

LITTLE RED RIVER CREE NATION SOVEREIGN WEALTH FUND

DATED FOR REFERENCE THIS 25TH DAY OF AUGUST, 2018



BETWEEN:

LITTLE RED RIVER CREE NATION

as represented by its duly elected Chief and Council
("the First Nation")

– and –

[TRUST COMPANY]

being a corporate trustee duly registered and qualified
to carry on business in the Province of Alberta
(the "Trustee")



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RECITALS

WHEREAS:

- A. The Little Red River Cree Nation (the “First Nation”) and Her Majesty the Queen in Right of Canada (“Canada”) have negotiated a settlement of a specific claim respecting Canada’s failure to provide agricultural benefits to the First Nation under the terms of Treaty 8 in 1899 (the “Claim”);
- B. The First Nation is establishing this Trust to receive the Compensation payable by Canada in relation to the Claim and to allow for the deposit of capital moneys, lease income, royalties, specific claim settlements, own source revenues, and any other monies which the First Nation may contribute from time to time to be managed and invested for the long-term use and benefit of the First Nation and to generate a sustainable source of income to facilitate the attainment of the specific objects and purposes as set forth in this Agreement;
- C. The First Nation and the Trustee acknowledge and agree that any monies deposited to this Trust are intended to benefit the First Nation and shall be administered by the Trustee in accordance with this Agreement;
- D. The First Nation and the Trustee acknowledge that the First Nation, acting through its duly elected Chief and Council, is the Beneficiary of the Trust with all of the rights and powers normally vested in a beneficiary to compel enforcement of the Trustee’s duties under this Agreement;
- E. By a ratification vote held on the ___ day of _____ 2018, the Electors of the Little Red River Cree Nation have approved this Agreement and have authorized and directed the Council to execute the Little Red River Cree Nation Sovereign Wealth Fund and all related documentation on behalf of the First Nation.

NOW THEREFORE, the First Nation and the Trustee agree as follows:

Article 1 – Definitions

- 1.1 In this Agreement, unless the context otherwise requires, the following words, expressions and terms shall have the following meanings:
 - (a) **“Agreement”** means this trust agreement as amended from time to time;
 - (b) **“Annual Income”** means all income for Canadian federal income tax purposes arising from the Trust Property in any Fiscal Year as determined in accordance with the *Income Tax Act* but without reference to subsection 104(6) of the *Income Tax Act*, including, but not limited to, interest, dividends and the taxable portion of the aggregate of the capital gains less the aggregate of the capital losses realized by the Trust during such Fiscal Year, and less all expenses and deductions eligible for Canadian federal income tax purposes;
 - (c) **“Annual Payment”** means an amount equal to four percent (4%) of the average market value of the Trust Property on December 31 for the preceding five (5) Fiscal Years but not including any year prior to the Compensation Date;
 - (d) **“Auditor”** means an auditor who is a member in good standing of an institute or



association of accountants licensed to conduct business in the Province of Alberta and who is independent of the Council and the Trustee;

- (e) **“Authorized Expenses”** means the expenses reasonably incurred in relation to the administration of the Trust, paid by the Trustee in each Fiscal Year in carrying out the terms of this Agreement, including the payment of remuneration as set out in the Trustee Services Agreement, administrative, accounting, legal, investment management and consulting, and other costs, but not including any costs of the First Nation (including any costs of the Council, the Council’s members or the First Nation administration) incurred in performing any of its or their respective obligations in relation to the operation of this Trust;
- (f) **“Authorized Investment”** means any investment purchased with funds from the Trust Account providing that all such investments are made in accordance with this Agreement, the Investment Policy and the principles governing the prudent investment of Trust Property as set out in the *Trustee Act*;
- (g) **“Authorized Loan”** means a loan from a Financial Institution to the First Nation, or the Trustee as borrower on behalf of the First Nation, and may include the Distribution to Members and Settlement Costs;
- (h) **“Authorized Loan Payments”** means those payments of principal and interest made by the Trustee, for and on behalf of the First Nation, to a Financial Institution in respect of an Authorized Loan that is approved pursuant to Article 7;
- (i) **“Beneficiary”** means the Little Red River Cree Nation as represented by its duly elected Council;
- (j) **“Canada”** means Her Majesty the Queen in Right of Canada;
- (k) **“Claim”** means all facts, matters, issues, causes of action, and specific claims asserted against Canada in relation to Canada’s failure to provide agricultural benefits promised under the terms of Treaty 8;
- (l) **“Compensation”** means compensation in the total amount of two hundred thirty-nine million, four hundred fifty-two thousand, twenty-two dollars (\$239,452,022) to be paid by Canada, on behalf of the First Nation, to the Trust Account pursuant to the Settlement Agreement;
- (m) **“Compensation Date”** means the date when all or any portion of the Compensation is paid into the Trust;
- (n) **“Council”** means the duly elected Chief and Council of the First Nation which is also a “council of the band” within the meaning of the *Indian Act*;
- (o) **“Council Resolution”** means a written resolution of the Council, signed by at least a Quorum of the Council, which resolution has been passed by the Council at a duly convened meeting;



- (p) **“Distribution”** means the one-time per capita distribution payments made to Members of the First Nation in accordance with Article 4 of this Agreement;
- (q) **“Distribution Account”** means an account established by the Council in a Financial Institution on an Indian reserve for the sole purpose of receiving funds from the Trust Account to pay the Distribution in accordance with Article 4 of this Agreement;
- (r) **“Elector”** means a person who is on the Membership List and is eighteen (18) years of age or older or a person who otherwise meets the definition of an Elector pursuant to any applicable code or law enacted by the First Nation from time to time;
- (s) **“Financial Institution”** means a bank, trust company or credit union licensed to conduct business in the Province of Alberta and may include the First Nations Finance Authority, the Trustee, and an affiliate or related party of the Trustee;
- (t) **“First Nations Fiscal Management Act”** means the *First Nations Fiscal Management Act*, S.C. 2005, c. 9 as amended or replaced from time to time;
- (u) **“Fiscal Year”** means the period beginning on January 1 and ending December 31 of each calendar year;
- (v) **“Income Tax Act”** means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Suppl.), as amended or replaced from time to time;
- (w) **“Indian Act”** means the *Indian Act*, R.S.C. 1985, c. I-5, as amended or replaced from time to time;
- (x) **“Investment Consultant”** means a person with a Chartered Financial Analyst designation that is not engaged in the sale of securities or investment products, who may be retained by the Council to provide independent financial advice to the Council and Trustee on the development of the Investment Policy, the selection, monitoring, and evaluation of Investment Managers and portfolio performance;
- (y) **“Investment Management Agreement”** means an agreement between the Trustee and an Investment Manager which sets out the delegated powers, authority, and obligations of the Investment Manager with respect to the investment of the Trust Property;
- (z) **“Investment Manager”** means a firm which is duly registered to conduct business in Canada, that has obtained registration with a provincial securities commission as a portfolio manager, or as the term is amended from time to time, under and pursuant to section 7.2(1) of National Instrument 31-103, Registration Requirements and Exemptions, as amended from time to time, and whose revenue is derived from the discretionary management of investment portfolios;
- (aa) **“Investment Policy”** means a Statement of Investment Policies and Procedures which sets out the policy, objectives and framework for the investment of Trust Property in Authorized Investments and includes such matters as the performance objectives of Investment Managers, risk tolerance, asset allocation limits, permitted categories of investments, and any restrictions on the quantity and quality of investments;



- (bb) **“Little Red River Cree Nation Financial Administration Law”** means a law enacted by the First Nation pursuant to section 83 of the *Indian Act* or section 9 of the *First Nations Fiscal Management Act* to govern the management and expenditure of monies deposited in the Revenue Account;
- (cc) **“LRRCN Adult”** means a Member who was at least 18 years of age and alive on the Ratification Date;
- (dd) **“LRRCN Minor”** means a Member who was less than 18 years of age and alive on the Ratification Date;
- (ee) **“Member”** means an individual who is registered or entitled to be registered on the Membership List for the First Nation;
- (ff) **“Membership List”** means those persons registered or entitled to be registered on the membership list of the First Nation maintained by the Department of Indigenous and Northern Affairs Canada or by the First Nation if it has assumed control of its membership list pursuant to section 10 of the *Indian Act*;
- (gg) **“Party”** means the First Nation or the Trustee as the context requires and **“Parties”** means both of them;
- (hh) **“Quorum”** means a majority of the members of the Council;
- (ii) **“Ratification Date”** means the date when the Settlement Agreement and this Agreement were ratified and approved by the Electors of the First Nation;
- (jj) **“Revenue Account”** means an account to be established by the Council in a Financial Institution at a branch situated on an Indian reserve and governed by the *Little Red River Cree Nation Financial Administration Law*;
- (kk) **“Secondary Income”** means income derived from the investment of any Annual Income that is retained within the Trust in any Fiscal Year;
- (ll) **“Settlement Agreement”** means the *Little Red River Cree Nation Treaty 8 Agricultural Benefits Specific Claim Settlement Agreement* between Her Majesty the Queen in Right of Canada and the First Nation, whereby Compensation is to be paid by Canada to the Trust for the long-term use and benefit of the First Nation;
- (mm) **“Trust”** means the Trust created by this Agreement;
- (nn) **“Trust Account”** means the trust account established and maintained by the Trustee in accordance with the terms of this Agreement;
- (oo) **“Trust Property”** means all monies or property paid, donated, sold or otherwise transferred, caused to be transferred to, vested or caused to be vested by or on behalf of the Beneficiary and accepted by the Trustee for deposit in the Trust Account from time to time, together with all Authorized Investments, accretions thereto, and all income derived from such investments, but for greater certainty the Trust Property does not



include any monies that have been distributed to the Revenue Account or Distribution Account, any Authorized Loan Payments paid on behalf of the First Nation by the Trustee in accordance with the terms of this Agreement, or any other distributions properly made under this Agreement or as permitted by law;

- (pp) **“Trustee”** means initially the [Trust Company], and thereafter, any Financial Institution or company which is authorized to carry on business as a trustee in the Province of Alberta and which is from time to time appointed subsequently or in substitution for the Trustee in accordance with the terms of this Agreement;
- (qq) **“Trustee Act”** means the *Trustee Act*, R.S.A. 2000, c. T-8 as amended; and
- (rr) **“Trustee Services Agreement”** means an agreement between the Trustee and the First Nation setting out the terms of appointment of the Trustee, remuneration, and any additional or ancillary responsibilities of the Trustee that are not otherwise specified in this Agreement.

Article 2 – Creation of the Trust and Trust Account

- 2.1 The First Nation, as the Settlor of the Trust, has established this Trust and any monies deposited to the Trust Account are deemed to be contributed by the First Nation.
- 2.2 The First Nation appoints the Trustee, and the Trustee accepts such appointment, to hold the Trust Property in trust for the long-term use and benefit of the Beneficiary in accordance with this Agreement.
- 2.3 All legal right, title, and interest in and to the Trust Property shall vest in the Trustee and there shall be no power of appointment, revocation, amendment or variation, except in accordance with the terms of this Agreement or as permitted by a court of law.
- 2.4 All beneficial right, title, interest and benefit in and to the Trust Property shall vest in the Beneficiary.
- 2.5 Upon execution of this Agreement, the Trustee shall open the Trust Account in a Financial Institution for the deposit of the Compensation and any other monies to the Trust by or on behalf of the First Nation.
- 2.6 The First Nation authorizes and irrevocably directs Canada to deposit the Compensation payable to the First Nation to the Trust Account.
- 2.7 The Trustee acknowledges that the Compensation and other monies may, from time to time, be deposited by or on behalf of the First Nation to the Trust Account. Any monies deposited or transferred to the Trust Account are deemed to be contributed by or on behalf of the First Nation and such monies shall be added to the Trust Property and governed by the terms of this Agreement.

Article 3 – Protection and Use of the Trust Property

- 3.1 The Trustee shall protect and manage the Trust Property for the long-term use and benefit of the

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Beneficiary. The Trust Property cannot be expended, released, distributed or advanced except as otherwise provided in this Agreement.

- 3.2 Except as expressly provided in this Agreement, the Trustee shall not:
- (a) allow any encroachment, lend, release, distribute or advance any part of the Trust Property;
 - (b) allow or cause the Trust Property to be used as security or collateral for any loan, mortgage, pledge, security interest or any other charge; or
 - (c) to the extent permitted by law, allow or cause the Trust Property to be subject to attachment, seizure, distress or execution or any other process for the enforcement of a claim against the First Nation or any of its Members.
- 3.3 The Trust Property shall only be used or distributed by the Trustee for the following purposes:
- (a) *Distribution to Little Red River Cree Nation Members*: the First Nation authorizes and irrevocably directs the Trustee to transfer from the Trust Account to the Distribution Account those amounts necessary to enable the First Nation to make the Distribution to Members, subject to and in accordance with Article 4 of this Agreement;
 - (b) *Investment of Trust Property*: to purchase Authorized Investments, subject to and in accordance with Article 5 of this Agreement;
 - (c) *Annual Payments*: to make the Annual Payment in each Fiscal Year, subject to and in accordance with Article 6 of this Agreement;
 - (d) *Authorized Loans and Authorized Loan Payments*: to enter into Authorized Loans and make Authorized Loan Payments on behalf of the First Nation, subject to and in accordance with Article 7 of this Agreement; and
 - (e) *Authorized Expenses*: to pay Authorized Expenses and Settlement Costs, subject to and in accordance with Article 8 of this Agreement.

Article 4 – Distribution to Little Red River Cree Nation Members

- 4.1 Within five (5) days of the Compensation Date or as soon as practicable, the Council shall provide the Trustee with a Council Resolution setting out the list of Members alive on the Ratification Date, and the timeframes, rules and procedures as may be established by the Council for the Distribution. The Trustee is irrevocably authorized and directed to transfer from the Trust Account to the Distribution Account such amount as necessary to enable the First Nation to make the Distribution to LRRCN Adults under Article 4.2.
- 4.2 *Distribution to LRRCN Adults*: Each LRRCN Adult shall be entitled to receive a one-time lump sum payment of twenty thousand dollars (\$20,000).
- 4.3 *Distribution to LRRCN Minors*: Upon receipt of a Council Resolution or other evidence confirming that a LRRCN Minor who was alive on the Ratification Date has reached the age of eighteen (18)

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years old, the Trustee is irrevocably authorized and directed to pay each LRRCN Minor a one-time lump sum payment of twenty thousand dollars (\$20,00) plus accrued interest of 4% compounded annually from the Compensation Date.

- 4.4 Six (6) months after the transfer of monies from the Trust Account to the Distribution Account under this Article, the Council shall direct that any funds remaining in the Distribution Account be transferred into the Trust Account as a contribution to the Trust. The Trustee shall not be responsible for ensuring or monitoring Council's compliance with this Article.
- 4.5 Upon receipt of a Council Resolution or other evidence confirming that a Member who was alive on the Ratification Date did not receive payment of the Distribution, the Trustee is authorized and directed to pay from Trust Property any unpaid Distribution owing to such Member.
- 4.6 Upon receipt of a Council Resolution or other evidence confirming that a Member who was alive on the Ratification Date has died but did not receive a Distribution, the Trustee is authorized and directed to pay any unpaid Distribution owing to such Member from Trust Property to any assignee of such Distribution or the estate of that Member.
- 4.7 For greater certainty, the Trustee is entitled to rely on the lists of Members provided by the Council for the purposes of transferring monies from the Trust Account to the Distribution Account to enable the First Nation to make the Distributions.

Article 5 – Investment of Trust Property

- 5.1 Subject to the terms of this Article, the Trustee shall have the right and power to use Trust Property to purchase and sell Authorized Investments providing such are permitted by this Agreement, the Investment Policy and the principles governing the prudent investment of Trust Property as set out in the *Trustee Act*. The Trustee may, pending the investment of any Trust Property, deposit or invest any Trust Property, for a time that is reasonable in the circumstances, in any Financial Institution notwithstanding that the Trustee or Trustee's agent or advisor may benefit therefrom and, in particular, it shall not be improper for the Trustee to deposit or invest the Trust Property in its trust company or its affiliated, subsidiary holding or related companies.
- 5.2 The Council shall approve and may amend, from time to time, an Investment Policy upon receipt of advice from an Investment Consultant and/or Investment Manager and the Trustee setting out the policy, objectives and framework for the investment of Trust Property in Authorized Investments providing that such Investment Policy is consistent with this Agreement and the principles governing the prudent investment of the Trust Property as set out in the *Trustee Act*. The Investment Policy, and any amendments thereto, must be accepted by the Trustee.
- 5.3 The Trustee may invest in the securities, shares, obligations or other interests of (including any form of property offered for purchase as an investment by) the Trustee, or an agent of or advisor to the Trustee, including the Trustee or any affiliated, subsidiary, holding or related company or companies of the Trustee or any agent or advisor to the Trustee, notwithstanding that the Trustee or the Trustee's agent or advisor, or any one or more of them, may benefit therefrom, and the Trustee shall not be required to account for, or to give up, any such benefit providing that such investment was not contrary to the provisions of this Agreement, the Investment Policy or the principles governing the prudent investment of Trust Property as set out in the *Trustee Act*.



- 5.4 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, on all or a portion of the Trust Property, to one or more Investment Managers approved by the Council pursuant to a Council Resolution, provided that an Investment Management Agreement has first been entered into by the Trustee and the Investment Manager. The authority of the Trustee to delegate in this Article includes the ability of an Investment Manager to (i) sub-delegate such discretionary powers and (ii) invest the assets in any form of Authorized Investments that the Trustee is permitted to invest in under the terms of this Agreement. For greater certainty, an Investment Manager may be affiliated or related to the Trustee and any remuneration paid to an Investment Manager shall not be taken into account in determining the remuneration to be paid to the Trustee.
- 5.5 The Trustee may invest the Trust Property in any form of property, whether producing income or not, located in any jurisdiction of the world (including, for greater certainty, mutual funds, pooled funds, common trust funds, segregated funds, index replicating vehicles, or hedge funds) if the Trustee considers it advisable to do so, notwithstanding that such investments may otherwise be considered a delegation of investment discretion.
- 5.6 Prior to entering into an Investment Management Agreement and at such times as it deems necessary, the Trustee shall review the terms of the Investment Management Agreement to ensure it is consistent with this Agreement, the Investment Policy and the principles governing the prudent investment of the Trust Property as set out in the *Trustee Act*.
- 5.7 The Trustee shall provide, or cause to be provided, statements to the Council on a quarterly basis and on an annual basis, or more frequently if requested by the Council, documenting the market value and performance of the portfolio and confirming that the Authorized Investments comply with the Investment Policy.
- 5.8 The Trustee shall monitor, or cause to be monitored, any Investment Manager retained to ensure that any Authorized Investments that are purchased comply with the Investment Policy. In the event of any material non-compliance, the Trustee shall promptly notify the Council, Investment Consultant, and the Investment Manager so that any necessary remedial action may be taken.
- 5.9 The Trustee or any agent retained by the Trustee shall hold, in accordance with industry standards, custody of the certificates, instruments, documents or other written materials that evidence ownership of any Authorized Investments.
- 5.10 The Trustee shall annually evaluate, or cause to be evaluated, the performance of the Authorized Investments made by the Investment Managers against relevant market indices for portfolios with similar policies, objectives and investment guidelines, and the Trustee shall provide the Council and Investment Consultant with a report of its findings and recommendations, if any, following the completion of such performance evaluation.
- 5.11 Where the First Nation has retained an Investment Consultant, the Trustee shall provide copies of all reports and information referred to in this Article to enable the Investment Consultant to provide independent advice to the Council.

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Article 6 – Annual Payments to the Revenue Account

- 6.1 Notwithstanding anything to the contrary in this Agreement, the Annual Income shall be deemed to be due and payable in its entirety to the Beneficiary as at December 31 of each Fiscal Year and attributed as income to the Beneficiary pursuant to the application of subsection 75(2) of the *Income Tax Act*.
- 6.2 On April 1 or as soon as practicable for every Fiscal Year, the Trustee is authorized and directed to deposit the Annual Payment into the Revenue Account less the amount of all Authorized Loan Payments made by the Trustee in the preceding Fiscal Year.
- 6.3 As soon as practicable following transfer of the Annual Payment to the Revenue Account, the Trustee shall issue a statement to the Beneficiary for the amount of any Annual Income that has not been distributed in that Fiscal Year and such amount shall be attributed as income to the Beneficiary pursuant to subsection 75(2) of the *Income Tax Act*.
- 6.4 For greater certainty, any amount distributed by the Trustee to the Revenue Account in accordance with this Article is no longer Trust Property for the purposes of this Agreement and the Trustee shall be discharged in respect of any such distribution and shall have no obligations with respect to the funds held in or expended from the Revenue Account.

Article 7 – Authorized Loans and Authorized Loan Payments

- 7.1 Subject to the provisions of this Article, the Trustee is authorized to:
- (a) grant a security interest in the Trust Property as collateral with respect to an Authorized Loan, including granting a mortgage, pledge, security interest, guarantee, or charge against all or any portion of the Trust Property;
 - (b) enter into an Authorized Loan as borrower on behalf of the First Nation based on terms and conditions as negotiated by the First Nation; and
 - (c) make Authorized Loan Payments for and on behalf of the First Nation.
- 7.2 Where the Council enters into an Authorized Loan, the Trustee is authorized and irrevocably directed to secure Authorized Loans and make Authorized Loan Payments in accordance with the following terms and procedures:
- (a) the Council shall provide the Trustee with a Council Resolution and attached loan documentation:
 - (i) setting out the amount and repayment term for the Authorized Loan, such repayment term being sufficient to retire the Authorized Loan over a period not exceeding twenty five (25) years; and
 - (ii) authorizing and directing the Trustee to use the Trust Property as collateral, including granting a mortgage, pledge, security interest, guarantee, or charge against all or any portion of the Trust Property to secure the Authorized Loan and to make the Authorized Loan Payments as they become due and payable;



- (b) if any of the information and/or the Council Resolution referred to in Article 7.2(a) does not comply with that Article or Articles 7.2(d) or 7.2(e) or the definitions for Authorized Loan or Authorized Loan Payments, the Trustee shall not grant a security interest in the Trust Property for the Authorized Loan as directed by the Council Resolution and the Trustee shall notify the Council in writing of same with details of any non-compliance;
 - (c) subject to the foregoing, the Trustee is authorized and irrevocably directed to pay any applicable fees for the Authorized Loan and to make Authorized Loan Payments as they become due and payable out of the Trust Property, and the Trustee shall make any such payments until the Authorized Loan has been repaid or until the Trustee is, in a manner consistent with this Agreement, otherwise directed by way of a written agreement between the Council and the Financial Institution to which the Authorized Loan Payments are made;
 - (d) the amount of all Authorized Loan Payments, in aggregate in any Fiscal Year, shall not, at the time of entering into any Authorized Loan, exceed eighty percent (80%) of the projected Annual Payment for the Fiscal Year to be calculated based on the value of the Trust Property at that time but, for greater certainty, once the Trustee has commenced making any Authorized Loan Payments, the Trustee shall continue to make such payments, notwithstanding that the amount of all Authorized Loan Payments may, in aggregate, exceed eighty percent (80%) of the amount of the Annual Payment after any Authorized Loan Payments are made; and
 - (e) the Trustee shall not permit, in any Fiscal Year, the total amount of all outstanding Authorized Loans to exceed, in aggregate, an amount equal to fifty percent (50%) of the market value of the Trust Property as of the date of the Authorized Loan, but, for greater certainty, once an Authorized Loan is approved, the Authorized Loan shall remain in effect, notwithstanding that the amount of all existing Authorized Loans may, in aggregate, exceed fifty percent (50%) of the market value of the Trust Property after the Authorized Loan was approved.
- 7.3 The Trustee shall make Authorized Loan Payments and satisfy any Authorized Loan notwithstanding that the Authorized Loan Payment or Authorized Loan may benefit the Trustee, its agents, affiliates or related entities, persons or corporations.
- 7.4 Upon direction by Council Resolution, the Trustee shall have the authority to purchase risk management derivatives related to any Authorized Loan, to use the Trust Property as collateral with respect to any Authorized Loan, including granting a mortgage, pledge, security interest or charge against all or any portion of the Trust Property and to make the Authorized Loan Payments, and any other payments related to risk management derivatives subject to and in compliance with this Agreement, and to execute and deliver to the applicable Financial Institution all such security and such other documents as may be required in connection with any Authorized Loan.
- 7.5 For greater certainty, the Council may enter into an Authorized Loan to pay for the Distributions to Members and Settlement Costs and the proceeds of such loan shall be deposited to the Trust Account.



Article 8 – Authorized Expenses

- 8.1 The Trustee shall pay all Authorized Expenses, as and when incurred, out of the Trust Property.
- 8.2 The First Nation authorizes and irrevocably directs the Trustee to pay the following Settlement Costs out of Trust Property:
- (a) *INAC Negotiation Loan*: the First Nation acknowledges that the amount of \$573,636 is owed to Canada for Negotiation Costs and shall be deducted from the Compensation to be transferred by Canada into the Trust;
 - (b) *Research and Legal Costs*: research and legal costs incurred by the First Nation to research, submit, and negotiate the settlement of the Claim in such amount to be confirmed in a Council Resolution but not exceeding \$500,000 in total;
 - (c) *Legal, Trust and Ratification Costs*: six (6) payments of 0.5% of the Compensation per annum without interest to Maurice Law Barristers & Solicitors, with the first payment to be made within seven (7) days of the Compensation Date and five (5) payments of one-half percent (0.5%) per annum payable on January 1 of each year following the Compensation Date.
- 8.3 For greater certainty, the Trustee shall be entitled to receive and shall be paid out of the Trust Property the fees, reimbursements and other remuneration provided for in the Trustee Services Agreement, as amended in writing from time to time by the Parties, and the terms of the Trustee Services Agreement shall be valid and binding in all respects to fix the remuneration payable to the Trustee.

Article 9 – Duties of the Trustee

- 9.1 The Trustee shall exercise reasonable care, diligence and skill in performing its duties in the best interests of the Beneficiary.
- 9.2 In order to avoid any adverse tax consequences, the Trustee shall, in each Fiscal Year, distribute the Annual Payment, Distributions paid to Members, Authorized Loan Payments, and Authorized Expenses firstly from any Secondary Income, secondly, from Annual Income, and lastly, from capital.
- 9.3 The Trustee shall, in the execution of all agreements and documents pertaining to the business of the Trust, make it clear that it is doing so in its capacity as Trustee and not in its own capacity and, in so doing, the Trustee shall bind the Trust without rendering itself or the Beneficiary liable.
- 9.4 The Trustee shall maintain adequate records of all transactions affecting the Trust Property and shall provide the Council, its employees or agents, by appointment and in the presence and supervision of the Trustee, with a reasonable opportunity to review all ledgers, registers, documents and recordings of transactions affecting the Trust Property and, subject to reasonable application of privacy and privilege laws and principles and trust accounting principles, the Trustee shall, upon specific written request evidenced by a Council Resolution, provide copies of such records to the Council.



- 9.5 Within one hundred and twenty (120) days of the end of each Fiscal Year, the Trustee shall cause to be prepared financial information in respect of the Trust and the Trust Property for that Fiscal Year and shall provide an annual report to the Council and Investment Consultant on the activities related to the Trust, including:
- (a) the opening and closing market values of the Trust Property;
 - (b) a summary of the deposit activity including additions to capital, net realized capital gains and losses, interest income, dividend income and other investment income;
 - (c) a summary of all distributions, transfers, and payments from the Trust Account;
 - (d) a summary of Authorized Loans and Authorized Loan Payments made on behalf of the First Nation; and
 - (e) a copy of the trust accounting statements in respect of the Trust and Trust Property for that Fiscal Year.
- 9.6 The Council may request that an Auditor be appointed to audit the annual trust accounting statements referred to in Article 9.5, the cost of which shall be allowed as an Authorized Expense.
- 9.7 The Trustee will, upon a minimum of thirty (30) days' notice from the Council, attend up to two (2) community information meetings per year on such dates, times and locations as directed by the Council to review the annual report of the Trustee and to report on the administration of the Trust Property.
- 9.8 If the Trustee must, in its judgment, exercise any discretion on administrative or procedural matters not specifically provided for in this Agreement, the Trustee shall take all reasonable steps to notify and inform the Council before exercising any such discretion if practical to do so.
- 9.9 The Trustee shall within a reasonable time period notify the Council in writing of any material breach of this Agreement of which they become aware.

Article 10 – Powers of the Trustee

- 10.1 Without limiting or derogating from the powers, authorities, discretions and immunities otherwise available to the Trustee, whether under any statute or at law or otherwise, the Trustee shall have and be vested with all the powers and capacities that a natural person would have in the management, investment, supervision and administration of their own properties except as expressly limited by the terms of this Agreement, and as to which its judgment shall be final and conclusive. Without restricting the generality of the foregoing, the Trustee is hereby authorized to exercise the following powers and authorities in its absolute discretion:
- (a) the Trustee must ensure, insofar as it is practicable to do so, that any record evidencing the Trustee's ownership of Authorized Investments also indicates that such investments are held in trust. The Trustee may exercise in person or by proxy all voting privileges upon or in respect of any investment held as part of this Trust;



- (b) the Trustee is authorized to execute and deliver all deeds or instruments for the proper administration and management of the Trust Property and may leave in the custody of any or all of the Trust Property, certificates, instruments, documents or other written materials that evidence Authorized Investments with an agent for safekeeping;
- (c) except as otherwise provided in this Agreement, the Trustee shall have the power to allocate receipts, disbursements, and losses to capital or to income in accordance with trust law principles;
- (d) except as otherwise provided in this Agreement, the Trustee may make any allocation, determination, designation or election required, permitted or contemplated by the *Income Tax Act* with respect to any property, income, expense or other matter of, or pertaining to, the Trust or the Trust Property in the same manner and to the same extent as any person might do. The Trustee may identify and choose the source of income and capital payments, pay income and any portion thereof according to its source and designate the payments as having arisen from a particular source;
- (e) the Trustee may pay from the Trust Property all withholding taxes, income taxes, Goods and Services Tax, and any other charges that the Trust or the Trustee shall be liable to pay which may be levied under the laws of Canada, Alberta, or any other applicable jurisdiction;
- (f) the Trustee, acting reasonably, may retain legal counsel, accountants, financial advisors, or any other expert or professional person respecting the administration of this Trust, but the Trustee shall first notify the Council in writing upon retaining any such persons and incurring any expense for such advice or services;
- (g) the Trustee may institute and defend proceedings at law and shall have the power to arbitrate, defend, enforce, release, or settle any claim by or against the Trust, providing it has first notified the Council in writing;
- (h) the Trustee may deposit Trust Property, including cash, in or with any financial institution affiliated or related to the Trustee, or any agent of or advisor to the Trustee (collectively, "Authorized Affiliates") notwithstanding that any of the Authorized Affiliates may benefit therefrom and shall not be required to account for, or to give up, any such benefit. For greater certainty, it shall not be improper for the Trustee to deposit Trust Property, including cash, in or with the Trustee or its affiliated, subsidiary, holding or related companies, notwithstanding any benefit realized as a result, including retaining a profit in excess of interest paid (if any) on, or fees payable to any affiliated or related companies in respect of, such deposit or custody arrangement;
- (i) the Trustee shall hold the Trust Property or any part thereof at any place or places and may move the Trust Property from place to place inside or outside the Province of Alberta, from time to time;
- (j) the Trustee shall have the power to arrange, when requested by the Council, risk management derivatives related to any Authorized Loan to use the Trust Property as collateral with respect to any Authorized Loan, including granting a mortgage, pledge, security interest or charge against all or any portion of the Trust Property and to make



the Authorized Loan Payments, and any other payments related to risk management derivatives subject to and in compliance with this Agreement, and to execute and deliver to the applicable Financial Institution all such loan agreements, security and such other documents as may be required in connection with any Authorized Loan; and

- (k) the Trustee is authorized to provide to the Financial Institution that is considering providing or has provided any Authorized Loan such information regarding the business and affairs of the Trust as such Financial Institution may request from time to time.

- 10.2 The Trustee may request from the Council such certificates, resolutions, instruments or agreements as may be reasonably necessary for the performance of the Trustee's duties under this Agreement. For greater certainty, the Trustee shall take reasonable measures to confirm the validity of any such document, and it will be sufficient if a document is an original or a true copy of an original, is in a correct form, and appears on its face to have been duly executed by a Quorum of the Council or by any such person designated by the Council to sign or execute the document, and the Trustee is entitled to rely on any such document for the purposes of discharging its obligations under this Agreement. If the Trustee has actual notice that a document may not be valid or it does not appear to be valid on its face, 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 Agreement. The Council has the obligation to inform the Trustee in writing when any changes in signing authorities occur and the Trustee is indemnified if acting on the latest certificate of signing authorities provided by the Council to the Trustee.

Article 11 – Liability of Trustee

- 11.1 Notwithstanding anything to the contrary in this Agreement, the Trustee shall not be responsible to ensure that Canada deposits the Compensation payable to the First Nation to the Trust Account pursuant to the terms of any settlement agreement or court order and the Trustee shall have no responsibility if Canada fails to deposit any such payments as required to the Trust Account. The First Nation agrees that it shall have the sole responsibility to pursue Canada for any defaults in the payment and deposit of Compensation to the Trust Account.
- 11.2 The Trustee shall have no obligation or liability for the actions or performance of the Investment Manager. Specifically, the Trustee shall not be responsible for any losses to the Trust Property arising from the investment of Trust Property in Authorized Investments other than to ensure such investments comply with the Investment Policy.
- 11.3 Provided that the Trustee has complied with its obligations under Article 7 of this Agreement, the Trustee shall not be liable or accountable for any loss or damage to the Trust resulting from any Authorized Loan or the making of any Authorized Loan Payments as directed by the Council.
- 11.4 The Trustee shall have no obligations or liabilities in relation to any funds once they are transferred or paid out of the Trust and cease to be Trust Property. For greater certainty, Authorized Investments shall at all times be deemed to be Trust Property.
- 11.5 The Trustee shall not be liable for losses and damages to the Trust or the Beneficiary provided that the Trustee has at all times complied with the terms of this Agreement, acted honestly, in good faith, and has exercised reasonable skill and prudence in the administration and management of the Trust Property.



- 11.6 The Trustee shall be indemnified and saved harmless out of the Trust Property from and against all claims, liabilities and demands of any kind or nature whatsoever arising from the performance of the Trustee's obligations and duties, providing that a court of law has determined the Trustee has complied with the terms of this Agreement, acted honestly, in good faith, and has exercised reasonable skill and prudence in the administration and management of the Trust Property. Notwithstanding anything to the contrary in this Agreement, the Trustee shall be entitled to be indemnified from the Trust Property, but only to the extent of the amount of the Trust Property at any given time.
- 11.7 In the event that a legal proceeding is commenced against the First Nation, the Council or a member of the Council, Investment Manager, Investment Consultant, legal counsel, or advisor in relation to any obligations or duties under this Trust, that party shall be indemnified and saved harmless out of the Trust Property for the resulting loss from such liability, provided that a court of law determines that such person had at all material times acted honestly and in good faith and exercised reasonable skill and prudence in exercising their duties under this Agreement.

Article 12 – Term, Resignation, Removal and Replacement of the Trustee

- 12.1 Subject to this Article, the term of appointment of the Trustee shall be from the date of execution and continue for five (5) years from the Compensation Date. Where the term of appointment of a Trustee expires, the term shall automatically be extended until such time as the Council extends the Trustee's term in writing or appoints a successor Trustee in accordance with this Article.
- 12.2 The Trustee may resign and cease to act under this Agreement by providing not less than ninety (90) days prior 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 apply to the Alberta Court of Queen's Bench for direction to approve the Trustee's resignation.
- 12.3 Within sixty (60) days of receiving the Trustee's notice of resignation, the Council shall appoint a new trustee and shall provide written directions to the Trustee instructing it to transfer the Trust Property to the new trustee.
- 12.4 The Council may remove the Trustee by Council Resolution and shall provide at least ninety (90) days prior written notice to the Trustee setting out the following information:
- (a) that the Trustee has been removed pursuant to this Article;
 - (b) that a replacement Trustee has been selected, and stating the name and contact information for such replacement Trustee; and
 - (c) the effective date of the removal of the Trustee.
- 12.5 Immediately upon receipt of such notice, the Trustee shall provide a copy of the notice to any Financial Institution that has provided an Authorized Loan and a written acknowledgement by the replacement Trustee that it shall assume all of the obligations of the Trustee under this Agreement.



- 12.6 Prior to serving notice of termination to the Trustee, the Council shall have selected a replacement Trustee.
- 12.7 The resignation or removal of the Trustee does not affect any rights, obligations, liabilities, or responsibilities of the Trustee which accrued prior to the date of resignation or termination of the Trustee.
- 12.8 Upon the resignation or removal of the Trustee or upon termination of the Trust in accordance with Article 14, the Trustee may prepare the necessary documentation for a passing of the accounts by the Alberta Court of Queen's Bench and deliver same to the First Nation within one hundred and twenty (120) days of the date it ceases to act as Trustee.

Article 13 – Amendments

- 13.1 As a general principle, but subject to other specific provisions of this Article, amendments may be made to this Agreement provided that the proposed amendments have been approved by Council Resolution and a majority of Electors who cast ballots in a referendum vote held pursuant to the process set out in any applicable code or bylaw enacted by the First Nation from time to time.
- 13.2 To ensure that the Trust Property is preserved and protected for the long term use and benefit of the Beneficiary, no amendments are permitted to any provisions of this Agreement which would have the effect of allowing any encroachment upon, distribution, or reduction of the Trust Property. For greater certainty, the percentage amount set out in the definition of Annual Payment may be amended provided that it shall not exceed four percent (4%) for the purposes of the calculation set out in that definition.
- 13.3 Notwithstanding any of the foregoing, amendments may be made to this Agreement by Council Resolution to correct an error or other defect in the Agreement, to improve the administrative efficiency of this Agreement, or to minimize any adverse tax implications arising as a result of changes in law. Any such amendments shall be approved by Council Resolution 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 the First Nation, or the purposes of this Trust.
- 13.4 The Investment Policy may be amended, from time to time, in the same manner as set out in Article 5.2.
- 13.5 The Council shall certify in writing by Council Resolution that any amendments made to this Agreement or the Investment Policy have been made in compliance with this Article and the Council shall provide a copy of the amended Trust Agreement or Investment Policy, as the case may be, to the Trustee and Investment Managers forthwith upon approval by Council Resolution.
- 13.6 Any Party to this Agreement may apply to the Alberta Court of Queen's Bench for advice and direction regarding any question relating to the scope and extent of the powers conferred in this Agreement.
- 13.7 For greater certainty, under no circumstances is the termination of this Trust to be considered a permitted amendment to this Agreement.



Article 14 – Duration and Termination of the Trust

- 14.1 Upon receipt of all or any portion of the Compensation in the Trust, this Trust is intended to remain in perpetuity for the long-term use and benefit of the First Nation.
- 14.2 If this Trust is terminated by order of a court for any reason after the Compensation Date, the Trustee shall pay forthwith any outstanding amounts owing for Authorized Expenses and Authorized Loans and shall transfer the remaining balance of the Trust Property to the First Nation, or such other person or trustee as may be designated by Council, to be deposited in a new trust or invested in accordance with a plan proposed by Council, provided that the plan has been ratified by a majority of the Electors who cast ballots in a referendum vote held pursuant to the process set out in any applicable code or bylaw enacted by the First Nation from time to time.
- 14.3 For greater certainty, if this Trust is terminated and the balance of the Trust Property has been transferred to the First Nation or another trust in accordance with Article 14.2, the Trustee shall be discharged in relation to the performance of its duties and shall have no further liability or obligation to ensure that the Trust Property is deposited in a new trust or invested as contemplated herein.

Article 15 – Notices

- 15.1 Any notice, certificate, declaration, or other instrument in writing (collectively a “Written Communication”) to be given or served by a Party to this Agreement to or on the other Party to this Agreement, including any change of address, shall be given or signed in writing by delivering, subject to the provisions hereof, the Written Communication personally, by facsimile, by email, or by forwarding by prepaid registered mail to:

- (a) To the Beneficiary:

Little Red River Cree Nation
PO Box 30
John D'Or Prairie, Alberta T0H 3X0
Attention: Chief and Council
Telephone: (780) 926-5725
Facsimile: (780) 926-2780

- (b) To the Trustee:

[Trust Company]
[address]
[City, Province Postal Code]
Attention:
Telephone: (xxx) xxx-xxxx
Facsimile: (xxx) xxx-xxxx

- 15.2 Any Written Communication under this Agreement will be deemed to have been given or made, and received:



- (a) if delivered personally, or by courier, when receipt of the Written Communication is accepted;
 - (b) if sent by facsimile transmission and if the sender receives confirmation of the transmission, at the start of business on the next business day; or
 - (c) if sent by registered mail prepaid postage, when the postal receipt is acknowledged by the addressee, provided that in the event of an anticipated or actual stopping of postal service registered mail shall not be used.
- 15.3 If the Trustee or Beneficiary change their address or facsimile number, such Party shall provide notice of the change to the others in the manner set out herein.
- 15.4 It is agreed that the Trustee and the Beneficiary will not have to constantly monitor their respective facsimile machines, and need only use reasonable efforts to do so.
- 15.5 Notwithstanding anything to the contrary, the Trustee is not required to act upon any Written Communication until it has received an original of same.
- 15.6 For the purposes of this Article, “business day” means the day on which the Trustee is generally considered open for business at its office for the purposes of notice and, for greater certainty, excludes Saturday, Sunday and statutory holidays.

Article 16 – General

- 16.1 This Agreement represents the entire agreement among the Parties regarding the subject matter hereof and there are no other terms, conditions, or agreements respecting the subject matter of this Agreement other than as specifically stated.
- 16.2 This Agreement will be interpreted and enforced in accordance with the laws of the Province of Alberta and any applicable laws of Canada.
- 16.3 The terms of this Agreement will have priority over any conflicting term in any other agreement in relation to the Trust Property.
- 16.4 No provision of this 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.
- 16.5 This Agreement shall not be assigned by either Party without the prior written consent of the other Party.
- 16.6 The division of this Agreement into articles and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement.
- 16.7 Unless otherwise specified, words importing the singular include the plural and vice versa, and words importing gender include all genders.
- 16.8 All dollar amounts referred to in this Agreement are in lawful money of Canada.



- 16.9 Any reference to a statute, statutory provision or law shall be interpreted as to include all applicable subordinate and superordinate legislation, rules, regulations, orders, directives and any associated legislative or statutory amendments, extensions, modifications, consolidations or re-enactments as promulgated and in force at the time that reference or recourse to, or the interpretation of such statute, statutory provision or law is required or made in connection with this Agreement.
- 16.10 It is intended that all the provisions of this 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 Agreement and all other provisions will remain in full force.
- 16.11 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 Agreement.
- 16.12 Time shall be of the essence in this Agreement.
- 16.13 Where there is a reference to a number of days in this Agreement, unless noted otherwise as being business day(s), it is deemed to be a reference to calendar days and in calculating the number of days the day on which the first event happens is excluded and the day on which the last event happens is included.
- 16.14 This Agreement enures to the benefit of and is binding on the Parties and their respective successors and permitted assigns.
- 16.15 The Trustee can assume the genuineness of all signatures, the legal capacity of all individuals, the authenticity of all documents submitted to them as originals and the conformity to authentic original documents of all documents submitted to them as copies, whether facsimile, photostatic, certified or otherwise.

[Signature Page Follows]



IN WITNESS WHEREOF the Little Red River Cree Nation as represented by its duly elected Chief and Council, for themselves and on behalf of the Little Red River Cree Nation, have executed this Agreement under their respective hands this ___ day of _____, 2018, at _____ in the Province of Alberta.

LITTLE RED RIVER CREE NATION, as represented by its Council

Witness as to the signature of the Chief

Chief Conroy Sewepagaham

Witness as to the signatures of all the Councillors

Councillor Keith Alook

Councillor Delmer D'or

Councillor Henry Grandjambe

Councillor John Laboucan

Councillor Leslie Laboucan

Councillor Steve Ribbonleg

Councillor Alfred Seesequon

Councillor S. Malcolm St. Arnault

Councillor Carmen St. Arnault-Alook

Councillor Willard Tallcree



IN WITNESS WHEREOF the authorized signing officers for and on behalf of [Trust Company] as Trustee for the Little Red River Cree Nation have hereunto set their hands and seals this ____ day of _____, 2018 at the City of _____ in the Province of Alberta.

[TRUST COMPANY], Trustee for the Little Red River Cree Nation Sovereign Wealth Fund

Per: _____

Per: _____

Together we have authority to bind the trust corporation.