

THIS TRUST INDENTURE made this 1st day of June, 2012.

BETWEEN:

PEGUIS FIRST NATION

(hereinafter referred to as the "Settlor")

OF THE FIRST PART,

- and -

**STEPHEN DANIELS
CLARENCE DANIELS
ANNETTE SPENCE-MEECHES**

(hereinafter referred to as the "Trustees")

OF THE SECOND PART.

WHEREAS the Settlor is desirous of establishing the Chief Peguis Investment Trust (the "Trust") herein whose purpose is to receive and hold monies from various business interests in which a majority of shares and/or the controlling interests is held directly or indirectly by the Chief Peguis Investment Trust and from such other property as the First Nation may in the future decide to settle on the Trustees for the benefit of the First Nation and its members;

AND WHEREAS the Settlor has transferred to the Trustees the Settled Property (as hereinafter defined) and the Trustees hereby acknowledges receipt of the Settled Property from the Settlor;

AND WHEREAS the Trustees have agreed to act as Trustees under this Trust Agreement and to accept and hold the property forming part of the Trust Property on and subject to the trusts hereinafter declared;

NOW THEREFORE this Trust Agreement witnesses that in consideration of the premises and mutual covenants herein contained the parties covenant, agree and acknowledge as follows:

1.00 DEFINITIONS AND INTERPRETATION

1.01 Definitions

(1) **"Annual Income"** means the greater of (a) or (b):

- (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 subparagraph 104(6) of the

Income Tax Act (Canada), which amount shall, in accordance with the provisions of this Trust, and subject to the discretion of the Trustees become payable irrevocably to Peguis First Nation as at December 31st in each Fiscal Year;

- (b) the actual payment of the amount shall first include all of the Annual Income for Canadian Federal income tax purposes derived from the Trust Property held in that Trust Account in a Fiscal Year determined without reference to the provisions of subparagraph 104(6) of the *Income Tax Act (Canada)* and shall be due and payable irrevocably to Peguis First Nation as at December 31st of each Fiscal year.

Within one hundred and eighty (180) days of the Fiscal Year End, the Trustees shall, in accordance with paragraph (b), calculate the Annual Income to be transferred to the First Nation Trust Income Account, advise the Council of that amount, and subject to Sections 4.04 and 4.05 transfer that amount to the First Nation Trust Income Account.

- (2) **"Authorized Expense(s)"** means the expenses reasonably incurred by the Trustees in each Fiscal Year in carrying out the terms of this Trust Agreement including, without limitation, payment of administrative, accounting, legal, professional, and management costs, and the expenses incurred in establishing this Trust and in fulfilling their duties as outlined in this Agreement;
- (3) **"Authorized Use"** means the expenditure of funds in the First Nation Trust Income Account which shall only be used for economic development and investment purposes;
- (4) **"Band Council Resolution"** means a written resolution signed by a quorum of the Council adopted at a duly convened meeting of the Council;
- (5) **"Beneficiary"** means the First Nation;
- (6) **"First Nation Trust Income Account"** means an account located on reserve established by the First Nation, and not by the Trustees, to receive the payments from the Trustees pursuant to Article 4 of the Trust Agreement;
- (7) **"Council"** means, in respect of the First Nation, the "council of the band" as defined in the *Indian Act*;
- (8) **"Eligible Member"** means a person:
 - (a) whose name appears on a First Nation membership list or whose name does not so appear but who has submitted an application to

have his or her name so entered and that application has been approved;

- (b) who is over the age of 18 years;
- (c) who has not been found mentally incompetent or otherwise unable to manage his or her own affairs by a court of competent jurisdiction;

as of the date of any vote of the Members referred to in this Trust Agreement;

- (9) **"Effective Date"** means the date of execution of this Agreement by the parties;
- (10) **"First Nation"** means the Peguis First Nation;
- (11) **"Fiscal Year"** means the calendar year;
- (12) **"Initial Trustee"** means the Initial Trustees named in Schedule "C";
- (13) **"Institution"** means a Canadian chartered bank with the *Bank Act* S.C. 1991, c. 46 applies or a trust company licensed under *The Credit Unions and Caisses Populaires Act* S.M. 1986-87, c. C300, and which is a member institution of the Canada Deposit Insurance Corporation pursuant to the *Canada Deposit Insurance Corporation Act*, R.S.C. 1985, c. C-3, as amended or replaced;
- (14) **"Majority of Electors"** means for the purposes of a referendum held pursuant to the Referendum Regulations attached hereto as Schedule "D", that ____% (____%) per cent plus 1 of the number of Eligible Voters that voted in favour of the question on the ballot.
- (15) **"Person"** means any individual, corporation, partnership, trust, joint venture or unincorporated organization;
- (16) **"Projected Cost"** means a projection of the cost to establish, undertake or obtain an Authorized Use or an authorized purpose as set out in Section 4.01;
- (17) **"Request"** means a request in writing from the Council in the form set out in Schedule "B" for a distribution of funds from the Trust Account which shall:
 - (a) contain:
 - (i) a description of the Authorized Use or authorized purpose for and in respect of which the distribution is requested;

- (ii) the Projected Cost of that Authorized Use or authorized purpose;
 - (iii) a statement of the amount of any funds that have been paid by the First Nation toward the Projected Cost for which reimbursement is sought;
 - (iv) a schedule of the date or dates when the funds requested will be required;
 - (v) a statement that no member of the Council will be admitted to any share or part of the funds requested or to any benefit that may arise out of the Authorized Use or authorized purpose not enjoyed by any other Member; and
- (b) be signed by a majority of the Council.
- (18) "**Reserve**" means Indian Reserves No.'s _____ set apart for the use and benefit of the First Nation;
- (19) "**Settled Property**" means the net revenues made by any joint venture, partnership, corporation or other business organization in which a majority of shares and/or the controlling interests is held directly or indirectly by the Chief Peguis Investment Trust;
- (20) "**Term**" means the Effective Date until the Trust is terminated in accordance with Article 14;
- (21) "**Trust**" means the trusts created in accordance with this Trust Agreement to be administered by the Trustees for the benefit of the First Nation;
- (22) "**Trust Agreement**" means this agreement;
- (23) "**Trust Account**" means the Account established by the Trustees for the management of Trust Property but does not include the First Nation Trust Income Account;
- (24) "**Trust Property**" means all monies now or hereafter on deposit in the Trust and, without limitation, includes:
- (a) the Settled Property; and
 - (b) any other monies advanced to or received by the Trust by the Settlor.

- (25) **"Trust Register"** means the official record of the Trust containing all resolutions, minutes, and certificates of the Trustees, the Council (to the extent required by this Trust Agreement), the Agent for the Trustees, and includes the register referred to in Section 5.03;
- (26) **"Trustees"** means the Initial Trustees and any other time means the Person or Persons holding office as Trustee or Trustees of this Trust Agreement at such time.

1.02 Interpretation

- (1) In this Trust Agreement:
 - (a) words or phrases which are defined under Section 1.01 have been identified in the text by the capitalization of the first letter of the words or the first letter of each word in phrases;
 - (b) the definition of words or phrases which are defined under Section 1.01 in one tense shall apply to all tenses as the context so requires; and
 - (c) the singular includes the plural and vice versa.
- (2) Headings used in this Trust Agreement are for ease of reference only, do not form part of this Trust Agreement and shall not be used in the interpretation of this Trust Agreement.
- (3) The preamble shall be deemed to be included in and form an integral part of this Trust Agreement.

2.00 CREATION OF THE TRUST

- 2.01 The Settlor has constituted the Trust and settled upon and delivered the Settled Property to the Trustees in trust for the welfare and benefit of the Beneficiary.
- 2.02 The Trustees hereby acknowledge the receipt from the Settlor of the Settled Property, which is to be held by them upon and subject to the trusts hereinafter contained.
- 2.03 The Trust cannot be revoked by the Settlor, except pursuant to the procedure set out in Article 14.
- 2.04 The Trustees shall hold and use the Trust Property for the benefit of the Beneficiary subject to the terms of this Trust Agreement and all obligations of a Trustee, whether at common law or statute.

- 2.05 All beneficial right, title, interest and benefit in and to the Trust Property shall vest in the Beneficiary subject to the terms of this Trust Agreement.
- 2.06 All legal right, title, interest and benefit in and to the Trust Property shall vest in the Trustees or their nominees to the extent required for the purpose of administration of the Trust Property, and there shall be no power of revocation except as may be expressly provided for in this Trust Agreement.
- 2.07 The mailing address and head office of the Trust shall at all times be located at the Reserve at which the administrative office of the First Nation is located.

3.00 PURPOSE OF THE TRUST

- 3.01 The purpose of this Trust is receive certain net revenues made by any on or off Reserve joint venture, partnership, corporation or other business organization in which a majority of shares and/or the controlling interests are held directly or indirectly by the Chief Peguis Investment Trust and to disperse such net revenue received for the benefit of the Beneficiary and its members. The Trust shall also be a joint venturer, limited partner, shareholder or holder of such other controlling interest in any on and off Reserve business as required.

4.00 DISTRIBUTION OF TRUST PROPERTY

- 4.01 Trust Property under this Trust shall only be used for the following authorized purposes:
 - (a) to transfer to the First Nation Trust Income Account amounts in respect of Annual Income and Capital Encroachments;
 - (b) to pay Authorized Expenses; and
 - (c) as otherwise expressly authorized by this Agreement.
- 4.02 Funds in the First Nation Trust Income Account are not Trust Property and subject to Section 4.04, the Trustees have no responsibility for the application of funds in this account.

- 4.03 If the Trustees are unable to transfer amounts to the First Nation Trust Income Account, the Trustees shall issue a Promissory Note making the funds payable to the First Nation, and, at the expense of the First Nation, request directions from the court regarding the application and use of the amounts that would otherwise be transferred to the First Nation Trust Income Account.
- 4.04 The Trustees shall, and they hereby agree to hold the Trust Property in trust and shall have the discretion to make distributions from the Trust for authorized purposes set out in Section 4.01 and such distributions shall not be prohibited by any provision of this Trust Agreement.
- 4.05 Any distribution from the Trust must be done for the community purpose of the Beneficiary that must be enjoyed by all band Members.
- 4.06 No funds shall be withdrawn from the Trust Account by the Trustees except by means of a decision duly documented in the minutes of the Trustee meeting and evidenced by an executed Trustee Resolution from such Trustee meeting.
- 4.07 The Trustees shall only distribute funds from the Trust Account for an Authorized Use or for any authorized purpose set out in Section 4.01 in accordance with the following process:
- (a) the Council shall deliver to the Trustees a Request; and
 - (b) the Trustees, upon receiving the Request and being satisfied that the request for distribution is for and in respect of an Authorized Use or is for one of the purposes set out in Section 4.01, shall:
 - (i) where the Request indicates that the First Nation has made a payment toward the Projected Cost and is seeking reimbursement therefore:
 - A. arrange for the withdrawal of funds from the Trust Account in that amount; and
 - B. provide those funds to the First Nation,
within 15 days of receiving the Request; or
 - (ii) where the Request indicates that the First Nation has not made a payment toward the Projected Cost, arrange for:
 - A. the withdrawal of funds from the Trust Account in accordance with any schedule that may be contained in the Request in amounts equal to the amounts shown on that schedule; and

- B. the placement of the funds referred to in subparagraph 4.04(b)(ii)(A) into an interest bearing account of the Trust,

provided that in no circumstances shall the aggregate of the amounts distributed by the Trustees for an Authorized Use or for a purpose as set out in Section 4.01 exceed the Projected Cost for that certain Authorized Use or authorized purpose unless an additional Request is made for the excess amount.

- (c) Any funds distributed by the Trustees in accordance with Subparagraph 4.04(b)(i) shall be advanced on the condition that in the event the First Nation receives a refund or rebate of any of the funds described in that Subparagraph or some or all of those funds are not required for the purposes described in that Subparagraph, those funds (or that portion of those funds) together with any accrued interest received by the First Nation thereon, are to be repaid to the Trustees.
- (d) Any funds distributed by the Trustees in accordance with Subparagraph 4.04(b)(ii) shall be advanced in accordance with the following conditions:
- (i) the funds are to be used by the First Nation or the solicitor receiving those funds solely for the purpose of the Authorized Use or authorized purpose and paying associated legal fees and disbursements;
 - (ii) the funds so distributed, or any unexpended portion thereof, shall be held in an interest bearing account until advanced by the First Nation or the solicitor receiving those funds in accordance with Paragraph (a);
 - (iii) in the event some or all of the funds are not required for the purposes described in Paragraph (a), those funds (or that portion of those funds) together with any accrued interest thereon, are to be returned to the Trustees;
 - (iv) upon the First Nation or the solicitor receiving the funds either advancing the funds for the purpose set out in Paragraph (a) or returning all or any portion of the funds to the Trustee in accordance with Paragraph (c), the First Nation or the solicitor shall provide to the Trustee a full accounting of the funds while under the control of the First Nation or the solicitor; and
 - (v) in the event the First Nation or the solicitor receiving the funds is unwilling or unable to comply with the conditions set out in

Paragraphs (a) to (d) inclusive, the funds are to be returned immediately to the Trustees.

- (e) in the event funds are received by the Trustees in accordance with Article 4, the Trustees shall deposit those funds into the First Nation Trust Income Account.
- (f) all funds distributed by the Trustees in accordance with Article 4 shall be deemed to be funds distributed to the First Nation.
- (g) the Beneficiary hereby directs that where any payment is required to be made by the Trustees to the Beneficiary, the Trustee shall make such payment to the Beneficiary in care of the Council.

4.08 (1) Despite Section 4.04, where:

- (a) the Request reveals or the Trustees are aware or becomes aware before any funds are distributed that a member of the Council will be admitted to any share or part of the funds requested or to any benefit that may arise out of the Authorized Use or an authorized purpose not enjoyed by any other Member, the Trustees shall not distribute any funds from the Trust for or in respect of that Authorized Use or authorized purpose; or
- (b) a Trustee will be admitted to any share or part of the funds requested or to any benefit that may arise out of the Authorized Use or authorized purpose not enjoyed by any other Member, that Trustee, if there is more than one Trustee, shall disclose that fact at the meeting at which the Request is considered and the Trustee shall not distribute any funds from the Trust for or in respect of that Authorized Use or authorized purpose.

- (2) The Trustee shall not make a distribution from the Trust to individual band Members or any other Person for that purpose.

5.00 APPOINTMENT OF INITIAL TRUSTEES

- 5.01 The First Nation hereby appoints each of the persons listed in Schedule "C" to act as an Initial Trustee (each person being qualified to serve as Trustee) subject to the terms and conditions of this Agreement and all obligations of a Trustee whether at common law or statutory, and the Trustees each accept the appointment as a Trustee and accept the duties and obligations as Trustee contained herein, and agree to observe and carry them out according to the terms and conditions of this Agreement.

5.02 The Initial Trustees shall serve a five (5) year term until an election is conducted pursuant to Section 5.03. The powers, rights, privileges and duties of Initial Trustees are restricted to the following:

- (a) establish the necessary banking arrangements for the Trust; and
- (c) carry out the duties as set out in Section 8.01.

5.03 Before the expiration of the Initial Trustee's term, the Initial Trustees shall call an election of a full term Board of Trustees, which shall be in accordance with the policies and procedures for Peguis elections.

5.04 The Initial Trustees cease to hold office upon the election of a full term Board of Trustees.

6.00 NUMBER, APPOINTMENT/ELECTION AND REPLACEMENT OF TRUSTEES

6.01 There shall be three (3) Initial Trustees, and at all times thereafter the Trust shall be administered by three (3) elected Trustees.

6.02 All Trustees shall be elected for a five (5) year term.

6.03 Every person elected or appointed as Trustee hereunder, shall have the same powers, authorities and discretion, and any in all respects act as if such Trustee had been originally appointed a Trustee by this Trust Agreement and the title of any property of the Trust held by any Trustee who ceases to hold the position of Trustee shall vest forthwith in any successor Trustee without further formality, but in any event, if requested, any resigned or removed or otherwise retired Trustee, or their successors, heirs or assigns, shall execute all instruments and do all acts necessary to vest such title as he or she may have had in the Trust Property in any successor Trustee of record without Court proceeding or other formality.

6.04 Eligible Members who meet the following conditions are eligible to hold the office of a Trustee:

- (a) have attained at least the age of eighteen (18) years as of the date of his or her appointment;
- (b) the individual must not be an undischarged bankrupt or insolvent, as those terms are defined in the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c. B-3, as amended or replaced from time to time;
- (c) the individual must be eligible for bonding;

- (d) the individual must not been adjudged or declared to be mentally incompetent or incapable of managing his or her own affairs by a court of competent jurisdiction;
 - (e) the individual has either obtained or has agreed to obtain, within the first twelve (12) months of their appointment, Trustee accreditation from the National Aboriginal Trust Officers Association of Canada (NATOA) or from such successor organization or other qualified training centre that may exist from time to time;
 - (f) the individual must not hold the position of Chief or Councillor of the First Nation as of the date of his or her appointment;
 - (g) the individual must obtain a criminal record search. If the Certified Criminal Record of the individual discloses that within the immediately preceding ten (10) years, that the individual has been convicted of an offence under the *Criminal Code* R.S.C. 1985 c.C-46, or the *Controlled Drugs and Substances Act* 1996, c. 19 as amended or replaced from time to time, then the following applies:
 - (i) in the event that the individual has been convicted of an indictable offense involving theft, conversion, fraud, forgery or any other related offense, that individual shall not be entitled to take office;
 - (ii) in the event that the individual has been convicted of any other offence under the *Criminal Code* R.S.C. 1985 c.C-46 or the *Controlled Drugs and Substances Act* 1996, c. 19 as amended or replaced from time to time, Council, in its discretion, may determine that despite the conviction, the individual is be entitled to take office;
 - (h) have good judgment and be trustworthy; and
 - (i) shall be a resident of Canada.
- 6.05 In the event a new Trustee is not elected prior to the expiration of the term of the existing Trustees, the Trustees then in place shall continue to serve as Trustees until a new Trustee is elected.
- 6.06 The Trustee shall, on being elected as Trustee:
- (a) accept the obligations and duties as a Trustee;
 - (b) agree to become a party to and be bound by the provisions of this Trust Agreement and to faithfully and to the best of his or her abilities carry out the

duties of a Trustee by executing a Trustee's undertaking in the form set out in Schedule "A"; and

- (c) observe and carry out the obligations and duties of a Trustee in accordance with this Trust Agreement.

6.07 The office or position of a Trustee or Trustees shall be held to be vacated by the person or persons holding the positions of Trustee or Trustees at the occurrence of any of the following events:

- (a) his or her term expires;
- (b) he or she dies;
- (c) he or she resigns;
- (d) he or she is declared a bankrupt in accordance with applicable bankruptcy legislation;
- (e) he or she is charged with an offence involving fraud, dishonesty, breach of trust, theft or forgery, or is charged with any offence involving the Trust Property or the exercise of his or her responsibilities as a Trustee;
- (f) he or she is convicted of an indictable offence;
- (g) he or she is declared by a Court of competent jurisdiction to be mentally incompetent or incapable of managing his or her own affairs;
- (h) he or she fails, without reasonable excuse and notice, to attend three consecutive meetings of the Trustees of which prior notice was given;
- (i) he or she fails to:
 - (i) provide the Trustee's Undertaking set out in Schedule "A";
 - (ii) disclose his or her interest in a contract in accordance with Subsection 901(1) or votes on any Resolution contrary to Section 9.03; or
 - (iii) fulfill his or her obligations and duties under and in accordance with this Trust Agreement.
- (j) he or she is no longer on the band membership list;
- (k) he or she is elected to hold the position of, or otherwise becomes, a Chief or Councillor of the First Nation; or

- (l) if he or she fails to materially fulfill his or her obligations or duties pursuant to the Trust Agreement.

- 6.08 In the event of a vacancy or vacancies in the position or positions of an elected Trustee, the electoral officer of the First Nation shall hold a by-election in accordance with the policies and procedures of Peguis elections in order to elect an interim Trustee or Trustees to fill the remaining term of the position.
- 6.09 In the event of a vacancy or vacancies in the position or positions of an appointed Interim Trustee, the Chief and Council shall appoint, by way of a majority vote ratified and recognized in a valid Band Council Resolution, an interim appointed Trustee.
- 6.10 If a Trustee fails to materially fulfill his or her obligations or duties pursuant to the Trust Agreement or otherwise ceases to be qualified to be a Trustee, the Council of the First Nation may remove the Trustee by Band Council Resolution.
- 6.11 A Trustee appointed to fill the vacancy shall hold office for a term equal to the unexpired term of the former Trustee.

7.00 CONDUCT OF MEETINGS

- 7.01 The Trustees shall meet not less than three (3) times per year and no more than six (6) times per year unless directed by Council and the conduct of all meetings of Trustees shall be governed by the following rules:
 - (a) the quorum for meetings of Trustees shall be a majority of the then sitting Trustees;
 - (b) a member of Council who has been appointed to hold the portfolio for this Trust may attend meetings of the Trustees but shall not be entitled to vote;
 - (c) all decisions and actions of the Trustees shall require a quorum of votes of the Trustees;
 - (d) the Trustees may act either by an instrument in writing signed by the majority of the Trustees outside of a meeting, or by a resolution passed by a majority thereof at a meeting by telephone or other telecommunication facility and decisions or acts of such a majority of the Trustees shall, for all purposes of this Trust, be deemed the decision or act of the Trustees. Every deed or instrument of every nature executed by a majority of the Trustees, for the time being in office shall, be as valid, effectual and binding as if executed by all;

- (e) meetings of the Trustees shall be held at such place or places within Manitoba as a quorum of Trustees may determine and wherever possible shall be held on an Indian Reserve. Where a meeting is requested under this subsection such meeting shall be held within seven (7) business days; and
- (f) minutes of all Trustees' meetings shall be recorded and such record shall be signed by the Trustees taking part in the meeting and such minutes shall be made available to band Members upon request.

8.00 POWERS AND DUTIES OF TRUSTEES

8.01 Without in any way limiting or derogating from the powers, authorities, discretions and immunities otherwise available to the Trustees, whether under any statute or at law or otherwise, the Trustees shall have and be invested with the following powers, authorities discretions and immunities and as to which their judgment shall be final and conclusive upon all interested parties and no person dealing with them shall be charged with any duty to inquire into the propriety of their actions, that is to say:

- (a) to establish the Trust Account and other such accounts that the Trustees in its discretion may deem necessary from time to time for the management of the Trust Property and to make such arrangements governing banking procedures as are consistent with this Agreement;
- (b) to add to the Capital of the Trust Property, at such times and in such amounts as directed by Council from time to time;
- (c) to ensure that no funds are withdrawn, transferred or expended from the Trust without the requirements and obligations set out in this Trust Agreement having first been met by Council and the Trustees;
- (d) to maintain adequate records of all transactions affecting the Trust Property;
- (e) to provide monthly statements regarding each account of the Trust to Council;
- (f) to have custody of the assets of the Trust;
- (g) at the request of Council, to participate in Special Band Meetings to review and explain the Trustee's annual report and audited financial statements and for any other purpose that Council may reasonably request;
- (h) to immediately notify the Council of any breaches of this Agreement;
- (i) to maintain a copy of all Council Resolutions required for the administration of this Trust;

- (j) to accept any notice that may be required to be served on the Trustees;
- (k) to notify Council that a Trustee has ceased to be a Trustee as a result of any of the events set out in Section 6.07 and notify Council of the requirement to appoint a replacement Trustee;
- (l) to provide the Council with a copy of the minutes of each meeting of the Trustees, within fourteen days (14) of such meeting;
- (m) to provide the Council with a copy of all ledgers, registers and documents or recordings of transactions affecting the Trust Property upon request;
- (n) establish and maintain a register of all capital requests and amounts distributed and the register which register shall be maintained in chronological order;
- (o) to execute all business related agreements and to subscribe for, hold and exercise the rights under units, interests or shares;
- (p) to execute and deliver agreements, assignments, bills of sale, contracts, deeds, notes, powers of attorney, receipts, and any and all other instruments in writing necessary or appropriate in the opinion of the Trustees for the settlement or administration of the Trust, and to execute any such instrument without warranty by or without recourse to the Trustees;
- (q) to employ and compensate from the Trust Property, agents, accountants, solicitors, brokers and other assistants and advisers deemed by them to be helpful, for the proper settlement or administration of the within Trust, and to do so in accordance with appropriate contracts or written job descriptions prepared in advance by the Trustees;
- (r) to engage and pay from the Trust Property for the services of a qualified independent auditor to issue an audit report;
- (s) to make, or refrain from making, in their absolute discretion, any election or elections, any determination or determinations and any designation or designations permitted by any statute or statutes or regulation or regulations enacted by the Parliament or Government of Canada or by the Legislature or Government of Manitoba and such exercise of discretion by the Trustees shall be conclusive and binding;
- (t) to pay the costs associated with any variation of this Trust Agreement;

- (u) shall pay the cost of premiums for the purchase of such insurance as the Trustees, acting reasonably, may determine is advisable;
- (v) may pay reasonable rent for office space and reasonable office expenses;
- (w) may make application for advice to the Court of Queen's Bench pursuant to s. 84 of *The Trustee Act*, R.S.M. 1987, c. T-160 or *The Court of Queen's Bench Act*, S.M. 1988-89, c. 4 and shall pay the costs thereof out of Trust Property;
- (x) to cause to have prepared, at the expense of the Trust, the documentation for a court passing of the accounts within one hundred and twenty (120) days of a general election for Chief and Council;
- (y) to respond to inquiries from Council and to make such reports to Council with respect to the Trust Property and management and administration thereof, as Council may request;
- (z) to compromise, settle and adjust any claim or demand made against the Trust or Trust Property and to institute and defend proceedings at law as well as proceeding to the final determination thereof or compromise the same;
- (aa) to select, retain and act upon the opinion or advice of or information obtained from any lawyer, accountant, or from any other expert and professional persons provided that the Trustees shall not be responsible for any loss, depreciation or damage occasioned by so acting;
- (bb) to submit to Council, within one hundred and eighty (180) days following the end of each Fiscal Year, an annual report and audited financial statement for the purposes of informing Council and Members about the status and expenditures of each Trust Account and whether the operation of the Trust was in compliance with the Trust Agreement;
- (cc) In the event there are outstanding unpaid liabilities of the Trust as at December 31st in any Year, such liabilities shall be paid in the next Year as a first charge against the amounts transferable from the Trust Accounts;
- (dd) to do all such other things and execute such documents as may be required by the Trustees for the purpose of administering this Trust all of which must be consistent with the terms of this Trust Agreement.

9.00 CONFLICT OF INTEREST

9.01 (1) A Trustee who:

- (a) is a party to a material contract, or proposed material contract that the Trustee has entered into or is to be entered into in accordance with the terms and conditions of this Trust Agreement; or
- (b) is a director or an officer of or has a material interest in any person who is a party to a material contract or proposed material contract of the Trustee entered into or is to be entered into in accordance with the terms and conditions of this Trust Agreement;

shall disclose in writing to the Council of the First Nation, the nature and extent of such Trustee's relationship and extent of his or her interest.

- (2) The disclosure required of a Trustee by Subsection 9.01(1) of this Trust Agreement shall be made:
 - (a) at the meeting at which a proposed material contract is first considered by the Trustee;
 - (b) if the Trustee was not then interested in a proposed material contract, at the first meeting after he or she becomes so interested;
 - (c) if the Trustee becomes interested after a material contract is made, at the first meeting after he or she becomes so interested; or
 - (d) if a person who is interested in a material contract becomes a Trustee subsequent to execution hereof, at the first meeting after he or she becomes a Trustee.
- (3) A Trustee described in Subsection 9.01(1) of this Trust Agreement shall not take part in discussions or deliberations concerning any such material contract and shall not vote on any resolution to approve the same.
- (4) For purposes of this section a general notice to the Trustee by a Trustee declaring that he or she is a director or officer of, or has a material interest, in a person and is to be regarded as interested in any material contract made with that person, is a sufficient declaration of interest in relation to any material contract so made. A material contract is neither void nor voidable by reason of a relationship contemplated in Subsection 9.01(1) or by reason only that the Trustee with an interest in the material contract is present at, or is counted to determine the existence of a quorum at, a meeting of Trustees that authorized or approved the material contract if the Trustee disclosed his or her interest in accordance with Subsections 9.01(1) or 9.01(2) and the material contract was approved by the Trustees and was reasonable and fair at the time the same was approved.

- (5) If a dispute arises as to the existence of a conflict then this dispute shall be referred to Council for resolution.

10.00 REPRESENTATIVE OF BENEFICIARIES

- 10.01 The Council of the First Nation shall have the exclusive authority to represent, or act on behalf of the Beneficiary with respect to the beneficial interest that the Beneficiary has in the Trust, including in particular the right of the Beneficiary to any income or capital.

11.00 LIABILITY OF TRUSTEES

- 11.01 The Trustees shall not be responsible for the acts or defaults of each other or for any error in judgment or for any act of omission or commission not amounting to actual fraud in the management and administration of the Trust Property. The Trustees shall not be personally liable upon any monies to become due from or by any claims against the Trust Property or upon any investment executed by the Trustees under the provisions hereof. The Trustees shall have power to bind the Trust Property without rendering themselves personally liable. The legal title to all the Trust Property shall be and remain vested in the Trustees, its nominee and successors.

12.00 AMENDMENT

- 12.01 Subject to Section 12.03, this Trust Agreement shall not be subject to amendment unless the proposed amendment is approved by a Majority of Electors in a referendum held pursuant to the Referendum Procedures attached as Schedule "D".
- 12.02 Prior to the referendum date for amending this Trust Agreement, the Council shall convene at least one (1) general Band meeting to inform the eligible electors about the proposed amendment(s).
- 12.03 This Trust Agreement may be amended without a Referendum in respect of the following matters so long as legal counsel for the First Nation has advised that such proposed amendment(s) does not substantially alter the entitlements or obligations of the parties hereto, including the beneficial interest of the First Nation, or the purposes of the Trust, and upon approval of the Council and the Trustees:
- (a) an amendment solely of an administrative or clerical nature; and
 - (b) matters necessitated by a change of law or reasons of taxation.
- 12.04 Any party to this Trust Agreement may apply to the Court of Queens Bench of Manitoba for advice and direction regarding any question relating to the scope and

extent of the powers conferred herein.

13.00 TRUSTEE REMUNERATION

13.01 Any travel or accommodation expenses should be reasonably incurred in carrying out the application and duties of the Trustees. Travel and accommodation expenses shall be at the same rates determined from time to time by the First Nation.

14.00 DURATION AND TERMINATION

14.01 The term of this Agreement shall commence on the Effective Date and this Agreement may only be terminated in the following circumstances:

- (a) at any time after the expiration of not less than twenty (20) years from the Effective Date, the Trust Property may be transferred to a new trust established for the benefit of the Beneficiary provided that the new trust agreement has been approved by a Majority of Electors in a referendum held pursuant to the Referendum Procedures attached as Schedule "D";
- (b) at any time after the expiration of not less than forty (40) years from the Effective Date, the Trust may be terminated upon the following conditions having been first been met:
 - (i) the Council shall prepare a plan outlining how the Trust Property will be used for the benefit of the Beneficiary; and
 - (ii) the plan shall be approved by a Majority of Electors in a referendum held pursuant to the Referendum Procedures attached as Schedule "D".

14.02 Upon receipt of a Council Resolution advising the Trustees of the approval of the plan for use of the Trust Property, the Trust Property shall be transferred by the Trustees pursuant to the provisions of the plan.


15.00 OTHER PROVISIONS

- 15.01 In the event that the Trust herein created should fall or be found to be void for any reason, all Trust Property, and all income earned thereon, shall revert to the Institution which the Trustees have opened a bank account at in accordance with Article 8 in trust for the Beneficiary until a new trust is settled. In the event that the Institution is unable or unwilling to act in such a capacity, the Trustees or the Council of the First Nation may apply to a court of competent jurisdiction for advice and direction on the matter.
- 15.02 This Trust Agreement shall in all respects be interpreted and construed under and governed by the laws of the Province of Manitoba and the laws of Canada applicable therein and the parties agree that at all times the principal place of administration of the Trust created by this Trust Agreement shall be within Manitoba.
- 15.03 All references to currency shall be in Canadian funds.

IN WITNESS WHEREOF the Settlor has hereunto set his/her hand and seal.

SIGNED SEALED AND DELIVERED)
in the presence of:)


 Witness as to all of Chief and Council



Chief Glenn Hudson



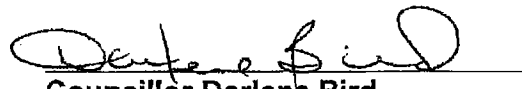
Councillor Louis Stevenson



Councillor Mary Tyler Bear




Councillor Mike Sutherland



Councillor Darlene Bird

IN WITNESS WHEREOF the Trustees have hereunto set their hands and seals.

SIGNED SEALED AND DELIVERED)
in the presence of:)



Witness as to the signature of)




SIGNED, SEALED AND DELIVERED)
in the presence of:)



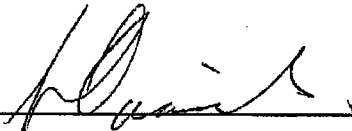
Witness as to the signature of)



SIGNED, SEALED AND DELIVERED)
in the presence of:)



Witness as to the signature of)



SCHEDULE "A"TRUSTEE'S UNDERTAKINGS

I, Clarence Daniels of the First Nation of Peguis appointed as a Trustee of the Chief Peguis Investment Trust accept the obligations and duties as a Trustee and will observe and carry out those obligations and duties in accordance with the Trust Agreement and I agree to become a party to and be bound by the provisions of the Trust Agreement.

I acknowledge that I owe a duty, jointly and severally with the other Trustees, to the Beneficiary to act with the utmost good faith in my dealings with the Trust Property and to discharge all of my obligations and duties as a Trustee under the Trust Agreement faithfully, honestly, to the best of my ability and without the purpose or result of personal gain with the exception of reasonable remuneration.

I acknowledge that I have received and read a copy of the Trust Agreement.

Dated this 1st day of June, 2012.

SIGNED, SEALED AND DELIVERED)
in the presence of)

Witness as to the signature of

SIGNATURE OF TRUSTEE

Clarence Daniels
PRINT NAME OF TRUSTEE

SCHEDULE "A"TRUSTEE'S UNDERTAKINGS

I, Stephen Daniels of the First Nation of Peguis appointed as a Trustee of the Chief Peguis Investment Trust accept the obligations and duties as a Trustee and will observe and carry out those obligations and duties in accordance with the Trust Agreement and I agree to become a party to and be bound by the provisions of the Trust Agreement.

I acknowledge that I owe a duty, jointly and severally with the other Trustees, to the Beneficiary to act with the utmost good faith in my dealings with the Trust Property and to discharge all of my obligations and duties as a Trustee under the Trust Agreement faithfully, honestly, to the best of my ability and without the purpose or result of personal gain with the exception of reasonable remuneration.

I acknowledge that I have received and read a copy of the Trust Agreement.

Dated this 15th day of June, 2012.

SIGNED, SEALED AND DELIVERED)
in the presence of)

[Signature]
Witness as to the signature of

[Signature]
SIGNATURE OF TRUSTEE
Stephen Daniels
PRINT NAME OF TRUSTEE

SCHEDULE "A"TRUSTEE'S UNDERTAKINGS

Annette Spence.

I, Meeches of the First Nation of Peguis appointed as a Trustee of the Chief Peguis Investment Trust accept the obligations and duties as a Trustee and will observe and carry out those obligations and duties in accordance with the Trust Agreement and I agree to become a party to and be bound by the provisions of the Trust Agreement.

I acknowledge that I owe a duty, jointly and severally with the other Trustees, to the Beneficiary to act with the utmost good faith in my dealings with the Trust Property and to discharge all of my obligations and duties as a Trustee under the Trust Agreement faithfully, honestly, to the best of my ability and without the purpose or result of personal gain with the exception of reasonable remuneration.

I acknowledge that I have received and read a copy of the Trust Agreement.

Dated this 1st day of June, 2012.

SIGNED, SEALED AND DELIVERED)
in the presence of:)

[Signature]
Witness as to the signature of

Annette Spence Meeches
SIGNATURE OF TRUSTEE

Annette Spence-Meeches
PRINT NAME OF TRUSTEE

SCHEDULE "B"**REQUEST**

**TO: The Trustees
CHIEF PEGUIS INVESTMENT TRUST**

The Council of the Peguis First Nation (the "First Nation") hereby requests a distribution from the CHIEF PEGUIS INVESTMENT TRUST:

Authorized Use:

Projected Cost:

AND FOR SO DOING, this shall be your good, sufficient and irrevocable authority.

The First Nation (has) (has not) made a payment toward the Projected Cost for which reimbursement is sought (in the amount of \$_____).

The funds requested will be required on the following dates:

<u>Date</u>	<u>Amount</u>	<u>Payee</u>
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Note: Where the Authorized Use is the purchase of land, the name and address of a solicitor licensed to practice in the Province of Manitoba to whom the distribution should be made must be provided under the "Payee" column.

The Council of the First Nation hereby certifies that no member of the Council will be admitted to any share or part of the funds requested or to any benefit that may arise out of the Authorized Use not enjoyed by any other member of the First Nation.

Attached is a Band Council Resolution evidencing the authorization of the Council to proceed with the Authorized Use.

DATED this ____ day of _____, 20__

Chief

Councillor

Witness (as to all)

Councillor

Councillor

Councillor

SCHEDULE "C"

INITIAL TRUSTEES

STEPHEN DANIELS
CLARENCE DANIELS
ANNETTE SPENCE-MEECHES

SCHEDULE "D"
REFERENDUM REGULATIONS