

MICHIPICOTEN FIRST NATION COMMUNITY TRUST AGREEMENT

THIS TRUST AGREEMENT dated for reference August 20, 2003

BETWEEN:

MICHIPICOTEN FIRST NATION,
as represented by its Chief and Council

(Hereinafter called the "First Nation")

- and -

- ✓ Trustee 1: Sam Stone
- ✓ Trustee 2: Dave Swanson
- ✓ Trustee 3: Daniel Perrault
- ✓ Trustee 4: Ivan Andre
- ✓ Trustee 5: Eva Andre
- Trustee 6: Sherry Moreau
- Trustee 7: Angela Carter
- Trustee 8: Peggy Rice
- Legal Trustee: Kim Fullerton

(Hereinafter called the "Trustees")

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WHEREAS Michipicoten First Nation has agreed to a Settlement Agreement with Her Majesty the Queen in Right of Canada to settle First Nation claims relating to the 1855, 1899 and 1900 Algoma Surrenders;

AND WHEREAS pursuant to the Settlement Agreement, the First Nation will receive Compensation and Interest from Her Majesty the Queen in Right of Canada;

AND WHEREAS the Council wants to ensure that the Compensation, and any accruals thereto are managed and invested prudently, and shall enure to the benefit of the present and future generations of the Members of the First Nation;

AND WHEREAS this Trust Agreement sets forth clear rules for the administration and operation of the trust created by this Trust Agreement, and has set rules for the appointment and conduct of the Trustees;

NOW THEREFORE THIS INDENTURE WITNESSETH THAT in consideration of the premises, mutual covenants and agreements herein contained, it is hereby covenanted and agreed by and between the parties hereto as follows:

1. CREATION OF THE MICHIPICOTEN FIRST NATION COMMUNITY TRUST

- 1.1 The trust hereby created pursuant to the terms of this Trust Agreement shall be known as the **MICHIPICOTEN FIRST NATION COMMUNITY TRUST**.
- 1.2 The Trustees, as appointed by the First Nation Council or elected by the First Nation Voters, from time to time, in accordance with Article 5 of this Trust Agreement, agree to hold the Trust Property, as defined in this Trust Agreement, in trust for the First Nation, and to administer such Trust Property as required herein.
- 1.3 All beneficial right, title, interest, and benefit in the Trust Property shall remain vested in the First Nation.
- 1.4 All legal right, title, and interest in the Trust Property shall remain vested in the Trustees.
- 1.5 This Trust Agreement shall be deemed to come into effect upon the date of completion of all of the following required occurrences:
 - (a) The Voters of the First Nation have approved the Settlement Agreement, in accordance with Article 9 of the Settlement Agreement;

A handwritten signature or set of initials, possibly 'JB', written in black ink.

- (b) The Voters of the First Nation have approved this Trust Agreement, in accordance with Article 9 of the Settlement Agreement;
- (c) The Council by Band Council Resolution has appointed the original Trustees, according to Article 5.4 of this Trust Agreement;
- (d) The original Trustees have signed this Trust Agreement;
- (e) A majority of the Council signs this Trust Agreement; and
- (f) Canada has deposited the first instalment of Canada's Compensation into the Trust Account, in accordance with the terms of the Settlement Agreement.

2. DEFINITIONS

In this Trust Agreement, the expressions recited herein shall have the following meanings and shall be construed accordingly and the singular shall include the plural and the masculine gender shall include the feminine gender and vice-versa, with the understanding that those expressions which have not been specifically defined in this Trust Agreement and which are defined in the Settlement Agreement shall have the same meaning as in the Settlement Agreement.

- (a) **"Band Company"** means a company, one of the objects of which shall be the holding of real property and/or personal property for the use or benefit of the First Nation and which meets one or more of the following requirements:
 - i) in the case of a company which has been incorporated as a company with share capital pursuant to the laws of Canada or Ontario, at least 51% of the company's voting shares are beneficially owned by the First Nation, or in the case of a subsidiary of such company, at least 51% of the subsidiary's voting shares are owned by the company; or
 - ii) is a cooperative controlled by the First Nation; or
 - iii) is a sole proprietorship owned by the First Nation; or a partnership, joint venture or consortium, at least 51% of which is owned by the First Nation.
- (b) **"Band Council Resolution"** means a duly executed written resolution of the Council adopted at a duly convened meeting.
- (c) **"Canada"** means Her Majesty the Queen in Right of Canada, as represented by the Minister of Indian Affairs and Northern Development.



- (d) **“Capital Account”** means an accounting record for capital monies comprising part of the Trust Property, as established and maintained by the Trustees pursuant to the terms of this Trust Agreement.
- (e) **“Compensation”** means the sum to be paid by Canada to the First Nation as set out in Article 2.1 of the Settlement Agreement.
- (f) **“Council”** means the Council of the First Nation which is a “council of the band” within the meaning of the *Indian Act*.
- (g) **“Expenses”** means all costs incurred or payable in connection with the administration, management, and protection of the Trust Property allocated by the Trustees as chargeable to Income, including without limiting the generality of the foregoing:
- i) Such sums in each Fiscal Year as the Trustees in their absolute discretion consider to be proper allowances, reserves, deductions and disbursements in accordance with generally accepted accounting principles; and
 - ii) Such sums as the Trustees shall in their absolute discretion consider necessary and advisable, from time to time as being on account of depletion, deterioration or obsolescence of any of the assets of the Trust Property, to be chargeable to Revenue Account and payable to the Capital Account.
- (h) **“Financial Institution”** means a Canadian chartered bank, trust company or other business entity engaged in the provision of financial and/or investment services, formed under the laws of Ontario or Canada, as appointed pursuant to this Trust Agreement from time to time.
- (i) **“Fiscal Year”**, in respect of the Michipicoten First Nation Community Trust, means the period from January 1 of one year to December 31 of that year.
- (j) **“General Band Meeting”** means a meeting of the Members of the First Nation held pursuant to this Trust Agreement.
- (k) **“Income”** means any income, interest, dividend, capital gain, or other gain earned on the Trust Property and accrued to the period in which it is earned or realized, according to generally accepted accounting principles.
- (l) **“Interest”** means interest paid by Canada as a result of the Compensation being paid over two fiscal years.
- (m) **“Investment Counsel”** means any professional financial expert retained by the Trustees to provide investment advice.



- (n) **“Member”** has the same meaning as “member of a band” in the *Indian Act* and means a person whose name appears on the First Nation’s Band list or who is entitled to have his name appear on the First Nation’s Band list, pursuant to the provisions of the *Indian Act*.
- (o) **“Michipicoten First Nation”** means the Michipicoten Band of Indians also known as the “Michipicoten First Nation” referred to in this Trust Agreement as the “First Nation”..
- (p) **“Net Income”** means all of the Income less losses, including capital losses, and less the aggregate of all Expenses for a specified period of time.
- (q) **“Permitted Investments”** means:
- i) Publicly traded Canadian and non-Canadian common stocks and convertible debentures;
 - ii) Bonds, debentures, notes or other debt instruments of Canadian and non-Canadian governments;
 - iii) Mortgages secured upon real property;
 - iv) Private placements, or debt or equity, of Canadian agencies or corporations;
 - v) Guaranteed Investment Contracts or equivalent;
 - vi) Mutual or pooled funds of the above listed Permitted Investments;
 - vii) Without limitation by subparagraphs (i) through (vi), any investment in any Band Company, or development, or project recommended by Council which is deemed by the Trustees to provide sufficient guarantee and rate of return to the Trust, so as not to abrogate from the duties, responsibilities, and authority of the Trustees, as herein contained; and
 - viii) such other investments as are consistent with an investment policy to be recommended by Investment Counsel and approved by the Trustees.
- (r) **“Reserve”** means the Gros Cap Indian Reserve No.49, Indian Reserve No. 49A, Missannabie Indian Reserve No. 62 and the Chapleau Indian Reserve No. 61 and any lands that are added to those Reserves from time to time.
- (s) **“Revenue Account”** means an accounting record for Income monies, established and maintained by the Trustees pursuant to the terms of this Trust Agreement.



- (t) "Settlement Agreement" means the Michipicoten 1855, 1899 and 1900 Surrender Claims Settlement Agreement between Her Majesty the Queen in Right of Canada, and the First Nation dated for reference August 20, 2003.
- (u) "Trust Account" means an account opened at a Financial Institution by the Trustees in accordance with this Trust Agreement for the receipt of the Compensation and Interest from Canada.
- (v) "Trust Agreement" means this Trust Agreement including the attached schedules.
- (w) "Trust Property" shall mean all moneys, securities, property, and assets recorded in the Trust Account, Capital Account and Revenue Account, pursuant to this Trust Agreement, but excluding any transfer of moneys, securities, property, and assets made to the First Nation, pursuant to this Trust Agreement (other than a loan as permitted herein).
- (x) "Trustee" shall mean a trustee of the Michipicoten First Nation Community Trust, as appointed by the First Nation Council or elected by the First Nation Voters, from time to time, pursuant to Article 5 of this Trust Agreement.
- (y) "Voter" means a Member of the First Nation who is eighteen years (18) of age or older on the day of a vote.

3. PURPOSE OF THE TRUST

- 3.1 The First Nation and the Trustees agree that the Trust Property shall be held as a long-term trust fund for the use and benefit of the First Nation as beneficiary, to be administered by the Trustees upon the trusts set out in this Trust Agreement.
- 3.2 During consultation meetings with Members leading to the November 1, 2003 referendum on the Settlement Agreement and this Trust Agreement, there was broad support for the following statement as a *general guide* (not binding) for the Trustees:

The Michipicoten First Nation Community Trust is intended to be used to provide social, economic and cultural benefits to all Members, no matter where they live, and to create a vibrant community so that any Member who wishes to do so may live, work or retire on the Reserve.

4. CAPITAL AND REVENUE

- 4.1 In this Trust Agreement, the money or assets recorded in the Capital Account shall be called "Capital Moneys". The Income shall be recorded in the Revenue Account, and shall be

accounted for by the Trustees separately, in accordance with Article 11 and Article 12 of this Trust Agreement.

- 4.2 The First Nation can add other moneys, securities, property and assets to the Trust Property from any source by Band Council Resolution. Any such addition to the Trust Property shall be governed by the terms of this Trust Agreement as though it was part of the original Compensation.

5. APPOINTMENT, ELECTION, RESIGNATION, AND REMOVAL OF TRUSTEES

- 5.1 The Michipicoten First Nation Community Trust shall be administered by a board of NINE (9) Trustees.
- 5.2 Trustees shall be individuals willing to assist in carrying out the objects of the Trust, TWENTY-FIVE (25) or more years of age at the time he or she becomes a Trustee.
- 5.3 Members of the First Nation Council are not eligible to serve as Trustees.
- 5.4 Notwithstanding Article 5.5 as set out below, the original NINE (9) Trustees of the Michipicoten First Nation Community Trust shall be appointed by Council, in accordance with the terms and conditions herein set out. The terms of office of the original Trustees shall begin on the date this Trust Agreement comes into effect. The first original Member Trustee shall have a term of FIVE (5) years. The second original Member Trustee shall have a term of FOUR (4) years. The third and fourth original Member Trustees each shall have terms of THREE (3) years. The fifth and sixth original Member Trustees each shall have terms of TWO (2) years. The seventh and eighth original Member Trustees each shall have terms of ONE (1) year. When each of the eight original Member Trustees' term is ended they shall be replaced by an Elected Trustee pursuant to the terms of this Article. The original Legal Trustee shall have a term of THREE (3) years.
- 5.5 EIGHT (8) Trustees shall be Members, herein referred to as the "Elected Trustees", according to the criteria herein set out.
- 5.6 At least FIVE (5) of the Trustees shall be resident on Reserve during their term.
- 5.7 The First Nation Council shall appoint ONE (1) Trustee comprising a representative from the legal profession, the "Legal Trustee", according to the criteria herein set out. The Legal Trustee need not be a Member.
- 5.8 Elected Trustees shall each serve for a term of THREE (3) years, and the Legal Trustee shall also serve a term of THREE (3) years. Subject to the provisions of this Trust Agreement, Trustees shall be eligible for re-election or re-appointment.



- 5.9 If one or more of the events described in Article 5.15 (b) to 5.15 (h) occurs and there is a vacancy among the Trustees and the time remaining in the vacated Trustee's term is greater than six months, it shall be filled by:
- (a) in the case of an Appointed Trustee, by appointment by Band Council Resolution as soon as reasonably possible, but in any event within THIRTY (30) days of the date that the vacancy occurs. A Trustee appointed in this manner shall serve out the term of the Trustee he or she replaced; and
 - (b) in the case of an Elected Trustee, by the posting of notice by the Trustees for a General Band Meeting for the purpose of electing the required number of Elected Trustees within TEN (10) days of the occurrence of such vacancy, and in accordance with the terms and conditions of Article 5.10 and 5.11, as set out below. A Trustee elected in this manner shall serve out the term of the Trustee he or she replaced.

If one or more of the events described in Article 5.15 (b) to 5.15 (h) occurs and there is a vacancy among the Trustees and the time remaining in the vacated Trustee's term is less than six months, the remaining Trustees shall continue their duties until such time as the vacancy is filled in the normal fashion, unless the vacancy results in less than 6 Trustees, in which case Council shall appoint a Trustee to serve out the term of the Trustee he or she replaces.

- 5.10 At least THIRTY (30) days before the term of an original Member Trustee or an Elected Trustee expires, the Trustees shall post or caused to be posted a notice in the First Nation office, the local newspapers, and by other means deemed to be appropriate, advising Members of a General Band Meeting to be called for the purpose of nominating and electing the required number of Elected Trustee(s).
- 5.11 Elected Trustees shall be elected by the Voters at a General Band Meeting called for the purpose of filling an Elected Trustee vacancy on the Board, however caused, by secret ballot.
- 5.12 Each Trustee accepts the appointment as Trustee and accepts the duties of a Trustee as set out in this Trust Agreement. The Trustees agree to carry out their duties according to the terms and conditions of this Trust Agreement.
- 5.13 It is a condition of becoming a Trustee after the execution of this Trust Agreement, including in substitution or replacement of a Trustee, that a proposed Trustee shall, prior to taking office as a Trustee, agree in writing to become a Trustee and to be bound by the terms of this Trust Agreement.
- 5.14 A Trustees' Certificate executed in the form set out in Schedule "B" to this Trust Agreement and certified by the Chief shall be conclusive evidence for any person or corporation dealing with the Board that the Trustees named therein are the current Trustees of the Michipicoten First Nation Community Trust, provided that such Trustees' Certificate is dated not more



than 45 days prior to the date upon which the Trustees' Certificate is to be relied upon by such person or corporation.

5.15 A Trustee shall serve until:

- (a) his or her term expires;
- (b) he or she resigns;
- (c) he or she dies;
- (d) he or she makes an assignment for the general benefit of his or her creditors, or a proposal to his or her creditors which is refused, or is petitioned into bankruptcy, or is charged with an indictable offence, with fraud, or with any offence involving the Trust Property or the exercise of his or her responsibilities as a Trustee;
- (e) he or she fails to attend three consecutive meetings of the Trustees, of which meetings he or she has received notice in accordance with Article 8 of this Trust Agreement, and the other EIGHT (8) Trustees vote to remove him or her;
- (f) he or she fails to disclose an interest, or votes on any contract or proposed contract in which he or she has an interest, contrary to Article 9 of this Trust Agreement;
- (g) he or she is declared by a Court of competent jurisdiction to be mentally incompetent or incapable of managing his or her affairs; or
- (h) he or she is an Elected Trustee and resident on the Reserve at the time he or she becomes a Trustee, and ceases to reside on the Reserve, provided that this causes there to be fewer than five (5) Trustees resident on the Reserve.

6. AUTHORITY OF THE TRUSTEES

6.1 In addition to all other powers conferred upon them by the other provisions of this Trust Agreement, or by any statute or general rule of law, the Trustees, without the interposition of any person entitled hereunder and without application to or approval by any Court, shall have and are hereby given the power and authority in their absolute discretion at any time and from time to time to administer the Trust Property, in accordance with the provisions of this Trust Agreement, including without limiting the generality of the foregoing:

- (a) Retain, hire, dismiss and replace lawyers, accountants, bookkeepers, investment advisors, investment counsel, realtors, appraisers, auctioneers, architects, engineers and other independent advisors or organizations qualified in the field for which their

advice and opinions are sought, including a General Manager, to assist the Trustees in carrying out their responsibilities and duties under this Trust Agreement, but the Trustees shall not be bound to act upon such advice, and shall not be responsible for any loss caused by so acting or not so acting, provided the decision to act or not act was reasonably taken;

- (b) Open the Trust Account for the purposes of the deposit of the Compensation and Interest by Canada, and invest or reinvest, or otherwise deal with Trust Property in accordance with this Trust Agreement, and make such arrangements governing Trust Property management and banking or other financial, investment, or management procedures as they from time to time deem advisable, including without limitation the delegation of authority to sign cheques and transfer Trust Property, to no fewer than three of the Trustees for the purposes permitted by this Trust Agreement, provided that such delegation shall be in writing signed by all NINE (9) Trustees;
- (c) Make, and change from time to time, such rules as they deem appropriate and reasonable to govern their procedures, provided that such rules shall not be inconsistent with this Trust Agreement or any laws which govern trustees generally;
- (d) Institute, prosecute, settle and defend any lawsuits or other proceedings affecting them as Trustees, or the Trust Property or any part of it, and make application to any Court of competent jurisdiction in respect of this Trust Agreement;
- (e) Pay reasonable salaries, wages, fees and costs for the services of the persons or organizations referred to in subparagraph (a) above;
- (f) Pay out of Interest reasonable honoraria to Trustees for services provided under this Trust Agreement;
- (g) Pay out of Interest reimbursement to Trustees of expenses reasonably incurred by them in carrying out the terms of this Trust Agreement;
- (h) Engage a Financial Institution or other adviser or agent to carry out some or all of the directions set out in this Trust Agreement, and compensate such person in such manner as the Trustees consider appropriate; and
- (i) From time to time and at any time or times to make or not make any election or elections, determinations, distributions and allocations for the purposes of the *Income Tax Act* (Canada) or any similar legislation of any province, territory or other jurisdiction in force from time to time as they may in their absolute discretion deem to be in the best interest of the Trust Property and the First Nation.

6.2 Subject to Article 11 and Article 12, the Trustees are permitted to purchase Permitted Investments from Trust Property and to dispose of such Permitted Investments, as the

Trustees in their absolute discretion consider appropriate from time to time including without limiting the generality of the foregoing:

- (a) To use their discretion in the realization of any property of the Trust Property and to see, call in and convert into money any part of the Trust Property not consisting of money at such time or times and in such manner and upon such terms and either for cash or credit or for part cash and part credit, as the Trustees may decide upon, or to postpone such conversion of any such property or part or parts thereof for such length of time as they consider advisable; and
- (b) To incorporate and organize a corporation or corporations under the law of any jurisdiction in Canada or elsewhere at the expense of the Trust Property for the purpose of investing the whole or any part of the Trust Property in shares or other securities of such corporation or corporations, as they may in their absolute discretion deem to be in the best interest of the Trust Property and the First Nation.

6.3 The Trustees shall not mortgage, pledge, hypothecate or encumber the Trust Property or any interest therein, except as security for a loan pursuant to Article 12.3, unless such property was already so encumbered at the time it was acquired, for any purpose whatsoever during the time this Trust Agreement is in effect.

6.4 No funds shall be withdrawn or expended from the Trust Property except by means of a Trust Property Direction (sample attached as Schedule "A" hereto) or otherwise in accordance with this Agreement.

7. DUTIES OF THE TRUSTEES

7.1 The Trustees shall carry out the trusts created in this Trust Agreement, and shall have all the legal obligations of a trustee, whether those obligations are part of the common law or are set out in any statute of Ontario regulating the conduct and obligations of trustees, or in the terms of this Trust Agreement, provided that Permitted Investments of the Trustees shall be as set forth herein, and not limited to those investments permitted of Trustees in accordance with the provisions of the Trustees Act of Ontario (as amended). In the event of any inconsistency between the Trustees Act of Ontario and this Trust Agreement, the terms and conditions of this Trust Agreement shall prevail.

7.2 The Trustees shall maintain a written record of all decisions made by the Trustees and make these records available to the Council and to Members on request.

7.3 The Trustees shall retain an Auditor to audit the accounts of the Trust.

7.4 The Trustees shall maintain proper records of all transactions affecting the Trust Property and shall cause to be prepared, for each Fiscal Year, financial statements respecting the Trust



Property prepared in accordance with generally accepted accounting principles, consistently applied. The Trustees shall have the financial statements audited by a qualified independent Auditor, and the Trustees shall engage the appointed Auditor to submit or file his or her report on the financial statements for the Fiscal Year to the Trustees and Council, within ninety (90) days of the end of each Fiscal Year.

- 7.5 The Trustees shall prepare a written annual report on the investments of the Trust Property, and shall attach the annual audited statement to the annual report. Copies of the annual report and audited statement shall be made available to Members at the Band Office within ONE HUNDRED AND TWENTY (120) days of the end of each Fiscal Year, made available at the annual meeting of Members pursuant to Article 7.9 and mailed to any Member upon request.
- 7.6 The Trustees shall meet and consult with the Council and Members when requested by the Council to do so. Council may by Band Council Resolution call a meeting of the Members to review any matter pertaining to the Trust Property or the administration of the trusts created herein.
- 7.7 At the request of the Council, the Trustees shall provide the Council, in the presence of Trustees and Auditors, access to all books of original entry, with copies of documents reasonably requested by Council, such books to include without limit, all ledgers, registers and documents or recordings of transactions affecting or evidencing the Trust Property.
- 7.8 The Trustees shall prepare or cause to be prepared a long term investment strategy and financial plan and distribute it to the Council and Members. The investment strategy and financial plan shall be updated from time to time by the Trustees. It shall take into account;
- a) expenditures required or recommended within existing and future First Nation planning studies;
 - b) the ability of the First Nation to obtain funding from other sources; and
 - c) timing and completion of long term goals of the First Nation.
- 7.9 The Trustees shall convene an annual meeting for the purposes of holding elections, in accordance with Article 5.10, Article 5.11 and for the purposes of an annual meeting of Members (pow wow) in accordance with Article 11.4 (c).

8. MEETINGS OF THE TRUSTEES

- 8.1 The Trustees shall appoint from among their number a Chairperson and Vice-Chairperson. The appointment of a Chairperson and Vice-Chairperson shall be for a period of one year provided that if the Trustees do not appoint replacements at the end of one year, such officers

shall retain office until the Trustees make new appointments. A person holding office pursuant to this provision may be reappointed by the Trustees.

- 8.2 The Trustees shall meet at least four (4) times each Fiscal Year.
- 8.3 The Trustees shall hold the majority of their meetings on the Reserve; it is permissible for Trustees to attend a meeting by conference call.
- 8.4 A Trustees' meeting may be called by the Chairperson or Vice-Chairperson. Trustees shall be given notice in writing of the place, date and time of every meeting. Notice of such meetings shall be delivered, telexed, telegraphed or faxed to each Trustee not less than seven (7) days prior to the date fixed for the meeting or shall be mailed to each Trustee not less than ten (10) days before the meeting is to take place, unless all Trustees agree to shorter notice and signify their agreement in writing. The statutory declaration of the Chairperson or Vice-Chairperson that notice has been given pursuant to this Trust Agreement shall be sufficient and conclusive evidence of the giving of such notice. No error or omission in giving notice for a meeting of the Board shall invalidate such a meeting or make void any proceedings taken or had at such meeting. Any Trustee may at any time waive notice of any such meeting and may ratify and approve of any or all proceeding taken or had thereat.
- 8.5 The Chairperson or in his absence, the Vice-Chairperson or such other Trustee as the Trustees may from time to time appoint for the purpose, shall preside at all meetings of the Trustees.
- 8.6 Six (6) Trustees holding office at any time shall constitute a quorum.
- 8.7 Decisions of Trustees shall be made by motion, in accordance with such rules of order as may be adopted by the Trustees from time to time. At least six (6) Trustees must vote in favour to pass a motion.
- 8.8 Five or more Trustees may submit at any time, a written request that the Chairperson call a meeting of the Trustees. Upon receiving such a request, the Chairperson shall call a meeting within fourteen (14) days. In the event that the Chairperson does not call a meeting within the required time, any Trustee is authorized to call a meeting and provided that the notice required under Article 8.4 is given, such a meeting shall be a valid meeting of the Trustees provided a quorum (6) is in attendance.
- 8.9 Minutes of the meetings of the Trustees shall be kept in writing and shall be reviewed and adopted, with our without modification, as one of the first decisions at the next meeting. The Trustees shall provide the Council with a copy of the adopted minutes of each meeting.
- 8.10 If the Council calls a General Band Meeting concerning decisions to be made about the Trust, the Trust Property or its administration, the Trustees shall attend the meeting and shall



fully and fairly answer all questions that are asked of them concerning the administration of this Trust Agreement.

9. **TRUSTEES' DISCLOSURE OF INTEREST**

9.1 If a Trustee:

- (a) is a party to a contract or proposed contract of the Trustees pursuant to this Trust Agreement; or
- (b) is a director, an officer, or materially interested in, or has close connection to any person who is a party to a material contract or proposed contract which the Trustees have executed or propose to execute pursuant to this Trust Agreement;

that Trustee shall disclose in writing to the Trustees the nature and extent of his or her interest in the contract of proposed contract, or his or her directorship, position as an officer, material interest or close connection as the case may be.

9.2 The disclosure of interest described in Article 9.1 shall be made:

- (a) at the meeting at which a proposed contract is first considered by the Trustees;
- (b) if the Trustee was not interested in the proposed contract at the time of that meeting, then at the first meeting after he or she becomes so interested;
- (c) if the Trustee becomes interested in a contract after it is made, then at the first meeting after he or she becomes so interested; or
- (d) if a person who is interested in a contract is appointed as a Trustee after that contract is executed, then at the first meeting after he or she becomes a Trustee.

9.3 A Trustee who has an interest or interests as described above shall not take part in any discussions, deliberations or votes of the Trustees concerning any such contract.

9.4 A contract is not void if a Trustee with such an interest or interests in a contract was present at the meeting, provided that the Trustee in question did not take part in discussions, deliberations or votes on that contract, and provided the contract was approved by at least six (6) of the other Trustees and in the absolute discretion of the other Trustees was reasonable and fair to consider at the time it was approved.

9.5 Where one or more Trustees has or have such an interest and cannot vote or take part in discussions or deliberations on a contract, the contract may be entered into if at least six (6) of the remaining Trustees approve it. If such a contract has been approved. the Trustee(s)

with the conflict of interest may participate in the execution of all necessary documents after the approval without being considered to be in a conflict of interest

9.6 No Trustee shall be in a conflict of interest simply by virtue of being a Member.

10. INDEMNIFICATION OF TRUSTEES

10.1 The Trustees shall not be liable or accountable for any loss or damage to the Trust Property, or any part thereof, resulting from the exercise of a discretion or authority conferred upon them by this Trust Agreement or any other statute or law, as long as they are acting in good faith and honestly believe they are acting in the best interest of the First Nation.

10.2 One Trustee shall not be accountable for the acts, neglects or defaults of any other Trustee and shall not in any case be liable, answerable or accountable for any loss of money or security or other property unless the same happens through his or her own fraudulent or negligent act. Due care and good faith of each Trustee shall be presumed unless it is rebutted by evidence to the contrary.

10.3 Provided that a Trustee has acted in accordance with his or her duties hereunder, each Trustee or other person who has with the authority of the Board, undertaken or is about to undertake any liability on behalf of the Michipicoten First Nation Community Trust and his heirs, executors, administrators and other personal representatives, respectively, shall from time to time and at all times, be indemnified and saved harmless out of the Trust Property of the Michipicoten First Nation Community Trust, from and against:

(a) All costs, charges and expenses whatsoever which such Trustee or other person sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against him, or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by him, in or about the execution of the duties of his office or in respect of any such liability; and

(b) All other costs, charges and expenses which he sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his own willful neglect or default.

10.4 Trustees shall be permitted and are directed to obtain such errors and omissions insurance as may be available to the Trustees, and the costs of such insurance shall be paid as Expenses.

11. EXPENDITURES OF REVENUE AND APPROVAL OF PROPOSALS

11.1 No investments (other than Permitted Investments) or expenditures from Trust Property recorded in the Revenue Account, excluding payments to Members pursuant to Article 12.5

and 12.6, payments to the First Nation pursuant to Articles 12.7 and 12.8 and payments made in regard to the general administration of the Michipicoten First Nation Community Trust pursuant to Article 13 and Article 6 of this Trust Agreement, will be made until the investment strategy and financial plan required under Article 7.8 of this Trust Agreement has been completed, approved by the Trustees and released to Council and Members of the First Nation, and a policy for the submission, assessment, and selection of proposals has been developed and approved by the Trustees and released to Council and Members of the First Nation.

- 11.2 All proposals submitted to the Trustees for consideration must be:
- a) consistent with projects outlined in Article 11.4 below;
 - b) detailed in writing with a budget and financial projections; and
 - c) clearly illustrative of the benefits expected to accrue to the First Nation or to Members.
- 11.3 Proposals for investment of Trust Property recorded in the Revenue Account may be considered and approved or denied by the Trustees, in accordance with the policy, as set out in Article 11.1 above, provided the proposal was considered at a duly called meeting of the Trustees.
- 11.4 Trust Property recorded in the Revenue Account shall only be expended on :
- (a) acquiring land to be added to the Reserve;
 - (b) constructing and maintaining homes, elders residences, schools, roads, bridges, ditches, water-courses, fences, buildings or permanent improvements, works or infrastructure on the Reserve;
 - (c) an annual gathering of Michipicoten Members on the Reserve (pow wow), including assistance for transportation and accommodation for those Members that may require assistance; this annual gathering will include the annual Trust meeting;
 - (d) scholarship and bursary funds for Members including adult education and job training;
 - (e) providing life insurance for Members, or making a contribution to the estate of deceased Members, for the purpose of contributing to funeral expenses;
 - (f) providing small business start-up loans to Members in order to facilitate access to matching funds from Canada or some other funding agency, providing that the Member submits a detailed business plan and a detailed plan for the repayment of the



loan including some form of security, at the sole discretion and approval of the Trustees;

- (g) promoting the health of the Members, generally, by way of medical, dental, vision and other such plans to augment existing Canada plans or to replace plans that Canada eliminates in future;
- (h) acquiring land to be held for investment or development purposes, whether or not the land is to be added to the Reserve;
- (i) purchasing industrial or manufacturing equipment or machinery for the First Nation or for a Band Company;
- (j) paying expenses necessarily incidental to the management of lands, buildings or businesses which are owned by the First Nation or a Band Company;
- (k) establishing or building a credit union or a bank or a trust company to be owned by the First Nation or a Band Company;
- (l) investing in Permitted Investments of the type permitted in Article 12.2 (c) below;
- (m) promoting or establishing a business or commercial operation owned by the First Nation or a Band Company;
- (n) establishing or enhancing recreational facilities owned by First Nation or a Band Company;
- (o) preserving, studying or promoting the First Nation language and cultural heritage;
- (p) lending money or other assets to the First Nation or Band Companies, for any purpose listed above;
- (q) funding the research, development or negotiation of claims by Michipicoten First Nation against Canada, Ontario, or both Canada and Ontario, including research, public education and legal costs regarding Aboriginal or Treaty rights of the First Nation or its Members;
- (r) hiring people to work for First Nation or Band Companies in the field of community development or resource development;
- (s) paying the expenses of the Trustees and the Michipicoten First Nation Community Trust in connection with the administration and operation of the Trust; and



- (t) Trust Property recorded in the Revenue Account shall not be used for per capita distributions to Members.

12. DISTRIBUTION OF CAPITAL

- 12.1 Except as expressly set out in Article 12.5, the Trust Property, whether in cash or in any other form, shall not be used directly or indirectly for per capita distribution to Members.
- 12.2 The Trust Property recorded within the Capital Account shall be used for Permitted Investments under the authority granted to the Trustees under Article 6 of this Trust Agreement and in accordance with the following additional provisions:
 - (a) In accordance with Article 6.1, Trustees may retain the services of lawyers, accountants, bookkeepers, investment advisors, investment counsel, bankers, realtors, appraisers, auctioneers, architects, engineers, and other independent advisors or organizations, qualified in the field in which their opinions are sought, to assist the Trustees in fulfilling their responsibilities and duties in the evaluation or placing of any investment to be considered by the Trustees;
 - (b) Trustees may, at their discretion on a year-by-year basis, take steps to protect the value of the Trust Property recorded in the Capital Account from being eroded by inflation by making a payment or payments from the Revenue Account into the Capital Account prior to any expenditures. Similarly, Trustees may, at their discretion on a year-by-year basis, recover investment losses by making a payment or payments from the Revenue Account into the Capital Account prior to any Revenue Distributions; and
 - (c) Trustees shall maintain an investment portfolio allocation in accordance with the advice of investment counsel, such investment portfolio allocation will be attached as Schedule "C" hereto, provided that the Trustees may amend Schedule "C" from time to time in their discretion upon further advice of investment counsel.
- 12.3 The Trustees may mortgage, pledge, hypothecate or encumber the Trust Property, upon request and behalf of the Council for the purpose of securing funding from any chartered bank within Canada or equivalent financial institutions to provide for the financing of any Band Company, or development or project recommended by Council, provided that the Trustees are reasonably assured of the project's, development's, or business company's ability to provide a sufficient guarantee and rate of return, so as not to abrogate from the duties, responsibilities and authority of the Trustees as herein contained and so as not to exceed twenty five (25) per cent of the Trust Property, cumulatively, at any time.
- 12.4 In the event that the Income is insufficient to pay the expenses of the Trustees and the Michipicoten First Nation Community Trust, in any Fiscal Year. notwithstanding anything



in this Trust Agreement, the Trustees may pay such expenses from the Trust Property recorded in the Capital Account.

- 12.5 Within six months of the first deposit of the Compensation, as set out in Article 2 of the Settlement Agreement, the Trustees shall make their best efforts to effect a payment from the Trust Property of TWO THOUSAND DOLLARS AND NO CENTS (\$2,000.00) without accrued interest to each and every Member, without discrimination, who was alive on the day of the vote. Any Member who was EIGHTEEN (18) years or older and alive on the day of the vote and who fails to identify herself or himself to the Trustees and provide a valid mailing address for the payment without accrued interest within TWO (2) years of the date of the vote (November 1, 2005) shall forever be disqualified from receiving the payment.
- 12.6 Within six months of the first deposit of the Compensation, as set out in Article 2 of the Settlement Agreement, the Trustees shall enter a contract with an appropriate financial institution to invest \$2,000.00 on behalf of every Member who was alive on the day of the vote, but who has not yet attained the age of EIGHTEEN (18) years. Upon reaching the age of EIGHTEEN (18) years, the contract shall require the financial institution to pay \$2,000.00 PLUS accrued interest to these Members. Interest shall be paid at a rate specified in the contract and applied from the date of the contract to the date of their eighteenth birthday.
- 12.7 When requested by Council to do so, the Trustees shall deduct or cause to be deducted from the Capital Account and transfer to the Council an amount of up to TWO MILLION DOLLARS AND NO CENTS (\$2,000,000.00) to held by the Council and reserved for the purchase of up to 2,111 acres of land and associated expenses, in accordance with Article 4 of the Settlement Agreement. Such deduction and transfer to the Council shall not occur until the second installment of Canada's Compensation is received in the Trust Account.
- 12.8 When requested by Council to do so, the Trustees shall deduct or cause to be deducted from the Capital Account and transfer to the Council an amount of up to ONE MILLION DOLLARS AND NO CENTS (\$1,000,000.00) to held by the Council and reserved for economic development that generates long-term income. Such deduction and transfer to Council shall not occur until the second installment of Canada's Compensation is received in the Trust Account.

13. TRUST INCOME AND EXPENSES

- 13.1 All Income shall be used first to pay the Expenses of the Michipicoten First Nation Community Trust.
- 13.2 The Trustees shall seek competent advice on the best ways to invest the Trust Property and to ensure that any Income or other gain realized in connection with the Trust Property is not subject to taxation, and shall take such steps consistent with purpose of the Trust, as they feel



are reasonable to ensure that any Income of the Trust Property is not subject to tax or that any tax thereon is minimized.

- 13.3 The Trustees, after seeking advice on the tax implications of doing so, may pay part of the Income to the Council, provided that the Council immediately lends that money back to the Michipicoten First Nation Community Trust, either with or without interest as the Council and Trustees may decide, and on such security as the Council may decide. Such loans shall be repaid by the Michipicoten First Nation Community Trust to the First Nation within two years of the date of the loan.
- 13.4 The Trustees may at the expense of the Michipicoten First Nation Community Trust incorporate and organize a corporation or corporations under the law of any jurisdiction in Canada or elsewhere for the purpose of investing the whole or any part of the Trust Property in shares or other securities of such corporation or corporations, as they may in their absolute discretion deem to be in the best interest of the Trust Property and the First Nation
- 13.5 In the event that the Trustees pay Income directly to Council in accordance with the provisions of this Trust Agreement (otherwise than as a distribution of Income to the beneficiary of the Michipicoten First Nation Community Trust), the Trustees shall impose as a condition of such payment that Council agree, in advance of payment, to use the money in the same manner and for the same purposes as is provided in Article 11 herein and that any proposals for distribution of such moneys shall be approved by the Trustees or the Voters, respectively, in the same manner as required in paragraph 11.3 hereof.

14. TERM OF THE TRUST

- 14.1 Unless terminated sooner in accordance with the provisions hereof, the trust created by this Trust Agreement shall terminate TWENTY (20) years after the death of the last surviving Member who is alive at the date this Trust Agreement takes effect.
- 14.2 When the Michipicoten First Nation Community Trust is terminated the Trust Property shall be transferred to the First Nation.
- 14.3 The Michipicoten First Nation Community Trust shall be terminated if all the Trust Property has been expended or transferred to the First Nation.
- 14.4 Within three months after the termination of the Trust, the Trustees shall prepare a final report of the Trust's activities, purchases and financial dealings. The final report shall be sent to all Members and presented to the Council. The Council shall also be provided with all appropriate supporting records, account books and other documents of the Trust.



15. **REVOKING THE TRUST**

- 15.1 The First Nation shall not revoke or amend this Michipicoten First Nation Community Trust except as provided in this Trust Agreement.

16. **CHANGING THE TERMS OF THE TRUST**

- 16.1 Changes or amendments to the terms of this Trust Agreement shall be effective only if approved by a vote of Members conducted in accordance with the *Indian Referendum Regulations*; such approval only to be valid if NINETY PER CENT (90%) of Voters vote in the referendum and if SEVENTY-FIVE PERCENT (75%) of those Voters voting in the referendum vote in favour of the changes or amendments.

17. **GENERAL**

- 17.1 All Income shall be recorded in the Revenue Account before any of it can be spent by the Trustees pursuant to this Trust Agreement.
- 17.2 The Trustees shall enter into such written agreements as they may deem proper with any persons engaged by them pursuant to the provisions of this Agreement, in order to ensure the proper management of the Trust Property.

18. **INTERPRETATION**

- 18.1 The headings in this Trust Agreement are inserted only for convenience and shall not control or affect the meaning or interpretation of any part of this Trust Agreement.
- 18.2 This Trust Agreement shall be construed under and regulated by the applicable laws of Canada and the Province of Ontario.
- 18.3 At all times the principal place of administration and residency of the Trust created by this Trust Agreement shall be the Gros Cap Indian Reserve #49.
- 18.4 All references in this Agreement to statutes of Canada or Ontario shall include, unless a contrary intention is expressed, any such statute as the same may be amended, re-enacted, or replaced from time to time and, in respect of any defined term derived from such statute, includes any subsequent definition contained in any statute enacted in substitution therefor, or in modification thereof.

19. NOTICE

19.1 Whenever in this Trust Agreement it is required that notice be given to any party, such notice shall be given in writing by delivering it personally, sending it by registered mail or via Facsimile:

- (a) To each Trustee at the address and fax number recorded in the records of the Trust.
- (b) To Michipicoten First Nation Council at:
Box 1, Site 8, R.R. #1
Wawa, Ontario
POS 1K0
Facsimile (705) 856-1642

In Witness Whereof the Council and the Trustees have executed this Trust Agreement at Michipicoten First Nation on the 13th day of December, 2003.



Chief



Councillor



Councillor



Councillor



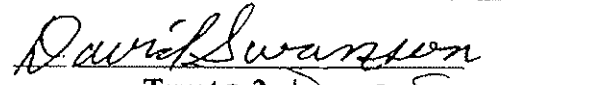
Councillor



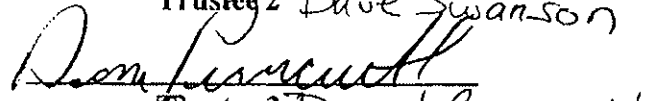
Councillor



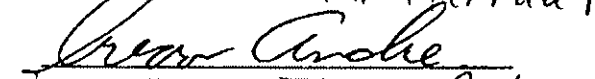
Trustee 1 Sam Stone



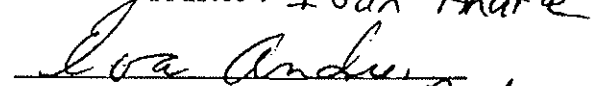
Trustee 2 Dave Swanson



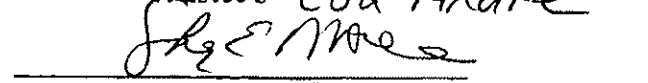
Trustee 3 Daniel Ferrau H




Trustee 4 Ivan Andre



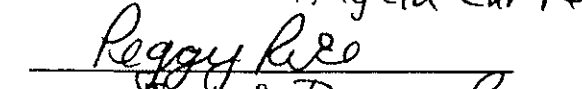
Trustee 5 Eva Andre



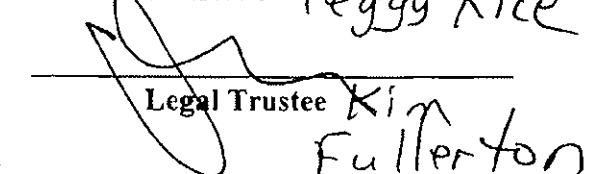
Trustee 6 Sherry Moreau



Trustee 7 Angela Carter



Trustee 8 Peggy Rice



Legal Trustee Kim Fullerton

SCHEDULE "A"

Sample Trust Property Direction

To: (Name of Financial Institution)

Provided that attached to this Trust Property Direction is Trustees' certificate dated not more than 45 days prior to the date hereof. You are authorized and directed to:

Pay by way of bank draft, cash, certified cheque, money order or other similar negotiable instrument drawn on the _____ Account;

to the following payee(s):

the sum of \$ _____.

Dated at _____ this _____ day of _____, 2004.

Trustees of the Michipicoten First Nation Community Trust

Witness

Trustee

Witness

Trustee

Witness

Trustee

Witness

Trustee

Witness

Trustee

Witness

Trustee

SCHEDULE "B"

Sample of Trustees' Certificate

TRUSTEES' CERTIFICATE

This certificate shall be conclusive for any person(s) or corporation(s) dealing with the Trustees of the Michipicoten First Nation Community Trust that the Trustees named in this Certificate and the signatures thereto:

- (a) are the current Trustees of the Michipicoten First Nation Community Trust, and
- (b) are authorized to deal with any third party,

PROVIDED THAT such certificate is dated not more than 45 days prior to the date upon which such certificate is to be relied on by any person, corporation or otherwise.

DATED at _____ this _____ day of _____, 2004.

_____ Witness	_____ Trustee
_____ Witness	_____ Trustee
_____ Witness	_____ Trustee
_____ Witness	_____ Trustee
_____ Witness	_____ Trustee
_____ Witness	_____ Trustee
_____ Witness	_____ Trustee
_____ Witness	_____ Trustee
_____ Witness	_____ Trustee

I certify that the above-named Trustees are the Trustees of the Michipicoten First Nation Community Trust.

Chief Councillor,
Michipicoten First Nation

