

THIS AGREEMENT made as of the 20th day of December, 2005.

AMONG:

**CLIFFORD BASTIEN, JR., KATHERINE CANNON,  
ROBERT CRAFTCHICK, DOREEN DAVIS, PATRICK  
GLASSFORD, DAVIE JOANISSE, PAUL LAMOTHE,  
RANDY MALCOLM, RICHARD ZOHR, KIRBY  
WHITEDUCK, SHERRY KOHOKO, H. JERROW  
LAVALLEY, KAREN LEVESQUE, JAMES J. A. MENESS,  
RICHARD SARAZIN, and GREGORY J. SARAZIN,**

(the "Settlers"),

- and -

**DOREEN DAVIS, DAVIE JOANISSE and  
H. JERROW LAVALLEY**

(the "Trustees").

**WHEREAS**, a Protocol Agreement was entered into on March 25, 2004, and an Addendum to that Agreement was signed on July 30, 2004 (the "Addendum");

**AND WHEREAS**, elections were held pursuant to the Addendum resulting in the election of nine (9) individuals from Algonquin Communities in Ontario who along with the elected Chief and six (6) Councillors of the Algonquins of Pikwàkanagàn First Nation comprise the sixteen (16) Algonquin Negotiation Representatives ("ANR's");

**AND WHEREAS**, the ANR's are charged by the Algonquins of Ontario ("Algonquins") with the duty and responsibility of attempting to negotiate on behalf of the Algonquins a tripartite Treaty ("Treaty") with Canada and Ontario (the "Governments") to resolve all outstanding issues regarding the Aboriginal rights, title, and claims asserted by the Algonquins;

**AND WHEREAS**, it is the intention of the ANR's, as the Settlers of this Trust, to establish a trust to serve as a vehicle to both assume responsibility for outstanding loans already advanced by the Governments to date and to receive further funding from the Governments to be applied to the costs incurred by the ANR's, in their further efforts towards negotiating the Treaty;

**AND WHEREAS**, the ANR's, as Settlers of this Trust, have entered into Terms of Reference dated September 26, 2005 which document is intended to govern the operation and activities of the ANR's in their efforts towards negotiating the Treaty with the Governments;

**AND WHEREAS**, the ANR's wish to settle an irrevocable trust for their benefit, which shall be settled upon receipt by the Trustees of the next funding instalment from the Governments, as applicable, upon the direction of the ANR's;

**AND WHEREAS**, the Trustees acknowledge receipt of such property and have agreed to hold such property and any other property forming part of the Trust Fund (as hereinafter defined) upon the following trusts;

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that, in consideration of the premises and the mutual covenants herein contained, the parties covenant and agree as follows:

### **ARTICLE 1 NAME OF TRUST**

- 1.1 The trust evidenced by this Agreement shall be known as the "**Algonquin Treaty Negotiation Funding Trust**" ("Trust").

### **ARTICLE 2 DEFINITIONS**

- 2.1 In this Agreement, and in any instrument supplementary or ancillary thereto:
- (a) "**Accountant**" means the chartered accountant appointed pursuant to paragraph 3.1(e) of Article 3 of this Agreement;
  - (b) "**Act**" means the *Income Tax Act (Canada)* R.S.C. 1985, c. 1 (5<sup>th</sup> Supp.), as amended from time to time;
  - (c) "**Addendum**" means the Addendum to the Protocol Agreement signed on July 30, 2004;
  - (d) "**Agreement**" means this Trust Agreement and any amendment to it and any instrument supplemental or ancillary to it and any amendment to such instrument;
  - (e) "**Algonquins**" means the Algonquins of Ontario;
  - (f) "**ANR's**" means the Algonquin Negotiation Representatives who are elected as specified in the Addendum and are both the Settlers and the beneficiaries of this Trust;
  - (g) "**Bookkeeper**" means the bookkeeper retained by the ANR's pursuant to paragraph 3.1 (c) of this Agreement;
  - (h) "**Direction of the ANR's**", or "**as directed by the ANR's**" or "**approved by the ANR's**" or "**with the approval of the ANR's**" means agreement reached by them in accordance with paragraphs 18 through 21 of the Terms of Reference;

- (i) **“Canada”** means Her Majesty the Queen in right of Canada, as represented by the Minister of Indian Affairs and Northern Development;
- (j) **“Funding Agreements”** means agreement(s) entered into with the Governments for the purpose of funding the Treaty negotiations;
- (k) **“Governments”** means the Governments of Canada and Ontario;
- (l) **“Ontario”** means Her Majesty the Queen in right of Ontario;
- (m) **“Settlers”** means the ANR’s who are irrevocably settling this Trust for their benefit in their capacity as elected Representatives of the Algonquins of Ontario to be held and disbursed as provided for herein to enable them to carryout their duties in that regard.
- (n) **“Terms of Reference”** means the Terms of Reference dated September 26, 2005, signed by the ANR’s;
- (o) **“Time of Division”** means the earliest of:
  - (i) the date the Algonquins of Ontario enter into the Treaty;
  - (ii) December 31, 2025; or
  - (iii) such other day as the Trustees, as directed by the ANR’s, may at any time by deed appoint;
- (p) **“Treaty”** means the proposed tripartite agreement among the Algonquins, Canada and Ontario in settlement of the Algonquins’ historic claim and long outstanding grievances and in determination of the title, rights and interests in the land and natural resources within the Algonquin territory;
- (q) **“Trust Fund”** means the property settled upon the Trustees by Canada and/or Ontario as directed in writing, together with all amounts accumulated by the Trustees and such additional property, which the Settlers or any other person or corporation may at any time and from time to time, with the approval of the ANR’s and the Trustees, transfer, assign, convey or deliver to the Trustees to be held by them on the trusts hereof, and includes all property, real, personal or mixed, tangible or intangible, into which the same may be converted by the Trustees as directed by the ANR’s, at any time or from time to time, as well as any additions or accretions thereto;
- (r) **“Trustees”** means any and all original, appointed or substituted Trustees and includes, without limitation, a single Trustee;
- (s) **“Workplans and Budgets”** means the Workplans and Budgets approved and submitted by the ANR’s and approved by the Governments from time to time upon which the Governments’ funding is based.

**ARTICLE 3  
ALLOCATION OF TRUST FUND**

3.1 Until the Time of Division

- (a) Until the Time of Division, and subject to the terms of this Agreement, the Trustees shall hold the Trust Fund in trust for the benefit of the ANR's, and shall pay or make payable, or cause to be paid or made payable as prescribed herein, such amount(s) of the capital of the Trust Fund to pay those costs and expenses incurred collectively by the ANR's in accordance with the prescribed Funding Agreements and Workplans and Budgets.
- (b) The Trustees shall direct that payment of all funding instalments from the Governments arising from the Funding Agreements be deposited into a Trust Account maintained at the offices of Blaney, McMurtry LLP or such other account as is deemed appropriate by the Trustees and as directed by the ANR's. Monies to be paid out of such Trust Account to pay those costs and expenses referred to in paragraph 3.1(a) above, shall be paid in accordance with the written authorization of all of the Trustees, which authorization shall be in the form of the Payment Authorization Form attached hereto as Schedule "B" or such other form as is approved by the ANR's.
- (c) The Trustees shall, upon the direction of the ANR's, retain, on behalf of the Trust, the services of an independent and qualified Bookkeeper. The Bookkeeper shall:
  - (i) liaise with Canada and Ontario in respect of the implementation of the Funding Agreements and the Workplans and Budgets and the administrative details associated with the Governments' funding pursuant to the Funding Agreements and the Workplans and Budgets;
  - (ii) review and document all costs and expenses incurred collectively by the ANR's pursuant to the Funding Agreements and the Workplans and Budgets from time to time;
  - (iii) recommend to the Trustees, in writing, payments of those costs and expenses which are in accordance with the Workplans and Budgets, and forward to the Trustees for their execution a duly completed Payment Authorization Form for payment of those costs and expenses in accordance with Schedule "B";
  - (iv) maintain the books and records of the Trust;
  - (v) liaise with and assist the Accountant referred to in paragraph 3.1(e); and
  - (vi) provide quarterly reports to the ANR's detailing the funds received and invested, and the expenditures made out of the Trust.

- (d) The books and records of the Trust shall be available for inspection by the ANR's during normal business hours at the offices of the Bookkeeper;
  - (e) The Trustees shall, upon approval of the ANR's, retain on behalf of the Trust, the services of an independent Accountant. The role of the Accountant shall be to prepare an annual audited financial statement for the Trust for presentation to Canada, Ontario and the ANR's, and to assist the Bookkeeper in implementing the Funding Agreements and the Workplans and Budgets and in satisfying the Governments' requirements for financial statements;
  - (f) The Trustees shall, upon the direction of the ANR's, be entitled to assume, on behalf of the Trust, the aggregate amount of all outstanding loans from Canada and/or Ontario in connection with the negotiation and settlement of the Treaty, as same appears on the books of Algonquins of Pikwàkanagàn First Nation and the Algonquin Nation Negotiation Directorate as at the date of execution of this Agreement. The Trustees shall also, upon the direction of the ANR's without personal liability, further be entitled to pledge the Trust Fund as security for such loan assumption and such further loan funding as may be required and shall execute such documents as are reasonably required for such purpose.
  - (g) In the event that the ANR's are successful in negotiating and settling the terms of the Treaty, the ANR's and Trustees agree that the aggregate of all outstanding loans from Canada and Ontario (constituting both the assumption of the loans referred to in paragraph 3.1(f) above and all further loan funding settled upon the Trustees by Canada and/or Ontario), shall constitute a first charge against any amount to be paid by Canada and/or Ontario on settlement of the Treaty or as otherwise specified in the Funding Agreements and the Treaty.
- 3.2 At the Time of Division, what remains of the Trust Fund shall be paid, upon approval of the ANR's, to Canada and/or Ontario, as the Trustees may agree in writing with Canada and/or Ontario, respectively.

#### **ARTICLE 4 DECISIONS OF TRUSTEES**

- 4.1 Unless otherwise specified, all decisions of the Trustees as permitted by this Agreement in connection with the administration of this Trust shall be made by unanimous consent of the Trustees and shall be binding upon all persons concerned.
- 4.2 All agreements and all other instruments in writing made on behalf and purporting to bind this Trust shall be signed by the Trustees and upon the direction of the ANR's shall be binding upon those persons concerned.

#### **ARTICLE 5 REPLACEMENT AND ADDITIONAL TRUSTEES**

- 5.1 In the event that any Trustee:

- (i) dies;
- (ii) refuses, or becomes unable to act or to continue to act;
- (iii) resigns as a Trustee;
- (iv) is no longer an ANR;
- (v) becomes mentally incapable of managing his/her affairs;
- (vi) is declared bankrupt, insolvent, or mentally incompetent;
- (vii) ceases to be a resident of Canada within the meaning of the Income Tax Act; or
- (viii) becomes a citizen of the United States of America or becomes a resident of the United States of America within the meaning of the Internal Revenue Code (U.S.);
- (ix) for any other reason deemed appropriate and approved by the ANR's;

before the Trust Fund has been fully distributed (hereinafter called the "Retiring Trustee"), such Retiring Trustee shall, immediately upon the happening of such event, cease to be a Trustee hereof and a replacement Trustee(s) shall be appointed who shall be approved by the ANR's which appointment shall be recorded by an instrument in writing, so that there shall at all times be three (3) Trustees of this Trust.

- 5.2 A resignation by a Trustee shall be made by an instrument in writing on notice to the ANR's, and shall be effective from that date.
- 5.3 All instruments in writing relating to the appointment or replacement Trustees shall be attached to this Agreement and shall be sufficient evidence of the facts to which such instruments relate.
- 5.4 At any time and from time to time with the approval of the ANR's any one or more of the Trustees may be removed and replaced with another ANR, provided that at all times there shall be three (3) Trustees of this Trust;
- 5.5 Any ANR pursuant to this Article 5 of this Agreement shall, upon acceptance of such appointment, be vested with the Trust Fund and with all the trusts, powers, authorities, duties and obligations herein contained, along with the continuing Trustee or Trustees without further assignment, transfer or conveyance of any kind or any order of any court or tribunal whatsoever as if such person or trust company were an original party to this Agreement.

**ARTICLE 6  
AMENDMENTS TO AND ACCEPTANCE OF TRUST**

- 6.1 This Trust may be amended, varied or altered in any manner whatsoever from time to time and at any time upon the direction of the ANR's by deed, provided always that no such amendment, variation or alteration shall:
- (a) take effect if it would be regarded as having the effect of revoking this Agreement;
  - (b) change the beneficial entitlement of the ANR's or diminish their potential entitlement hereunder; or
  - (c) amend or delete this Section 6.1 of this Article 6 of this Agreement.
- 6.2 The Trustees, by joining in the execution of this Agreement, signify their acceptance of this Trust and the duties and obligations contained herein.

**ARTICLE 7  
TRUST IRREVOCABLE**

- 7.1 This Trust shall be irrevocable by the Settlers.

**ARTICLE 8  
ENUREMENT AND BINDING**

- 8.1 This Agreement shall enure to the benefit of and be binding on the parties hereto.

**ARTICLE 9  
SCHEDULES "A" and "B"**

- 9.1 The provisions of Schedules "A" and "B" annexed hereto, containing three (3) pages altogether, shall for all purposes form part of and be read as part of this Agreement; provided, however, that if any conflict appears between the provisions of this Agreement itself and Schedules "A" and "B", the provisions of this Agreement shall apply

**ARTICLE 10  
GOVERNING LAW**

- 10.1 Subject to any express provision to the contrary in this Agreement, this Agreement shall be construed and take effect in accordance with the laws of Ontario, the courts of which shall be the forum for the administration thereof.

**ARTICLE 11  
FURTHER ASSURANCES**

- 11.1 Each of the parties agrees to do all such things and execute all such further deeds, instruments, documents, and assurances necessary or desirable to implement the provisions hereof.
- 11.2 Nothing within this Agreement shall be deemed to derogate from or diminish the authority, responsibility and obligations of the ANR's.

**ARTICLE 12  
INTERPRETATION**

12.1 In this Agreement:

(a) Context:

Where the context permits, the singular includes the plural and the masculine includes the feminine and vice versa.

(b) Headings:

The headings in this Agreement are for convenience only and do not form part of this Agreement.

IN WITNESS WHEREOF, this agreement is executed with effect as of and from December 20, 2005.

**SIGNED, SEALED AND DELIVERED**  
in the presence of

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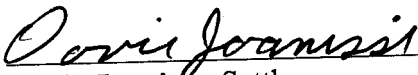
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 ) Doreen Davis  
 ) Doreen Davis, Settlor



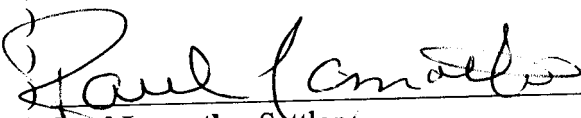
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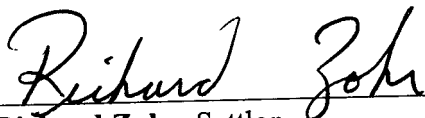
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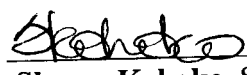
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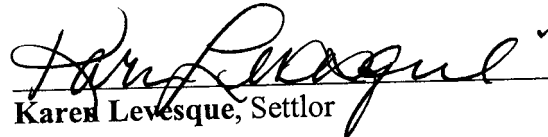
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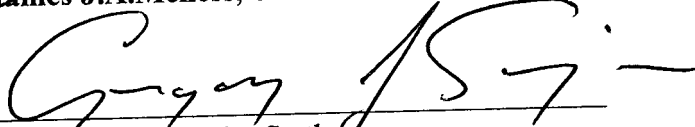
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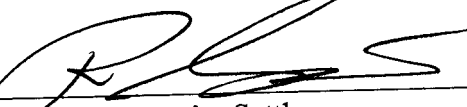
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) Karen Levesque, Settlor

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) **James J.A. Meness, Settlor**

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## SCHEDULE "A"

### 1. ADDITIONAL AUTHORITIES OF THE TRUSTEES

In addition to the authority as prescribed by the Agreement and by law the Trustees shall have all powers conferred by law, the Trustees shall have, in carrying out the administration of this Trust, the power to exercise and perform all acts of legal ownership with respect to the Trust Fund, subject to the terms of the Trust, from time to time and with the same effect as if the Trustees were the absolute owners of the Trust Fund, and such powers shall, without limitation, include the following powers which may be exercised from time to time by the Trustees.

#### (1) Payment Of Debts:

To prevent or withhold distributions of the capital of the Trust Fund, whether such distributions may be directed pursuant to this Agreement, by statute, by any Court, or by operation of law or equity, prior to the repayment or liquidation from the Trust Fund of any debt, note, bond, mortgage, pledge, obligation or other encumbrance or liability incurred by this Trust or by the Trustees in the administration of this Trust.

#### (2) Retaining Agents/Employees:

Upon the direction of the ANR's to employ or retain and pay any agents, managers, bookkeepers, accountants, employees, or other persons, firms or corporations in connection with the administration of this Trust or any asset forming part of the Trust Fund, and to delegate duties and powers to them without liability for such delegation.

#### (3) Retaining Experts:

Upon the direction of the ANR's to obtain and act on the opinion or advice of, or information obtained from, any solicitor, accountant, financial advisor, broker, or other expert and the Trustees shall not be responsible for any loss occasioned by so acting or not acting, as the case may be, without diminution of compensation as Trustees.

#### (4) Instituting/Settling Actions:

Upon the direction of the ANR's to institute, prosecute, defend, compromise and settle any suits or actions or other proceedings affecting the Trustees or the Trust Fund or any part thereof and to submit any matters to arbitration.

#### (5) Operating Accounts:

Upon the direction of the ANR's to open and operate accounts at any bank or trust company in Canada; to deposit any cash balances therein; to draw, make, endorse, deposit, or deal in cheques, bills of exchange, promissory notes, drafts or any other mercantile, commercial or security documents of any nature or kind; to enter into contracts or agreements of any nature or kind with such bank or trust company and, for

such purposes, all of the Trustees may designate, in writing, any Trustee or Trustees or any other person or persons as the signing authority or authorities for any such accounts.

## 2. LIABILITY OF TRUSTEES

### (1) Responsibility:

The Trustees shall not be responsible for the acts or defaults of each other (or any predecessor Trustee), for any error in judgement or mistake of law or for any act of omission or commission which does not amount to actual fraud or which does not constitute wilful misconduct or wilful breach in the administration of this Trust. No Trustee shall be required to take any proceedings, in court or otherwise, against any other Trustee for any breach or alleged breach of trust committed by such other Trustee.

### (2) Exoneration:

The Trustees shall be exonerated from any responsibility or liability for loss or damage occasioned to the Trust Fund through a bona fide exercise by them of any of the powers and discretions authorized by this Agreement or by law.

### (3) Personal Liability:

The Trustees shall not be personally liable for any monies to become due from or arising out of claims against the Trust Fund to the extent specified in this Agreement. The Trustees shall have power to bind the Trust Fund without rendering themselves personally liable.

### (4) Indemnification:

The Trustees (including any individual who has acted as a Trustee) shall be indemnified out of the Trust Fund and saved harmless with respect to all fines, penalties, claims, costs, expenses and other charges which may arise or be incurred in the course of the administration or settlement of this trust.

### (5) Reimbursement Of Expenses:

Subject to the direction of the ANR's the Trustees may be reimbursed for all proper expenses incurred by them in the administration of this Trust and to fix the amount of and pay themselves reasonable compensation out of the Trust Fund for their services in connection with the administration of this Trust from time to time.

SCHEDULE "B"

PAYMENT AUTHORIZATION FORM

TO: (NAME OF PARTY HOLDING THE TRUST ACCOUNT)

RE: Algonquin Treaty Negotiation Funding Trust

This constitutes our approval and your authorization to issue cheques in payment of the following amounts:

This authorization may be executed and delivered by facsimile and such execution and delivery shall be legal and binding as if the facsimile copy contained our original signatures.

This authorization may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

<i>Payee</i>	<i>Amount</i>	<i>Invoices (Date/Number)</i>	<i>Description</i>

TOTAL PAYABLE:

DATED the            day of            , 200 ,

Trustee

Trustee

Trustee

DATED: December 20, 2005

**CLIFFORD BASTIEN, JR., KATHERINE  
CANNON, ROBERT CRAFTCHICK DOREEN  
DAVIS, PATRICK GLASSFORD, DAVIE  
JOANISSE, PAUL LAMOTHE, RANDY  
MALCOLM, RICHARD ZOHR, KIRBY  
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JERROW LAVALLEY, KAREN LEVESQUE,  
JAMES J. A. MENESS, RICHARD SARAZIN,  
and GREGORY J. SARAZIN**

- and -

**DOREEN DAVIS, DAVIE JOANISSE and  
H. JERROW LAVALLEY**

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**TRUST AGREEMENT**

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BLANEY, McMURTRY LLP  
Christopher J. Clapperton  
Barristers & Solicitors  
2 Queen Street East  
Suite 1500  
Toronto, Ontario  
M5C 3G5