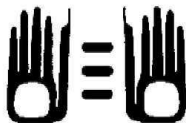
- Sign the attached Gwaii Trust Funding conditions Form confirming that you and / or your organization, group, or society agrees to these conditions and return it back to our office (As attached)
- Your first payment will not be issued until a formal request is made to the Gwaii Trust.
- Please indicate you project name and file number on all correspondence.

If you have any questions or require further information, please do not hesitate to contact me directly, or any one of our knowledgeable staff at either of our Gwaii Trust Locations.

Sincerely,

*via: leslie.williams@masset.ca*

Leslie Williams  
Gwaii Trust Society  
Project Officer -



**Gwaii Trust Society**

PO Box 588, 162 Raven Ave, Masset, B.C. V0T 1V0

Old Massett Office: Ph: 250.626.3654 Toll Free: 1.800.663.2388 Fax: 250.626.3261

Skidegate Office: Ph: 250.559.8883 Toll Free: 1.877.559.8883 Fax: 250.559.8876

www.gwaiitrust.com

**Gwaii Trust Project Funding Conditions      HP 10-4 Haida Salmon Restoration Project**

- Cost quotes from all suppliers and other verifiable expenses must be submitted to Gwaii Trust prior to any funding being released;
- Gwaii Trust must receive confirmation of all other income sources relevant to this project prior to any funding being released ;
- All advances will be funded upon the receipt of invoice, based on the percentage of the project funding approved;
- All projects approved with an equity component will be funded to the same degree as the equity approved;
- Funding limited to a maximum \$1,107,543.00.
- Funding schedule: **Please indicate project name and file number on all correspondence)**
  - a) 20% upon request - post approval along with the signed funding conditions (**1<sup>st</sup> request**);
  - b) 60% through invoice matching approved advance(60% plus the first 20%);(**2<sup>nd</sup> request**)
  - c) 20% after confirmation of project completion, including all stated deliverables and final evaluation documentation has been received along with attached photos. (**Final request**)
- On all projects where funding is outstanding in excess of one year, site visits will be accompanied by a shortened reapplication from the applicant that must be reapproved by the Board in order to advance any further funding;
- Projects outstanding in excess of one year and not meeting Board approval criteria or projects where no contact has been made with Gwaii Trust regarding project extension will automatically be decommissioned, with any remaining project funds reverting back to the Gwaii Trust;
- Projects greater than \$25,000.00 will be subject to a minimum of two site visits, with one occurring at project completion.
- On projects in excess of \$100,000.00 there will be a minimum of three site visits, with one occurring at project completion.
- On project funding in excess of \$100,000.00 there will be a mutually agreed upon recognition posting citing Gwaii Trust as the (or a) funding source.
- The Gwaii Trust Society assumes no liability through the Trust, its staff, Directors, agents or Gwaii Forest Charitable Trust , and its Trustees or agents in any matter relating to and or pertaining to this project,
- Submission of false or deliberately misleading information may result in the Gwaii Trust withholding this application's funding and or future applications to the Trust under any of its granting programs.

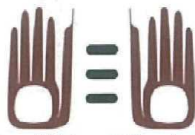
I \_\_\_\_\_ agree to the terms and conditions as set out above.  
(Print Name)

Dated: \_\_\_\_\_

Society / Group: \_\_\_\_\_

Signature: \_\_\_\_\_

Project: \_\_\_\_\_



## Gwaii Trust Society

PO Box 588, 162 Raven Ave, Masset, B.C. V0T 1V0

Masset Office Ph: 250.626.3654 Toll Free: 1.800.663.2388 Fax: 250.626.3261

Skidegate Office Ph: 250-559-8883 Toll Free: 1-877-559-8883 Fax: 250-559-8876

[www.gwaiitrust.com](http://www.gwaiitrust.com)

**Received:** Mon 28/03/2011 3:57 PM  
**From:** The Old Massett Village Council (OMVC)  
**By:** John Disney  
**Re:** Haida Parity Application Form

---

### General Information

Name of Organization: The Old Massett Village Council (OMVC)  
Contact Name: John Disney  
Mailing Address: P O Box 175, Masset, BC, V0T 1M0  
E-mail: [ecdev@mhtv.ca](mailto:ecdev@mhtv.ca)  
Phone: 250 626-3337  
Fax: 250 626-5440

### Project Information

Project Name: Haida Salmon Restoration Project  
Project Location: Offshore  
Project Cost: 2,500,000.00  
Funding Request: 2,000,000.00  
First time Applicant: No  
Contact for Site Visits: John Disney  
Phone: 250 626-3337

### Project Description

**1. Outline your project including: a brief Project Description, the mission/vision (goals) of the project, why you are proposing the project, and how the project will unfold from start to finish.**

The Old Massett Village Council wishes to use HPP funding to secure a loan at the Northern Savings Credit Union in order to launch their Haida Salmon Restoration project. The Project involves offshore marine science research to improve ocean conditions for the benefit of salmon and other sea life. We intend to do this also to create community wealth to improve the standard of living for all Old Massett community members.

**2. Describe the Project Benefit to the community including: what the benefit is, who it benefits, which communities will benefit, and will the project create any job(s) in the construction and/or completion phases.**

The Project's wealth has been designed to funnel to the community through a robust corporate structure that incorporates a Reversionary Trust. The aim of this trust is to develop policies with the Old Massett Village Council to guide profits back into the community in such a way as to raise the standard of living for everyone. No single person or body will be able to spend this wealth on a whim. Everything will be guided by policy that has been formed with community input.



## Gwaii Trust Society

PO Box 588, 162 Raven Ave, Masset, B.C. V0T 1V0

Masset Office Ph: 250.626.3654 Toll Free: 1.800.663.2388 Fax: 250.626.3261

Skidegate Office Ph: 250-559-8883 Toll Free: 1-877-559-8883 Fax: 250-559-8876

[www.gwaiitrust.com](http://www.gwaiitrust.com)

### **3. Describe the Project Management Structure including: who the key individuals are, what their skills and history are, and who will be responsible to manage and work within the project.**

Management structure:

The Economic Development Office is under the management of John Disney, Economic Development Officer (EDO). The EDO supervises 17 departments with a fluctuating work force dependant on contracts and projects currently under way. There are approximately 40 people on the payroll. But throughout the year the number of employees varies from 10 to 60. The EDO will be the ultimate authority on this project.

With the proven record of the Project Management skill of the EDO and the backing of the administrator along with access to several administrative staff including the finance department, OMVC ED is well equipped to manage and administer this project.

### **4. Project Timeline**

Project Start Date: As soon as funding is available

Project End Date: April 2012

### **5. Project Funding and Budget**

#### Income Section

2,000,000.00 - Amount of Gwaii Trust Funding

500,000.00 - OMVC:

2,500,000.00 - Total Funding

#### Expense Section

1,412,830.00 - Sea Ops.:

595,295.00 - Marketing, admin, HR exp.:

341,875.00 - Engineering:

150,000.00 - Financing charges:

2,500,000.00 - Total Expenses

### **6. List any information regarding the Project Costs and Source(s) of Funds including comments around cash flow:**

Project costs are in line with other marine operations that involve scientific research and complex methodologies.

OMVC avoided seeking investment funding in order to maintain control of the project.

### **7. Explain Attempts to Secure Other Funding including: any funding initiatives you have undertaken prior to this application, other funding being used to complete this project, and if there are pending funding sources.**

Many months were spent negotiating with investment groups but OMVC found it impossible to keep the control of the project once allowing the inclusion of investors. Financing the project through the NSCU was found to be the optimum route to take.



## **Gwaii Trust Society**

PO Box 588, 162 Raven Ave, Masset, B.C. V0T 1V0

Masset Office Ph: 250.626.3654 Toll Free: 1.800.663.2388 Fax: 250.626.3261

Skidegate Office Ph: 250-559-8883 Toll Free: 1-877-559-8883 Fax: 250-559-8876

[www.gwaiitrust.com](http://www.gwaiitrust.com)

### **8. Explain 'In-house' Bookkeeping and Accounting including: who will manage the 'financial end' of the project, and how will you keep track of the project finances.**

All financial and management matters will be tracked and monitored by the EDO and his staff. His finances, in turn will be accounted for and scrutinized by Meyers Norris Penny LLP who will act as the chief bookkeepers and auditors for all project financials.

### **9. Confirm that Operational and Maintenance Funds exist once the project is completed including: how the project will be financed after the initial funding, and are there on going costs that need to be considered.**

Operational and Maintenance funds will be generated from the first year's work to ensure the continuation of the project. In fact the objective is to ramp up operations after the first year in order to maximize the benefits to the community.

### **Project Objectives**

#### **10. Explain how your project meets the constitutional goals and objectives of the Gwaii Trust (found under the constitution section of this website).**

This project promotes:

- the economic health of Haida Gwaii.
- community decision-making emphasized by the community support of the project -well-being of the community -research in the marine ecosystems -preservation of marine ecosystems

#### **11. Explain how you have leveraged any partnership opportunities to fund this application:**

OMVC, GTS and the NSCU have partnered together to make this project happen

#### **12. Comment on how your group has demonstrated community support or buy-in:**

We held 30 days of community information sessions culminating in a secret ballot community vote. The result was a 66% support of the project. [50% + 1 is considered support]

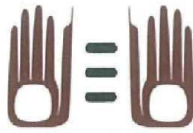
#### **13. Evaluation Process: How will you determine the success of your project and what will you use to measure its success?**

The evaluation of the project will be based on the benefits that accrue to the community as a whole. Will OMVC gain the means from this project to address severe housing and employment issues amongst the many problems they face?

### **Certification**

I/We certify that the information contained in this application any other submitted information are correct and complete at the date of submission. Submission of false or deliberately misleading information may result in the Gwaii Trust denying this and or future applications to the Trust under any of its granting programs.

**I agree with the above statement: Yes**



**Gwaii Trust Society**

PO Box 588, 162 Raven Ave, Masset, B.C. V0T 1V0

Masset Office Ph: 250.626.3654 Toll Free: 1.800.663.2388 Fax: 250.626.3261

Skidegate Office Ph: 250-559-8883 Toll Free: 1-877-559-8883 Fax: 250-559-8876

[www.gwaiitrust.com](http://www.gwaiitrust.com)

**Submission Date:** March 28th 2011

**Applicant Name 1:** John Disney, OMVC

**Applicant Name 2:**

**Submitted from IP Address:** 207.34.139.22

---



## OLD MASSETT VILLAGE COUNCIL

P.O. BOX 189, OLD MASSETT,  
HAIDA GWAII, V0T 1M0  
TEL: (250) 626-3337 • FAX: (250) 626 5440  
TOLL FREE: 1-888-378-4422

Band Council Resolution No. 20 11-02-142

**Name of Band Council Resolution: Financing salmon restoration project**

**Whereas:** The OMVC supports the Haida Salmon Restoration Project

**Whereas:** OMVC understands and supports the financing of this project as a means of implementing the ocean work

**Therefore be it resolved that:** OMVC agrees and supports securing a loan with the Northern Savings Credit Union for \$2.5M secured with the Gwaii Trust Society Haida Parity funds


This Resolution was consented to at a duly convened meeting of the Old Massett Village Council on the 11<sup>th</sup> day of FEBRUARY 2011.

A Quorum consists of five (5) Council Members.

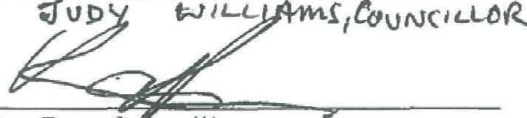
**John T. Jones, Chief Councillor**

  
Harold Yeltatzie, Councillor

  
Cecil Brown, Councillor

  
Ron Brown Jr., Councillor

Lisa White, Councillor

  
JUDY WILLIAMS, COUNCILLOR

Ken Rea, Councillor

  
Danny Mathews, Councillor

HPP application submitted on line,  
with thanks,

John

John Disney, Economic Development Officer  
The Old Massett Village Council  
P O Box 175 Masset,  
Haida Gwaii, BC  
V0T 1M0  
Ph: 250 626-3337  
Cel: 250 626-7163  
Fax: 250 626-5440



## Leslie Williams

---

**From:** errol.winter@gwaiitrust.com  
**Sent:** March-29-11 1:47 PM  
**To:** Leslie Williams  
**Subject:** Fw: community vote  
**Attachments:** credit union LOO mar '11.pdf

As discussed

Sent on the TELUS Mobility network with BlackBerry

-----Original Message-----

From: john disney <[ecdev@mhtv.ca](mailto:ecdev@mhtv.ca)>  
Date: Mon, 28 Mar 2011 13:28:02  
To: Errol Winter<[errol.winter@gwaiitrust.com](mailto:errol.winter@gwaiitrust.com)>  
Subject: Re: community vote

here you go as promised.

John

On 28-Mar-11, at 11:04 AM, Errol Winter wrote:

> John  
> Congratulations on your community success. As we work through the  
> framework  
> of this landmark financial arrangements there are several things  
> which we  
> will need to officially formalize.  
> Firstly the BCR clearly outlining amounts and target dates, secondly  
> the  
> Credit Union's commitment letter and finally a Parity application  
> based on  
> the originating proposal.  
> Barry, I would like to set up a conference call with you and whoever  
> you  
> feel needs to be involved from your end to go over requirements  
> paperwork  
> and timelines.  
> From our end we will need a few days to organize the securitization  
> documents and or the facilitation of any transfer of funds to  
> support that

> securitization.  
> I look forward to speaking with both in the near term  
> Sincerely  
>  
>  
> Errol Winter  
> Executive Director  
> Gwaii Trust Society / Gwaii Forest Charitable Trust  
> Direct: 250.626.3654  
> Mobile: 250.626.7056  
>  
>  
> -----Original Message-----  
> From: john disney [<mailto:ecdev@mhtv.ca>]  
> Sent: March-26-11 1:28 PM  
> To: Barry Pages; Submissions GTS  
> Subject: community vote  
>  
> Hi Barry/Errol,  
>  
> you might have already learned but after a month of community meetings  
> and information sessions, the Old Massett community has thrown their  
> full support behind the Haida Salmon Restoration project and we're now  
> good to go.  
> The significance of this goes far beyond financing. For a Indigenous  
> community in Canada today to put their faith and support AND FUTURE in  
> this cutting edge project based on their faith in me and council and  
> step out of the INAC box, is almost unheard of. History was made  
> yesterday. We had 66% support which is almost the perfect result. It  
> means that the ones on the 'no' side have enough of an audience to be  
> heard as the future unfolds. If this had been a very small group they  
> would have been alienated as the future benefits came in, and this has  
> always been about fixing the ENTIRE community.  
>  
> OK, now I hope this coming week we can get the final paperwork done  
> and get it all off to the lawyers. When are you back Barry? We can do  
> the signing of the LOO as soon as you're ready.  
>  
> Finally, thank you both for all your patience and help putting this  
> package together.  
>  
> talk to you both soon, John  
>  
>  
>  
> John Disney, CEO  
> Haida Salmon Restoration Corporation  
> P O Box 175 Masset  
> Haida Gwaii, BC  
> V0T 1M0 CANADA  
> Ph: 250 626-3337  
> Cel: 250 626-7163  
> Fax: 250 626-5440  
>



**NORTHERN  
SAVINGS**  
CREDIT UNION

**Administration Office**

138 Third Avenue West  
Prince Rupert, BC V8J 1K8  
Tel: (250) 627-3600  
Fax: (250) 627-3602

**Prince Rupert Branch**

138 Third Avenue West  
Prince Rupert, BC V8J 1K8  
Tel: (250) 627-7571  
Fax: (250) 624-8297

**Masset Branch**

P.O. Box 94  
Masset, BC V0T 1M0  
Tel: (250) 626-5231  
Fax: (250) 626-5498

**Queen Charlotte Branch**

P.O. Box 38  
Queen Charlotte, BC V01 1S0  
Tel: (250) 559-4407  
Fax: (250) 559-4729

**Terrace Branch**

4702 Lazelle Avenue  
Terrace, BC V8G 1T2  
Tel: (250) 638-7822  
Fax: (250) 638-7842

**Terrace Lending Centre**

4650 Lazelle Avenue  
Terrace, BC V8G 1S6  
Tel: (250) 635-7282  
Fax: (250) 635-2713

**Northern Savings Insurance  
Agency Ltd.**

138 Third Avenue West  
Prince Rupert, BC V8J 1K8  
Tel: (250) 627-1123  
Fax: (250) 624-6444  
Toll Free: 1-800-555-4093

**Paragon Insurance Agencies Ltd.**

106 - 4717 Lakelse Avenue  
Terrace, BC V8G 1R5  
Tel: (250) 635-6371  
Fax: (250) 635-4844  
Toll Free: 1-888-549-5552

February 28, 2011

Old Masset Village Council  
Box 189  
Masset, BC  
V0T 1M0  
Attn: Mr John T Jones, Chief Councillor

Dear Mr Jones,

**Re: Application for Commercial Loan**

We are pleased to advise that Northern Savings Credit Union (the "Credit Union") has approved your commercial loan application upon the following terms and conditions:

- |                            |  |
|----------------------------|--|
| <b>1. Borrower:</b>        | Old Masset Village Council (OMVC)                                    |
| <b>2. Lender:</b>          | Northern Savings Credit Union – Masset Branch                        |
| <b>3. Credit Facility:</b> | Commercial Term Loan for: \$2,500,000                                |
| <b>4. Purpose:</b>         | To assist in the start up of a sustainable ocean restoration company |

As part of our ongoing discussion with respect to this loan approval, our Board of Directors requested that we forward you the findings of our due diligence in the hopes that if we have uncovered something that you were not aware of, it would provide you an opportunity to further expand your own due diligence of the project. Based on the discussions to date with Mr. Disney as well as specific websites which we have been directed to as background information we had the impression that Planktos Science was a recognized world authority and that informed scientists generally favoured the proposed process. Also the market was apparently proven, since we were led to believe that "retail outlets and banks in Germany are begging for the product".

On further investigation from our own external resources, we fully expected the web sites identified by Mr. Disney to specifically address this type of proposal and be clearly supportive. We were; therefore, surprised to find the following:

February 28, 2011

Old Masset Village Council

1. Alfred Wegener Institute: The first page clearly states that AWI "opposes large scale iron fertilization." It does not temper this statement to say if it would support any kind of iron fertilization.
2. The Australian: notes the Royal Society report which raises concerns about [possible side effects and concludes that more research is needed).
3. Energy Collective: says that "dumping iron is probably not a cool idea".
4. Open Ocean questions whether the practice would be considered fertilizing or polluting under international law. They also question whether the process would sequester as much as claimed and refers to possible side effects.

Lest you conclude that we have merely picked out the negative biases from otherwise favourable reviews we invite you to visit the sites. It is also instructive to use those same sites to search for references to Planktos Science. Certainly we could find no reference to proprietary technology or recognition of Planktos Science as a "world leader" in this area.

Other key factors are the character and capacity of the proponent Planktos Science and the market for the carbon offsets. Again, we were unable to satisfy ourselves from the information we were able to find.

Planktos Science's principal, Russ George has clearly been active in promoting this process for several years but there is conflicting information about his results. While it is not unusual for a pioneering entrepreneur to have ups and downs gathering some detractors along the way, we did not find an independent confirmation that Planktos Science is a high level science based organization "recognized as a world leader" or that it has "proprietary technology." Schoppman.org is identified as the link to the buyers for carbon offsets but again their website gave no specifics about their expertise or capacity to perform this role.

If you have not already done so we would suggest the following questions ought to be asked and acceptable, authoritative and credible answers ought to be expected prior to proceeding with this project:

February 28, 2011

Old Masset Village Council

- 1) Who might you contact at the Alfred Wegener Institute who could give a clear opinion (or at least some independent informed comments) regarding the proposed fertilization process? Are they aware of Planktos Science and do they have concerns about side effects?
- 2) Mr. Disney states that he has "run this by some of the top people in the world." It would be beneficial if the business case could have names attached to this comment...and...those names verified as to their expertise in the field.
- 3) Who exactly carries out the certification process and is the "Certificate of Authenticity" a generally accepted standard acceptable to any potential purchaser?
- 4) Is any licensing required to dump/fertilize in the open ocean?
- 5) Can Schoppman provide its credentials in this specific area and some evidence of interest in principal from potential purchasers? Have they approved the certification process? If Schoppman doesn't perform, how would the market be accessed?
- 6) Will Planktos Science provide a list of its scientific staff members and confirmation of its financial soundness? What has been the local experience with the existing salmon restoration activities?

The above by no means represents an exhaustive research in terms of due diligence on our part. It does however point out further due diligence that ought to be conducted prior to engaging in such a venture.

Clearly, this credit as structured really represents a loan being made on a fully secured basis with Term Deposits as collateral and as such one might argue that you are clearly borrowing your own money. Whilst this does certainly give considerable comfort to your banking partner, there is from our perspective a requirement to provide you with our candid opinion of the risks associated with this project. In this way we can clearly say we have assisted our member to the best of our ability in having them recognize the risks associated should they choose to proceed. As your trusted banker and advisor we would recommend you give serious consideration to the above and satisfy yourselves with appropriate responses that would allow you to proceed.

February 28, 2011

Old Masset Village Council

**5. Interest Rate:** 1. Commercial Loan at 1% per annum in excess of the stated C.U.C.B.C. Prime Rate, compounded monthly.

"Prime Rate" means the per annum rate of interest, regardless of the compounding frequency designated by Credit Union Central of British Columbia as it's "Prime Rate" from time to time. (Currently @ 3.00 %)

**6. Term & Amortization:** The Commercial Mortgage will carry a term of two years, and an amortization period of 10 years.

**7. Advances:** The Commercial Loan will be advanced in minimum multiples of \$250,000 and applied to your business account.

**8. Repayment:** Commercial Loan will be repayable in monthly Interest only instalments for the first 24 months from an interest reserve of \$300,000 (carved out from 2,500,000 Loan). At the end of the 2<sup>nd</sup> year, annual principal payments for \$278,000 plus monthly interest will continue until maturity when the remaining balance of the Commercial Loan shall become due and payable in full. **If the member is unable to make their \$278,000 principal payment at the end of year two, Northern Savings Credit Union will cash in the term deposits held as security and pay out the commercial loan in full.**

**9. Prepayment:** The Commercial Loan will be open for pre-payment with no penalty.

**10. Security:**

The Commercial Loan will be secured by the following:

- Commercial Loan Agreement in the amount of \$2,500,000 to be signed by the Borrower with resolution.
- Assignment of Shares/Deposits in the amount of-\$500,000 under membership of OMVC# 606244 to be registered at the PPSA for a 10 year period.
- Assignment of Shares/Deposits in the amount of \$300,000 under membership of OMVC# 606244 that was carved out of the \$2,500,000 commercial loan to be registered at the PPSA for a 3 year period.
- Band Council Resolution.
- Gwaii Trust Society Limited Indemnity in the amount of \$2,000,000 supported by: Board Resolution & Assignment of Shares/Deposits for \$2,000,000 under membership of Gwaii Trust# 626135
- Independent legal advice – Gwaii Trust Society Limited.

**11. Insurance:**

Not applicable

**12. Negative Covenants:** The Borrower and the indemnitors will not, without the expressed written consent of the Credit Union first, obtained:

- A.) grant any further security ranking or purporting to rank in priority to any security to be granted to the Credit Union;
- B.) demolish or destroy any of it's property
- C.) sell or dispose of any substantial part of its property at less than fair market value and then only in the ordinary course of business;
- D.) alter its share structure;
- E.) declare any dividends;
- F.) repay any shareholder loans;
- G.) acquire any new business or undertakings;
- H.) guarantee the obligations of any person or entity, directly or indirectly;
- I.) sell any of its properties subject to a specific mortgage or charge in favour of the Credit Union;

**13. Credit Union Shares:** It is a condition of this commitment that so long as any portion of the Line of Credit or Commercial Mortgage remains outstanding that the Borrower will hold \$25.00 of Class A equity shares in the Credit Union and the Credit Union is authorised to pay for such shares by charging the purchase price thereof to the account.



- 14. Information:** The borrower will provide the Credit Union with:
- A.) Annual Audited Financial statements of the Borrower prepared within 180 days of the fiscal year end of the borrower;
  - B.) Annual Financial statements for indemnitor within 180 days of the fiscal year end upon request of the Credit Union;
  - C.) such other financial or other information as the Credit Union may require from time to time.
- 15. Commitment Fees:** A non-refundable commitment fee of \$18,750.00 is required by the Credit Union upon acceptance by the Borrower of this commitment.
- Advance fee of \$250.00 for each loan advance requested.
- Annual Credit Review Fee of \$250.00
- Late reporting fee of \$100.00 per month if financial statements are not received within 180 days of fiscal year end.
- 16. Loan Agreement:** The terms and conditions contained in this commitment letter together with such further terms and conditions, as the Credit Union's solicitors deem advisable may be incorporated in a Loan Agreement to be prepared by the Credit Union's solicitors. Such Loan Agreement may elaborate upon the terms and conditions set forth in this commitment but will not change the intent of this commitment.

February 28, 2011

Old Masset Village Council

- 17. Documentation:** The preparation of all documentation in connection with the Commercial Loan including registration of any documents requiring registration will be done by: Silversides & Merrick, solicitors for the Credit Union, and the cost thereof, including all legal and other professional fees and expenses will be paid by the borrower and may, at the option of the Credit Union be deducted from the proceeds of the Commercial Loan or charged to the Account.
- 18. Solicitor's Opinion:** The whole of these arrangements will be subject to the solicitors of the Credit Union being satisfied as to the title of any property being mortgaged and charged, the form and contents of the loan agreement and any security documents, the corporate status of the Borrower and as to all legal matters pertaining to the loans and compliance with the conditions herein, subject always to the right of the solicitors for the Credit Union to require an opinion from the solicitors for the Borrower pertaining to any of the aforesaid.
- 19. Time for Acceptance:** This commitment will be open for acceptance by the Borrower and Indemnitor by signing and returning the enclosed duplicate of this letter before March 31, 2011.
- 20. Disbursement of Funds:** The first advance of funds contemplated under this loan must have occurred within 60 days of acceptance of this commitment or this commitment may be cancelled at the option of the Credit Union.

February 28, 2011  
Old Masset Village Council

**21. Schedule of Advances:** Upon fulfilment of all the terms and conditions contained in this commitment to the satisfaction of the Credit Union the Credit Union may be prepared to advance funds as directed by the borrower.

**22. Borrower's Obligations:** If the Borrower is more than one person or entity, the obligation of the Borrower herein will be the joint and several obligations of each and every person or entity comprising the Borrower and every reference to the Borrower will be deemed to be a reference to each and every person or entity comprising the Borrower.

**23. Change in Risk:** Notwithstanding any other provisions of this commitment the Credit Union will not be obliged to advance the Commercial Loan in whole or in part if the Credit Union in its sole and absolute opinion determines that there has been a material adverse change in risk to the Credit Union in relation to the loan.

If the above-noted arrangements are satisfactory, please so indicate by executing the enclosed duplicate of the letter and return it to us before the expiry of the time period under the heading Time for Acceptance.

Yours truly,

Northern Savings Credit Union

Barry Pages  
Commercial Account Manager

February 28, 2011  
Old Masset Village Council

**Borrowers Acceptance:**

The Borrower hereby acknowledges and agrees to the terms and conditions contained in the within letter and authorizes the Credit Union to prepare the documentation in accordance with the loan. The Borrower further acknowledges that the commitment fee of **\$18,750.00** is due on acceptance of this commitment and is non-refundable.

**Acknowledged and agreed this** \_\_\_ day of \_\_\_\_\_ **2011.**

**Old Masset Village Council**

**Gwaii Trust Society Limited**

\_\_\_\_\_

\_\_\_\_\_

Indemnitor

\_\_\_\_\_  
Name- title

\_\_\_\_\_  
Indemnitor:

\_\_\_\_\_

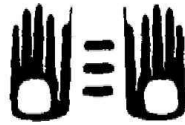
\_\_\_\_\_  
Name- title

## Leslie Williams

---

**From:** john disney [ecdev@mhtv.ca]  
**Sent:** March-28-11 4:00 PM  
**To:** forms@gwaiitrust.com  
**Subject:** Back up BCR for Haida Salmon Restoration Project  
**Attachments:** BCR HSRC.pdf; ATT00022.htm

**PLEASE FORWARD TO ERROL WINTER ALONG WITH HPP APPLICATION FOR "HAIDA SALMON RESTORATION PROJECT"**



**Gwaii Trust Society**

PO Box 588, 162 Raven Ave, Masset, B.C. V0T 1V0

Old Massett Office: Ph: 250.626.3654 Toll Free: 1.800.663.2388 Fax: 250.626.3261

Skidegate Office: Ph: 250.559.8883 Toll Free: 1.877.559.8883 Fax: 250.559.8876

www.gwaiitrust.com

**Gwaii Trust Project Funding Conditions      HP 10-4 Haida Salmon Restoration Project**

- Cost quotes from all suppliers and other verifiable expenses must be submitted to Gwaii Trust prior to any funding being released;
- Gwaii Trust must receive confirmation of all other income sources relevant to this project prior to any funding being released ;
- All advances will be funded upon the receipt of invoice, based on the percentage of the project funding approved;
- All projects approved with an equity component will be funded to the same degree as the equity approved;
- Funding limited to a maximum \$1,107,543.00.
- Funding schedule: **Please indicate project name and file number on all correspondence)**
  - a) 20% upon request - post approval along with the signed funding conditions (1<sup>st</sup> request);
  - b) 60% through invoice matching approved advance(60% plus the first 20%);(2<sup>nd</sup> request)
  - c) 20% after confirmation of project completion, including all stated deliverables and final evaluation documentation has been received along with attached photos. (Final request)
- On all projects where funding is outstanding in excess of one year, site visits will be accompanied by a shortened reapplication from the applicant that must be reapproved by the Board in order to advance any further funding;
- Projects outstanding in excess of one year and not meeting Board approval criteria or projects where no contact has been made with Gwaii Trust regarding project extension will automatically be decommissioned, with any remaining project funds reverting back to the Gwaii Trust;
- Projects greater than \$25,000.00 will be subject to a minimum of two site visits, with one occurring at project completion.
- On projects in excess of \$100,000.00 there will be a minimum of three site visits, with one occurring at project completion.
- On project funding in excess of \$100,000.00 there will be a mutually agreed upon recognition posting citing Gwaii Trust as the (or a) funding source.
- The Gwaii Trust Society assumes no liability through the Trust, its staff, Directors, agents or Gwaii Forest Charitable Trust , and its Trustees or agents in any matter relating to and or pertaining to this project,
- Submission of false or deliberately misleading information may result in the Gwaii Trust withholding this application's funding and or future applications to the Trust under any of its granting programs.

I JOHN DIDWELL agree to the terms and conditions as set out above.  
(Print Name)

Dated: 19 April 2011

Society / Group: OLD MASSETT VILLAGE  
COUNCIL

Signature: [Handwritten Signature]

Project: Haida Salmon Restoration Project

## Leslie Williams

---

**From:** Leslie Williams [leslie.williams@gwaiitrust.com]  
**Sent:** April-19-11 11:42 AM  
**To:** 'john disney'  
**Subject:** Haida Parity Application  
**Attachments:** OMVC Parity March 2011 decision.pdf

Hi John,

I have attached the funding agreement for the Haida Parity Application, Haida Salmon Restoration Project. Please review and sign and return attention to me.

If you have any questions, please contact me. You may want to discuss the amount approved, it was not approved to the total of your request. It was approved to the maximum allowed budget for OMVC.

### Leslie Williams

#### Project Officer

Gwaii Trust Society  
PO Box 588

Masset, Haida Gwaii, V0T1M0

Tel: 250-626-3654

Fax: 250-626-3261

toll free: 1-800-663-2388

email: [leslie.williams@gwaiitrust.com](mailto:leslie.williams@gwaiitrust.com)

---

Please consider the environment before printing this email