

Revised Nov 21, 2012

**CHIPPEWAS OF GEORGINA ISLAND FIRST NATION
COLDWATER NARROWS
TRUST**

THIS TRUST AGREEMENT
is dated for reference
the 21st day of November, 2012

BETWEEN:

CHIPPEWAS OF GEORGINA ISLAND FIRST NATION
represented by its Council
(referred to as "CGIFN")

- and -

THE TRUSTEE
a Corporate Trustee registered in the
Province of Ontario

WHEREAS:

- A. CGIFN and Canada have entered into the CGIFN Coldwater Narrows Settlement Agreement (referred to as the "Settlement Agreement") dated for reference February 10, 2012 in which CGIFN has pursuant to Article 2.4 (a) ii irrevocably authorized and directed Canada to make payments owing to CGIFN to the Trust Account established pursuant to this Trust agreement;
- B. The Settlement Agreement provides that CGIFN intends to use or invest the Compensation for the long-term benefit of the First Nation and will take such actions as it deems necessary or advisable, with financial, legal or other professional advice, to give effect to that intent;
- C. CGIFN and the Trustee acknowledge and agree that the funds to be paid by Canada to the Trust are intended to benefit CGIFN as beneficiary of the Trust and to be administered by the Trustee subject to the terms and conditions set out in this Trust agreement;
- D. CGIFN and the Trustee acknowledge that CGIFN, acting through its Council, is the beneficiary of the Trust, with all of the rights and powers to compel enforcement of the Trustee's duties hereunder normally vested in a beneficiary;
- E. CGIFN and the Trustee further acknowledge that the purposes of the Trust are to facilitate the attainment of specific objects and purposes of CGIFN as more particularly set forth in this Trust agreement; and
- F. By Ratification Vote held on April 14, 2012, the Electors of CGIFN have approved this Trust agreement and have authorized and directed the Council to sign and implement this Trust agreement and all related documentation.

THEREFORE CGIFN AND THE TRUSTEE AGREE AS FOLLOWS:

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1. **DEFINITIONS**

Terms not otherwise defined in this Trust agreement, shall have the same meaning as defined in the Settlement Agreement or the *Indian Act*, R.S.C. 1985, c-15;

“Annual Distribution Policy” means the policy listed in Schedule “C” in accordance with this Trust agreement, as amended from time to time;

"Annual Income” from the Trust Property in the Trust Account means the greater of:

- a) all of the income for Canadian Federal income tax purposes derived from the Trust Property held in or purchased by funds from the Trust Account and held as Trust Property in a Fiscal year determined without reference to the provisions of subsection 104(6) of the *Income Tax Act* (Canada), which amount shall, in accordance with the provisions of this Trust agreement, become payable irrevocably to CGIFN as at December 31st in each Fiscal Year; or
- b) provided further that, notwithstanding the foregoing, the net payment by the Trustee to CGIFN in each Fiscal Year shall be, at a minimum, an amount equivalent to 4% of the closing market value of the Authorized Investments during the immediately preceding Fiscal Year (the “Minimum Payment”) to be paid out of the capital of the Trust Property to the extent there is insufficient Annual Income available to pay same.

The actual payment of the Annual Income shall first include all of the income for Canadian Federal income tax purposes derived from the Trust Property held in the Trust Account in a Fiscal Year determined without reference to the provisions of subsection 104(6) of the *Income Tax Act* (Canada) and shall be due and payable irrevocably to CGIFN as at December 31st of each Fiscal Year. The net payment shall also be after deduction of all Authorized Expenses;

“Authorized Expenses” means the expenses reasonably incurred by the Trustee in each Fiscal Year in carrying out the terms of the Trust agreement, including payment of administrative, accounting, legal, investment and other costs which are to be paid by CGIFN and which the Council by Council Resolution, shall direct the Trustee to pay on behalf of CGIFN from Trust Property. This shall include payment of any costs of the Council, its members, or CGIFN administration which have been incurred in performing any of their obligations in relation to the establishment and operation of the Trust. Authorized Expenses shall be deducted from the Annual Income each year;

"Authorized Investment" means an investment purchased with funds from the Trust Accounts as selected by the Trustee or the Investment Manager from those investments listed in Schedule “A” or in accordance with the Investment Policy, as amended from time to time;

“CAD” means Canadian dollars;

“Chippewas of Georgina Island First Nation” means the Chippewas of Georgina Island Band of Indians and is shortened to CGIFN in this agreement from time to time;

“CGIFN Referendum Voting Guidelines” means the guidelines adopted by Council that detail the procedures to be followed with respect to any vote regarding this Trust agreement whereby at least 25% of Electors vote in favour of any proposal, amendment or termination;

“Compensation” means the monies deposited to the Trust Account as per Article 5 of this Trust agreement pursuant to Article 2.4 (a) ii of the Settlement Agreement in the amount of eighty eight million, eight hundred seventy nine thousand, two hundred and seventy two dollars and sixty cents (\$88,879,272.60 CAD);

“Council” means the duly elected Chief and Council of CGIFN;

“Council Resolution” means a resolution of the Council approved by and signed by a Quorum of the Council present at a duly convened meeting of the Council;

“Effective Date” means the date on which this Trust agreement has been executed by both parties;

“Financial Advisor” means a firm or individual with at least twenty years of experience in the financial business with sophisticated knowledge regarding investing who will provide independent advice to Council on the development of the Investment Policy, selection of Trustees and selection of Investment Managers; the Financial Advisor, and all related companies, shall undertake in writing to not sell investment products to this Trust, nor to provide investment services to either the Trustee or the Investment Manager, such undertaking to be updated annually and upon any material change in individual or corporate relationships of the Financial Advisor;

“Fiscal Year” means the calendar year;

“Funeral Policy” means the policy listed in Schedule “B” in accordance with this Trust agreement, as amended from time to time;

“Investment Manager” means a firm who has obtained registration in the category of advisor with the Ontario Securities Commission as Investment Counsellor & Portfolio Manager, or as the term is amended from time to time, and whose revenue is derived solely or primarily from the discretionary management of investment portfolios;

“Investment Management Agreement” means an agreement between the Trustee and an Investment Manager which has been approved by Council, by which the investment management responsibility for some or all of the funds in the Trust Account is vested with the Investment Manager, not the Trustee, and to be undertaken pursuant to the terms of this Trust agreement and the Investment Management Agreement;

“Investment Policy” means the policy approved by the Council from time to time, following the receipt of advice from the Financial Advisor, which sets out the policy, objectives, and framework for investment of funds in the Trust in Authorized Investments by the Investment Manager pursuant to the terms of this Trust agreement;

“Land Purchase Account” means an account established by CGIFN to receive the payments from the Trustees pursuant to this Trust agreement to purchase land and which is governed by the financial policies or by-laws of CGIFN in place from time to time;

“Management Fee Agreement” means an agreement approved by Council, by Council Resolution, directing the Trustee to pay Authorized Expenses, including the Trustee’s fees, as and when incurred, from income in the Trust Account and then, to the extent the income is insufficient, from capital;

“Member” means a person whose name appears on the CGIFN membership list from time to time as maintained by CGIFN pursuant to Section 10 of the *Indian Act*;

“Minimum Payment” means an amount equivalent to 4% of the closing market value of the Authorized Investments as at December 31st in a Fiscal Year (the “Minimum Payment”) to be paid out of the capital of the Trust Property to the extent there is insufficient Annual Income available to pay same;

“Party” means CGIFN or the Trustee;

“Per Capita Distribution” means the onetime payment made by Council to Qualifying Members pursuant this Trust agreement equal to the PCDA plus any adjustment required by Section 6.5 or Section 6.6, and is shortened to **“PCD”** in this Trust Agreement;

“Per Capita Distribution Account” means an account established by CGIFN for the purposes of receiving funds from the Trust to effect the Per Capita Distribution to Qualifying Members;

“Per Capita Distribution Amount” means the dollar amount equal to twenty five per cent (25%) of the Compensation divided equally by the number of all Members who are, or are entitled to become, Qualifying Members and is shortened to **“PCDA”** in this Trust Agreement;

“Prime Business Rate” means the rate of interest the Canadian chartered banks lend money to their best customers from time to time.

“Qualifying Member” means a Member that was both alive on the day of the Vote and was either a Member on the day of the Vote or became a Member within six months of the day of the Vote, and who has reached the age of twenty one;

“Quorum of the Council” means at least three (3) members of the Council or the number of Councillors constituting a quorum as set out in the *Indian Act* or in the future in any Custom Election Regulations adopted by CGIFN, from time to time;

“Revenue Account” means an account established by CGIFN to receive the payments from the Trustee pursuant to this Trust agreement and which is governed by the financial policies or by-laws of CGIFN in place from time to time;

“Settlement Agreement” means the CGIFN Coldwater Narrows Settlement Agreement, dated for reference February 10, 2012, between CGIFN and Her Majesty the Queen in Right of Canada ratified by the Vote held on the April 14, 2012;

“Substantive Amendment” means an amendment to this Trust agreement that substantially alters the entitlements or obligations of the parties hereto, including the beneficial interest of CGIFN or the purposes of the Trust, including the amounts of Per Capita Distributions to Qualifying Members;

“Trust” means the CGIFN First Nation Coldwater Narrows Claim Trust established by this Trust agreement;

“Trust Account” means the Trust Account opened by the Trustee pursuant to this Trust agreement which will be an interest bearing account whose operation is subject to the terms of this Trust agreement, the Trust Account may be established at a financial institution affiliated with the Trustee and neither the Trustee nor the affiliate shall be accountable for any profit;

“Trustee” means a trust company duly incorporated, and licenced to carry on business of a Trustee in Ontario and which is a member institution of the Canada Deposit Insurance Corporation which has a duty to insure deposits in the Accounts pursuant to the *Canada Deposit Insurance Corporation Act*, R.S.C. 1985, a. C-3, 5.1 and has experience acting as a trustee where the trust property comprises a portfolio of marketable securities as provided for in Schedule “A”;

“Trust Property” means all property which CGIFN or any other person or entity may pay, donate, sell or otherwise transfer, cause to be transferred to, vest or cause to be vested in the Trust and includes any substituted or additional property, together with all accretions thereto and all income derived therefrom, but excluding all amounts which have been paid or disbursed therefrom (whether out of capital or income) in the normal course of the administration of or pursuant to the provisions of this Trust agreement. For greater clarity, it does not include funds once paid out of the Trust, as directed to by CGIFN, pursuant to the provisions of this Trust agreement;

“Vote” means the ratification vote held on April 14, 2012, ratifying the Settlement Agreement and this Trust agreement; and

"Voter" means a Member of CGIFN and who is eighteen (18) years of age or older on the date of any given vote.

2. SCHEDULES

2.1 The following schedules are attached to and form part of this Trust agreement:

Schedule “A”: Authorized Investments

Schedule “B”: Funeral Policy

Schedule “C”: Annual Distribution Policy

3. CGIFN COLDWATER NARROWS TRUST

3.1 The settlor and beneficiary of this Trust agreement is CGIFN and its Members on a collective and undivided basis, situate on its reserve. The primary purpose of this Trust is to promote the long-term benefit of CGIFN and its Members.

3.2 The Trustee shall hold and invest the Trust Property for the benefit of the beneficiary, CGIFN, upon and subject to the use, transfer or release of the Trust Property as directed or authorized by this Trust Agreement.

3.3 Subject to the terms of this Trust Agreement, all beneficial right, title and interest in and to the Trust Property shall vest in the beneficiary, CGIFN.

3.4 By Council Resolution, CGIFN appoints the Trustee to hold the Trust Property in trust for the benefit of CGIFN as beneficiary, upon and subject to the trusts set out in this Trust agreement.

3.5 CGIFN acknowledges that Trust Property received by it as beneficiary of the Trust is to be applied by it, or as directed by it, for the specific purposes identified in this Trust agreement.

3.6 CGIFN may, from time to time, add other funds to this Trust which will then be governed by the terms of this Trust agreement.

4. TRUST ACCOUNT

- 4.1 The Trustee will open one (1) trust account: the Trust Account.
- 4.2 The Trust Account will be an interest bearing account whose operation is subject to the terms of this Trust agreement.

5. INITIAL PAYMENTS TO THE TRUST ACCOUNT

- 5.1 As directed by CGIFN, pursuant to Article 2.4 (a) ii of the Settlement Agreement, the Compensation shall be paid by Canada to the Trust Account as agent for CGIFN in its capacity as settler of this Trust.

6. PER CAPITA DISTRIBUTION ACCOUNT

- 6.1 One of the purposes of the Trust is to enable CGIFN to effect a Per Capita Distribution (PCD) to all Qualifying Members. CGIFN shall provide to the Trustee by Council Resolution the exact dollar amount of the Per Capita Distribution Amount (PCDA).
- 6.2 The funds transferred to the Per Capita Distribution Account are to be used by CGIFN to make per capita distributions. In the first year of operation of the Trust, upon receipt of a Council Resolution requesting an amount sufficient to make the PCD to all Members who were Qualifying Members on the day of the Vote and to all Members who will become Qualifying Members in the first Fiscal Year of operation of the Trust, the Trustees shall transfer such amount from the Trust Account, as a distribution of capital from the Trust Account to CGIFN as beneficiary, to the Per Capita Distribution Account established by the Council in order for CGIFN to make such Per Capita Distributions.
- 6.3 Subject to Section 6.7, no Member shall receive a Per Capita Distribution unless and until they are, or become, a Qualifying Member.

- 6.4 All Per Capita Distributions in the first Fiscal Year of operation of the Trust shall be the PCDA, regardless of whether the Member was a Qualifying Member on the day of the Vote, or if the Member subsequently became a Qualifying Member in the first Fiscal Year of operation of the Trust.
- 6.5 By January 15th of the second Fiscal Year of the operation of the Trust, the Trustee shall transfer to the Per Capita Distribution Account from the capital of the Trust an amount so that CGIFN may make Per Capita Distribution payments to all Members who will become Qualifying Members in the second Fiscal Year of operation of the Trust. The Per Capita Distribution payments shall be the PCDA adjusted at Prime Business Rate (as of December 31st of the previous Fiscal Year), or such similar rate as the Trustees consider reasonable, plus one per cent, calculated from the date of the first payment by Canada to December 31st of the second Fiscal Year of the operation of the Trust.
- 6.6 The same procedure set out in Section 6.5 shall be followed each Fiscal Year of the operation of the Trust, with amounts payable adjusted accordingly, until all Members who become Qualifying Members have received their Per Capita Distribution. For example: By January 15th of the twelfth Fiscal Year of the operation of the Trust, the Trustee shall transfer to the Per Capita Distribution Account from the capital of the Trust an amount so that CGIFN may make Per Capita Distribution payments to all Members who become Qualifying Members in the twelfth Fiscal Year of operation of the Trust. Their Per Capita Distribution payments shall be the PCDA adjusted at the rate of Bank of Canada prime rate (as of December 31st of the previous Fiscal Year) plus one per cent, calculated from the date of the first payment by Canada to December 31st of the twelfth Fiscal Year of the operation of the Trust.
- 6.7 Notwithstanding Section 6.3, if a Member, who otherwise would have become a Qualifying Member on their twenty first birthday, dies prior to their twenty first birthday, then the Trustees shall transfer to the Per Capita Distribution Account, within thirty days

of being notified by CGIFN, an amount equivalent to the amount that is payable to Members who become Qualifying Members that Fiscal Year. CGIFN will then pay that amount to the estate of the deceased Member.

- 6.8 For greater clarity, the Per Capita Distribution Account is not a trust account and the funds deposited therein are not Trust Property.
- 6.9 The Trustee shall have no responsibility or liability in relation to any payments made by Council from the Per Capita Distribution Account.
- 6.10 For greater clarity, amounts payable to CGIFN for distribution to Members that have not yet become Qualifying Members does not constitute a separate trust and does not have to be accounted for separately.
- 6.11 For greater clarity, all payments by the Trustees to the Per Capita Distribution Account are to be made from capital.
- 6.12 For greater clarity, the amount of the Per Capita Distribution does not increase after the time that it becomes payable, regardless of when the Member comes forward to receive it. For example, if a Member is not paid their Per Capita Distribution until 10 years following the year in which they became a Qualifying Member, the amount payable remains the same as it was in the year it became payable.
- 6.13 If a Member fails to come forward and collect their Per Capita Distribution for a period exceeding 10 years following the year in which they became a Qualifying Member, then the amount of that Member's PCD shall be returned by CGIFN to the Trust Property and that Member forever forfeits their right to the PCD.

7. USE OF CAPITAL

- 7.1 The funds retained in the Trust Account shall only be used by the Trustee for the following purposes of this Trust as directed by CGIFN as beneficiary from time to time:
- a) To pay funds to the Per Capita Distribution Account pursuant to Article 6;
 - b) To pay emergency funds to CGIFN pursuant to Article 8;
 - c) To pay funds to the Revenue Account pursuant to Article 9;
 - d) To pay funds to the Land Purchase Account pursuant to Article 10;
 - e) To purchase Authorized Investments pursuant to Article 11; and
 - f) To pay the Authorized Expenses as approved by the Council pursuant to Article 12.
- 7.2 Under no circumstances may the Trust Property be used for the purpose of securing a loan or a loan guarantee.
- 7.3 For purposes of greater clarity, Section 7.2 specifically includes CGIFN, any corporations or businesses controlled by CGIFN, Members and any and all businesses owned or operated by Members.
- 7.4 Regardless of any other Section in this Trust agreement, and in accordance with Section 13.13, under no circumstances shall Council request, nor the Trustee pay, any amount that would reduce the capital in the Trust to the point where there would remain insufficient capital to fund the outstanding Per Capita Distributions for Members who are not yet Qualifying Members.

8 **EMERGENCY FUNDS FROM CAPITAL**

- 8.1 The Trustee shall transfer to CGIFN an amount totalling up to ten per cent (10%) of the Trust Property, calculated at December 31st of the preceding Fiscal Year, to be used by Council to address emergency situations when directed to do so by Council Resolution.
- 8.2 Prior to making such a request Council shall conduct at least two meetings with Members in order to consult with Members regarding how any funds received from the Trust pursuant to Section 8.1 would be spent in the upcoming fiscal year of CGIFN. These meetings are to be open to all Members, held on reserve and held on reasonable notice.
- 8.3 CGIFN shall not request, and the Trustee shall not transfer, an additional amount pursuant to this Section 8 unless and until the full amount previously transferred pursuant to Section 8.1 has been repaid by CGIFN to the Trust Property.

9. **REVENUE ACCOUNT**

- 9.1 CGIFN shall open the Revenue Account.
- 9.2 The Annual Income from the Trust Account as determined by the Trustee shall be due and irrevocably payable in its entirety to, or as directed by, CGIFN in accordance with the terms of this Trust agreement as at December 31st of each Fiscal Year.
- 9.3 The Trustee shall transfer the amount of the Annual Income, after deduction of all Authorized Expenses, to the Revenue Account within sixty (60) days of the end of the fiscal year having confirmed the location and account number of the Revenue Account.
- 9.4 Funds once paid by the Trustee into the Revenue Account are no longer Trust Property.

- 9.5 The expenditure of funds in the Revenue Account shall be governed by the Financial Policies and By-Laws of CGIFN in place from time to time. The funds in the Revenue Account shall first be used to fund the Funeral Policy, attached as Schedule “B” then to fund the Annual Distribution Policy, attached as Schedule “C”. Any remaining funds in the Revenue Account in any given year shall be spent in accordance with guidelines established from time to time by Council whereby the funds will be spent on researching, submitting and negotiating further land claims, education, health, housing, culture, economic and community development, the environment and all reasonable administration costs associated with this Trust.
- 9.6 Council shall conduct at least two meetings with Members in the first four months of every Fiscal Year in order to consult with Members regarding how the funds received from the Trust pursuant to Sections 8 and 9 shall be spent in the upcoming fiscal year of CGIFN. These meetings are to be open to all Members, held on reserve and held on reasonable notice.
- 9.7 Council shall conduct at least two meetings with Members each Fiscal Year to provide Members with a full accounting of how the funds received from the Trust pursuant to Sections 8 and 9 were spent in the preceding fiscal year of CGIFN and to inform Members of the Funeral Policy and projects and policies funded pursuant to Section 9.5.
- 9.8 In any given Fiscal Year, one of the meetings required by Section 9.7 may be conjoined with one of the meetings required by Section 9.6 at the discretion of Council.

10. THE LAND PURCHASE ACCOUNT

- 10.1 CGIFN shall open the Land Purchase Account.
- 10.2 CGIFN shall not request a transfer to the Land Purchase Account, and the Trustees shall not transfer any funds to the Land Purchase Account, until at least one year following the date that Canada deposits the Compensation to the Trust Account.
- 10.3 The expenditure of funds in the Land Purchase Account shall be governed by the Financial Policies and By-Laws of CGIFN in place from time to time whereby the funds will be spent on purchasing land to add to reserve.
- 10.4 The Trustee shall transfer funds to the Land Purchase Account within sixty (60) days of the receipt of a Council Resolution requesting such transfer, first having confirmed the location and account number of the Land Purchase Account. Funds once paid by the Trustee into the Revenue Account are no longer Trust Property.
- 10.5 In any given Fiscal Year CGIFN shall not request transfers to the Land Purchase Account that exceeds the equivalent of 20% of the closing market value of the Authorized Investments for the preceding Fiscal Year, calculated at December 31st, and in any given Fiscal Year the Trustees shall not transfer funds to the Land Purchase Account any funds that exceed the equivalent of 20% of the closing market value of the Authorized Investments for the preceding Fiscal Year, calculated at December 31st.
- 10.6 Council shall conduct at least two meetings with Members in every Fiscal Year in order to consult with Members regarding how the funds received from the Trust and deposited into the Land Purchase Account shall be spent in the upcoming fiscal year of CGIFN. These meetings are to be open to all Members, held on reserve and held on reasonable notice.

- 10.7 Council shall conduct at least two meetings with Members each Fiscal Year to provide Members with a full accounting of how the funds received from the Trust and deposited into the Land Purchase Account (if any) were spent in the preceding fiscal year of CGIFN and to inform Members of the progress of land acquisition and additions to reserves.
- 10.8 In any given Fiscal Year, the meetings required by this Article 10 may be conjoined the meetings required by Article 9 at the discretion of Council.

11. AUTHORIZED INVESTMENTS & INVESTMENT MANAGERS

- 11.1 Upon receipt of a Council Resolution so directing, the Trustee shall hire one or more Investment Managers selected and approved by the Council.
- 11.2 The Trustee is authorized and empowered to delegate the ability to make decisions on the types and timing of the purchase and sale of Authorized Investments to the Investment Manager, provided the Investment Policy has been developed and the Investment Manager(s) enter into a Investment Management Agreement with the Trustee which are consistent with the Investment Policy and this Trust agreement.
- 11.3 With the assistance of a Financial Advisor, and with input from the Trustee, Council shall develop an Investment Policy that is consistent with this Trust agreement. Until the Investment Policy has been developed, the Trustee shall be permitted to purchase only those Authorized Investments listed in Part I of Schedule "A". Council may amend the Investment Policy from time to time with the assistance of a Financial Advisor and with input from the Trustee and with input from the Investment Manager.
- 11.4 The Trustee shall review the terms of the Investment Management Agreement and Investment Policy and advise the Council and the Investment Manager of any conflict between the Investment Management Agreement and the Trust agreement.

- 11.5 The Trustee shall obtain from the Investment Manager a quarterly report documenting the list of investments and the rate of return and confirming that the investments acquired with funds from each of the Trust Accounts comply with Schedule “A” or the Investment Policy and forward same to the Council.
- 11.6 The Trustee shall satisfy itself that the investment of funds from the Trust Account by the Investment Manager complies with Schedule “A” or the Investment Policy and notify the Council and Investment Manager of any non-compliance.
- 11.7 The Trustee, or any agent hired by the Trustee upon approval of Council, will hold Authorized Investments in accordance with industry standards.
- 11.8 Upon receipt of the Investment Manager’s instructions with respect to Authorized Investments that have matured or that should be sold in order to optimize the Annual Income from the Trust Accounts, the Trustee shall reinvest all or any portion of the funds obtained from such Authorized Investments. All funds that are not reinvested shall be deposited into the Trust Account.
- 11.9 Upon receipt of a Council Resolution so directing, the Trustee shall cause to have evaluated the performance of the Investment Manager against industry standards for portfolios with similar policies, objectives and investment guidelines and advise the Council of the results. Such evaluation is to be conducted by an independent Financial Advisor. If the Council does not issue a Council Resolution requiring the annual evaluation the Trustee shall ensure that such evaluation is conducted at least once every four years.

12. AUTHORIZED EXPENSES

- 12.1 The Trustee shall submit a financial statement and explanation of Authorized Expenses to the Council on a quarterly basis.
- 12.2 By Council Resolution CGIFN shall direct the Trustee to pay Authorized Expenses on behalf of CGIFN from the Trust Property in the Trust Account on a timely basis.
- 12.3 The Council may, by Council Resolution, also direct the Trustee to pay Authorized Expenses, as and when incurred, from funds in the Trust Account pursuant to a Management Fee Agreement with the Trustee.

13. POWERS AND DUTIES OF THE TRUSTEE

- 13.1 Without in any way limiting or derogating from the powers, authorities, discretions and immunities available to the Trustee, whether under any statute or at law or otherwise, the Trustee hereunder shall have and be vested with the powers, authorities, discretions, and immunities set forth in this Trust agreement. The Trustee shall have all of the powers and capacities that a natural person would have in the investment, management, supervision and administration of their own properties except as expressly limited by the terms of this Trust agreement.
- 13.2 The Trustee acknowledges the reliance of CGIFN on the Trustee in ensuring that no funds will be withdrawn, invested, transferred, loaned or expended from the Trust without the requirements and obligations set out in this Trust agreement having first been met by the Council and the Trustee.
- 13.3 As per Section 7.2 the Trustee shall not mortgage, pledge, assign, encumber or grant any security interest of any kind whatsoever against the Trust Property.

- 13.4 As the expenditure or transfer of funds in the Trust Account is subject to the signing and delivery to the Trustee of Council Resolutions, certificates, agreements, or documents required by this Trust agreement or as the Trustee may reasonably request, the Trustee shall take reasonable measures to confirm the validity of any Council Resolution, notice or other document required to be delivered to it under this Trust agreement. It will be sufficient if the Council Resolution, notice or other document is in a correct form and signed by the person or Party required to execute it. Council has the obligation to inform the Trustee when any changes in signing authorities occur and the Trustee is indemnified if acting on the latest certificate of signing authorities on file.
- 13.5 The Trustee shall maintain adequate records of all transactions affecting the Trust Property.
- 13.6 In the event the Trustee must exercise any discretion on any unusual administrative or procedural matters not included in this Trust agreement or set out in these directions, it shall advise the Council and obtain directions by Council Resolution.
- 13.7 Within ninety (90) days following the end of each Fiscal Year, the Trustee shall prepare, or cause to have prepared, and submit to Council, an annual report and audited financial statement for the purposes of informing the Council about the status and expenditures from the Trust Account and that the operation of the Trust was in compliance with the Trust agreement. The Trustee shall annually certify that all expenditures are properly documented and authorized in compliance with the requirements of this Trust agreement.
- 13.8 Any Member shall be entitled to receive from Council a copy of the Trustee's annual report and audited financial statements upon written request.
- 13.9 At the request of Council, the Trustee will participate in Member meetings as may be called by Council to review and explain the Trustee's Annual Report and audited financial statements.

13.10 The Trustee shall immediately notify the Council of any breaches of which it, is or ought to, be aware of this Trust agreement by the Trustee or by Council.

13.11 The Trustee shall prepare for and cause a passing of accounts every four years and upon termination of the Trustee. For greater clarity, a new four year period begins for this purpose whenever there is a passing of accounts as a result of the replacement of a corporate trustee.

13.12 In addition to all other powers conferred upon it by the other provisions of this Trust agreement, or by any statute or general rule of law, the Trustee, without the interposition of any person entitled hereunder and without application to or approval by any Court, shall have and is hereby given the power and authority in its 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 counsellors, realtors, appraisers, and other independent advisors or organizations qualified in the field for which their advice and opinions are sought, to assist the Trustee in carrying out its responsibilities and duties under this Trust agreement, but the Trustee 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) Institute, prosecute, settle and defend any lawsuits or other proceedings affecting them as Trustee, or the Trust Property or any part of it, and make application to any Court of competent jurisdiction in respect of this Trust agreement;

- c) Pay reasonable salaries, wages, fees and costs for the services of the persons or organizations referred to in subparagraph (a) above; and
- d) 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 it may in its absolute discretion deem to be in the best interest of the Trust Property and CGIFN.

13.13 The Trustee has the duty to ensure that sufficient capital remain in the Trust to fund the outstanding Per Capita Distributions for Members who are not yet Qualifying Members until such time as all Per Capita Distribution Amounts have been transferred to CGIFN for payment.

14. LIABILITY OF THE TRUSTEE

- 14.1 The Trustees shall have no obligation or liability for the selection, actions or performance of the Investment Manager. Specifically, the Trustee shall have no responsibility or liability for losses to the Trust arising from the specific investment of Trust Property in Authorized Investments as directed by Investment Manager other than to ensure such investments comply with Schedule “A” or the Investment Policy.
- 14.2 The Trustee shall have no obligation or liability in relation to the operation and expenditures from the Per Capita Distribution Account, the Revenue Account, the Land Purchase Account, or other funds, once they are transferred out of the Trust to CGIFN.
- 14.3 The Trustee shall not be liable for losses and damages to the Trust or to CGIFN unless the Trustee has:

- a) Acted with a fraudulent intent or with negligence resulting in actual loss of the Trust Property or loss or damage to CGIFN; or
- b) Breached the Trust agreement resulting in the actual loss of the Trust Property or loss or damage to CGIFN.

14.4 CGIFN may enter into an indemnity agreement with the Trustee.

15. REMOVAL OF THE TRUSTEE

- 15.1 The Trustee may cease to act under this Trust agreement by serving ninety (90) days written notice to the Council or upon such earlier date as may be agreed between the Council and Trustee. No such resignation shall be effective until a new Trustee has been appointed by the Council. If no new Trustee has been appointed following the notice period then the Trustee may approach the courts for direction to approve the resignation.
- 15.2 Within sixty (60) days of receiving the Trustee's notice of resignation the Council shall appoint a new Trustee and will provide written directions to the resigning Trustee instructing them to transfer the Trust Property to the replacement Trustee.
- 15.3 The Council may remove the Trustee by providing fourteen (14) days notice to the Trustee.
- 15.4 Prior to serving notice of termination on the Trustee, the Council shall have selected a replacement Trustee.
- 15.5 The resignation or removal of the Trustee does not affect the rights, obligations, liabilities, and responsibilities of the Trustee, or CGIFN, which accrued prior to the effective date of the termination of the Trustee's appointment.
- 15.6 The Trustee shall provide CGIFN with a complete account of its administration of the Trust, in a form satisfactory to CGIFN,

within forty-five (45) days of the date upon which the Trustee ceases to act hereunder.

- 15.7 The Trustee shall prepare the necessary documentation for a court passing of the accounts and deliver same to CGIFN within one hundred and twenty (120) days of the date that they cease to act as Trustee.

16. AMENDMENTS TO THIS TRUST AGREEMENT

- 16.1 Subject to Sections 16.2, 16.5 and 16.6 there shall be no Substantive Amendments to this Trust agreement until receipt of the Compensation from Canada. The following are hereby deemed to be Substantive Amendments:

- 1) the purposes of the Trust; and
- 2) the amounts of per capita distributions.

- 16.2 Notwithstanding Section 16.3, amendments to be made to the Trust agreement as a result of changes in law or defects in this Trust agreement or to improve the administrative efficiency of this Trust agreement, after receipt of a written opinion from legal counsel explaining the legal implications and benefits of the proposed amendments and also stating that the amendments do not substantially alter the entitlements or obligations of the parties hereto, including the beneficial interest of CGIFN, or the purposes of the Trust, shall be initiated by Council and may be approved by Council Resolution, and agreed to by the Trustee in writing.

- 16.3 No Substantive Amendments are effective unless the proposed amendment has been approved by a referendum held pursuant to the CGIFN Referendum Voting Guidelines as amended from time to time.

- 16.4 Prior to the Referendum Date for amending this Trust agreement, the Council shall convene at least two (2) meetings to inform Members about the proposed amendments.

- 16.5 Notwithstanding Section 16.3, amendments to Schedule “A” may be approved by Council Resolution after the Council has first received advice from a Financial Advisor and the Investment Manager in writing stating the reasons, terms and consequences of the amendment.
- 16.6 Notwithstanding Section 16.3, amendments to Schedule “B” and to Schedule “C” may be approved by Council Resolution.
- 16.7 Any Party to this Trust agreement may apply to the Ontario Court of Justice for advice and direction regarding any question relating to the scope and extent of the powers conferred herein.
- 16.8 If technology advances to the point that a referendum could be cost effectively performed over the internet, or in some other fashion, then the amendment of the CGIFN Referendum Regulations to that effect would constitute an administrative amendment.
- 16.9 For greater certainty, under no circumstances is the termination of this Trust to be considered an amendment of this Trust; termination of this Trust is governed by Article 17.

17. DURATION AND TERMINATION OF THE TRUST

- 17.1 This Trust shall not be terminated for a period of twenty (20) years from the Effective Date of this Trust agreement in order to protect the ability to pay the Per Capita Distributions for Members who are not yet Qualifying Members.
- 17.2 Subject to Sections 17.1 and 17.3, the Trust may be terminated upon the following conditions met:
- a) The Council shall prepare a plan indicating how the Trust Property shall be resettled or transferred for the use and benefit of CGIFN;

- b) The plan shall be approved by Members in a referendum held pursuant to the CGIFN Referendum Voting Guidelines; and
- c) Upon receipt of a Council Resolution advising the Trustees of the approval of the plan for use of the Trust Property in accordance with Section 17.2(b), the Trust property shall be transferred by the Trustee pursuant to the provisions of the plan.

17.3 Unless terminated sooner in accordance with Section 17.2, the trust created by this Trust agreement shall terminate thirty (30) years after the Effective Date of this Trust Agreement.

18. NOTICES

18.1 Notices under this Trust agreement are effective if delivered by facsimile and registered mail as follows:

To the Trustee:

To Chief and Council:

**Chippewas of Georgina Island
R.R.#2 Box N-13
Sutton West, Ontario
L0E 1R0**

**Telephone: (705) 437-1337
Facsimile: (705) 437-4597**

cc to legal counsel:

Kim Alexander Fullerton

Barrister & Solicitor Professional Corporation
256 River Side Drive
Oakville, ON
L6K 3M9

Telephone: (905) 849-1700
Facsimile: (905) 849-0411

or such other agent or law firm as designated by CGIFN from time to time.

19. GENERAL

- 19.1 The Trustee confirms that it had received and reviewed the Settlement Agreement and the Trust agreement prior to entering into this Trust agreement.
- 19.2 The terms of this Trust agreement will have priority over any conflicting term in any other agreement in regard to the Trust Property.
- 19.3 This Trust agreement represents the entire agreement among the Parties and there are no other terms, conditions, or agreements respecting the subject matter of this Trust agreement other than as specifically stated.
- 19.4 This Trust agreement will be interpreted and enforced in accordance with the laws of the Province of Ontario.
- 19.5 This Trust agreement enures to the benefit of and is binding on the Parties and their respective successors.
- 19.6 No amendment to the terms and conditions of this Trust agreement will be valid and binding on the Parties unless made in writing and signed by an authorized representative of each of the Parties.

- 19.7 No provision of this Trust agreement will be deemed to be waived unless such waiver is in writing. Any waiver of any default committed by any of the Parties hereto is limited to such default and will not extend to any other default.
- 19.8 This Trust agreement is not assignable without the prior written consent of the other Party.
- 19.9 The division of this Trust agreement into articles, sections, paragraphs, subsections and clauses and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Trust agreement.
- 19.10 Unless otherwise specified, words importing the singular include the plural and vice versa, and words importing gender include all genders.
- 19.11 All accounting terms not otherwise defined herein have the meanings generally assigned to them, and all calculations will be made and all financial data to be submitted will be prepared, in accordance with the generally acceptable accounting principles in effect in Canada, including, without limitation, those approved or recommended from time to time by the Canadian Institute of Chartered Accountants, or any successor institute, applied on a consistent basis.
- 19.12 Unless otherwise indicated, all dollar amounts referred to in this Trust agreement are in lawful money of Canada.
- 19.13 Any reference to a statute is to such statute and to the regulations made pursuant to such statute as such statute and regulations may at any time be amended or modified and in effect, and to any statute or regulations that may be passed that have the effect of supplementing or superseding such statute or regulations.
- 19.14 It is intended that all the provisions of this Trust agreement will be fully binding and effective between the Parties, but in the event that any particular provision or provisions or part of one is found to be void, voidable, or unenforceable for any reason whatever, then the particular provision or provisions will be deemed severed

from the remainder of this Trust agreement and all other provisions will remain in full force.

19.15 No Party will be held responsible for damages caused by delay or failure to perform its obligations under the terms of this Trust agreement when the delay or failure is due to fires, strikes, floods, acts of God, civil insurrection, lawful acts of public authorities, or delays or defaults caused by common carriers, which cannot reasonably be foreseen or provided against.

19.16 Each Party will, at any time and from time to time, upon request by any other Party, execute and deliver such further documents and do such further acts and things as the other Party may reasonably request to evidence, carry out and give full effect to the terms, conditions, intent, and meaning of this Trust agreement.

IN WITNESS WHEREOF the Trustee's authorized officers have executed this Trust agreement this _____ day of _____, 2012, at _____, in Ontario.

Witness

The Trustee

Witness

The Trustee

AND FURTHERMORE IN WITNESS WHEREOF CGIFN as represented by the Chief and Councillors, for themselves and on behalf of the First Nation, have executed this Trust agreement under their respective hands this _____ day of _____, 2012, at _____, in Ontario.

Approved and passed at a duly convened meeting of the Council of CGIFN First Nation this _____ day of _____, 2012.

Witness

Chief

Witness

Councillor

Witness

Councillor

Witness

Councillor

Witness

Councillor

SCHEDULE "A"

AUTHORIZED INVESTMENTS

PART I

1. Debt instruments issued or guaranteed by the Government of Canada, a Province of Canada, or a Municipality of Canada, or mutual or pooled funds investing in these debt instruments, all of which shall have a term not exceeding three years.
2. Debt instruments issued or guaranteed by any of the following chartered bank including bankers' acceptances:

Bank of Montreal;
Royal Bank of Canada;
Canadian Imperial Bank of Commerce;
Toronto-Dominion Bank;
National Bank of Canada; and
Bank of Nova Scotia;

including mutual or pooled funds thereof investing in these debt instruments, all of which shall have a term not exceeding three years.

3. Mortgage backed securities guaranteed by the Government of Canada, an agency of the government of Canada, or one of the above chartered banks, including mutual or pooled funds thereof investing in these securities, all of which shall have a term not exceeding three years.
4. Commercial paper issued by corporations rated R-1 or A-1 by the Dominion Bond Rating Services or Standard and Poors Bond Rating Services including mutual or pooled funds thereof investing in commercial paper, all of which shall have a term not exceeding three years.
5. Corporate Bonds rated A or better by the Dominion Bond Rating Services or Standard and Poors Bond Rating Services including mutual or pooled funds thereof investing in these corporate bonds, all of which shall have a term not exceeding three years.
6. Should the Trustee deem it in the best interests of CGIFN or the Trust to purchase or retain Authorized Investments issued or managed by a financial institution or its affiliates, the purchase or retention of such Authorized Investments shall be authorized notwithstanding any connection between the financial institution or its affiliates and the Corporate Trustee. The Corporate Trustee, its successors and assigns are hereby released, discharged and indemnified, from any liability to which the Corporate Trustee may become subject to as a result of the purchase or retention of such Authorized Investments. It is acknowledged that the Corporate Trustee shall

not be held responsible for any loss resulting from such authorized investments and neither the Corporate Trustee, the financial institution nor the affiliate shall be accountable for any profit. The Trustees are authorized to charge fees as agreed in respect of these authorized investments.

PART II

Upon the development and implementation of an Investment Policy, any investment that complies with the Prudent Investor / Prudent Portfolio Standard but not limited to common or preferred shares and any or all other debt or equity-like instruments, including derivatives, which take into consideration the following factors:

- 1) General economic conditions;
- 2) The possible effect of inflation or deflation on the investment;
- 3) The expected tax consequences of investment decisions or strategies;
- 4) The role that each investment or course of action plays within the overall trust portfolio;
- 5) The expected total return from income and appreciation of capital;
- 6) The needs for liquidity, regularity of income, and preservation or appreciation of capital;
- 7) An asset's special relationship or special value, if any, to the purposes of the trust or to one or more of the beneficiaries; and
- 8) Should the Trustee deem it in the best interests of CGIFN or the Trust to purchase or retain Authorized Investments issued or managed by a financial institution or its affiliates, the purchase or retention of such Authorized Investments shall be authorized notwithstanding any connection between the financial institution or its affiliates and the Corporate Trustee. The Corporate Trustee, its successors and assigns are hereby released, discharged and indemnified, from any liability to which the Corporate Trustee may become subject to as a result of the purchase or retention of such Authorized Investments. It is acknowledged that the Corporate Trustee shall not be held responsible for any loss resulting from such authorized investments and neither the Corporate Trustee, the financial institution nor the affiliate shall be accountable for any profit. The Trustees are authorized to charge fees as agreed in respect of these authorized investments.

SCHEDULE “B”

FUNERAL POLICY

This Funeral Policy has been developed to provide financial relief through a disbursement of ten thousand dollars (\$10,000 CAD) upon the death of a Member. This policy will come into effect retroactively as of the day of the Vote.

Provided there are sufficient funds through contributions from the Trust, this policy will remain in effect annually with the approval of the budget. This program is not funded by any government agency and is fully administered by CGIFN.

The Estate Policy provides for \$10,000 per deceased Member, payable to the deceased Member’s estate. The executor, or estate trustee, named in the will of the deceased Member’s may apply for the funds. If the Member left no will, then anyone appointed by a court of competent jurisdiction to manage the affairs of the deceased Member may apply for the funds. If the Member left no will and no one has been appointed by a court of competent jurisdiction to manage the affairs of the deceased Member, then the surviving spouse or closest next of kin may apply. The application must be made within one year of the death of the Member.

The disbursement will not exceed \$10,000 per deceased member. Funds will not be disbursed without required documentation, authorization and approval of the First Nation. Funds for this Policy are subject to allocations through the annual Operating Budget as approved by Chief and Council.

How to Submit a Claim:

The executor, or estate trustee, named in the will of the deceased Member’s may apply for the funds. If the Member left no will, then anyone appointed by a court of competent jurisdiction to manage the affairs of the deceased Member may apply for the funds. If the Member left no will and no one has been appointed by a court of competent jurisdiction to manage the affairs of the deceased Member, then the surviving spouse or closest next of kin may apply.

1. If the deceased member left a will, a notarized copy of the will shall be provided to CGIFN in support of the application for reimbursement of expenses.
2. An original copy of the proof of death certificate or death certificate is required.

3. A copy of the deceased Member's status card or a letter of confirmation of membership status.
4. Anyone receiving the Estate Policy disbursement will be required to provide appropriate identification, sign a release and sign an indemnity.

Attend in person, or mail the required documents to:

**Funeral Policy
Chippewas of Georgina Island
R.R.#2 Box N-13
Sutton West, Ontario
L0E 1R0**

**Telephone: (705) 437-1337
Facsimile: (705) 437-4597**

SCHEDULE “C”

ANNUAL DISTRIBUTION POLICY

This Annual Distribution Policy was developed to provide financial relief for all Members, no matter where they reside, at Christmas time through an application process. This Policy will come into effect on April 1, 2014, after the Trust has been in operation for at least one year.

Provided there are sufficient funds through contributions from the CGIFN Coldwater Narrows Trust, this policy will remain in effect annually with the approval of the budget. This program is not funded by any government agency and is administered solely by CGIFN for the benefit of its Members.

Any CGIFN Member, regardless of place of residency, is entitled to receive a maximum amount of one thousand dollars (\$1,000 CAD) per year, as a reimbursement the following types of expenditures (although receipts are *NOT* required):

- Necessities of Life
- Medical/Dental/Therapeutic/Orthopedic and Vision care expenses/equipment (not covered under other plans) /Housekeeping/Personal Care
- Property/Building/Maintenance/Rent/Transportation
- Hydro/Heating Oil
- Contractual Services
- Recreational, Traditional and Healthy Lifestyle Memberships and Activities

Any person caring for a CGIFN Member eighteen years of age or younger, regardless of place of residency, may apply for the one thousand dollars (\$1,000 CAD) Annual Distribution Policy payment for the Member eighteen years of age or younger that they are caring for. The Annual Distribution Policy payment will be issued in the name of the child and parents and guardians are encouraged to invest these annual payments for the benefit of the child.

How to Submit a Claim:

In order to process a Annual Distribution Policy claim for reimbursement for any given year you must submit an application to CGIFN no later than October 15th of the fiscal year of CGIFN (commencing October 15, 2013), along with your name, birth date, current address, telephone number, where you can be reached and status number (include a copy of your status card). Payments claimed for minor Members by a parent or guardian must be accompanied by the appropriate documentation, including proof of legal custody in certain circumstances.

Claims are subject to approval by CGIFN and although we try to expedite and process as quickly as possible it can take from four to six weeks depending on the circumstances, the information submitted or lack of information. Our administrators may be required to contact a Member for further information.

Payments will be issued in the first week of December, commencing in December 2013, for all approved applications.

Attend in person or mail the required claim documents so that they will reach CGIFN no later than October 15th to:

**Annual Distribution Policy
Chippewas of Georgina Island
R.R.#2 Box N-13
Sutton West, Ontario
L0E 1R0**

**Telephone: (705) 437-1337
Facsimile: (705) 437-4597**